

QUEENSLAND ELECTION: WHAT HAPPENS TO THE SUNSHINE STATE'S RENEWABLE ENERGY PROJECTS?

06 December 2017 | Australia
Legal Briefings - By **Claire Meiklejohn**

A second term Palaszczuk Labor government purports to remain committed to renewable energy development in Queensland and is likely to face limited opposition from independent and minor party members, conditional upon renewables assisting in reducing the cost of energy. Uncertainty surrounding the Commonwealth's renewable energy policy remains the largest cloud lingering over the Sunshine State's renewable energy boom.

In the wake of the Queensland election results, it appears likely that the Palaszczuk Labor government will be returned to office by a close margin, either through their own majority or minority with other third parties and independents.

ALP POLICY STANCE

The ALP State platform as campaigned indicated strong support for a continuing renewable energy boom in Queensland, and maintenance of emissions reductions targets. The target of 50% renewable energy by 2030 has been retained, as well as a 50% improvement in the energy efficiency of the commercial building sector.

Particular policy commitments of note in this space include:

- a commitment to invest \$97 million towards solar installation and energy efficient

measures in Queensland State Schools;

- a \$50 million commitment for developing a baseload solar thermal power station;
- continuing the renewables 400 initiative to delivery of 400MW of large scale renewable energy, including 100MW of storage; and
- a \$386 million 'Powering North Queensland Plan' which includes provision for 2,000 MW of renewable energy.

Labor has also committed itself to establishing a new publicly-owned power generation company, 'CleanCo' to deliver 1,000MW of new renewable energy projects by 2025. This initiative will include the restructuring of the two existing generation companies, such that 'CleanCo' only holds low and no emission power generation assets which it is said will assist in reducing consumer electricity prices.

INDEPENDENTS AND MINORITY PARTIES

Neither Katter's Australian Party and Sandy Bolton, the independent for Noosa, are likely to block Labor's commitments so long as a focus on reducing consumer energy costs is maintained. They did not campaign strongly for or against renewable policy. In contrast, One Nation, who are likely to win one or two seats, are largely opposed to renewable energy.

COMMONWEALTH

Accordingly, the most likely handbrake on renewable energy growth in Queensland would arise from uncertainty around the Federal Government's energy policy, particularly the transition away from the Renewable Energy Target to the National Energy Guarantee (**NEG**).

This policy remains largely in the development stage, with the first COAG meeting about the NEG held on 24 November 2017 in Hobart. A majority of State Energy Ministers voted to support further extensive consultation and design of the NEG. South Australia and the Australian Capital Territory sought to have the NEG modelled against a Renewable Energy Target and Emissions Intensity Scheme, but were voted down by other states. Notably, Queensland was not represented at that meeting while the government was in caretaker mode.

IN SHORT

We expect that the Queensland election results should mark 'full steam ahead' for the Sunshine State's renewable energy projects, subject to the Commonwealth's attitude.

KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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