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THE STATE OF QUEENSLAND

# SUMMARY REPORT

## Sandwich Workshop

### The Future of Energy in Queensland

**Thursday 22 August 2019**

12.30pm - 2pm

Gadens, Level 11, 111 Eagle St, Brisbane

#### **Moderator**

**Heidi Cooper**, Adjunct Professor, UQ Energy Initiative

#### **Panellists**

**Andrew Barger**, Policy Director, Economics and Infrastructure, Queensland Resources Council

**Andrew Bills**, Chief Executive Officer, CS Energy

**Warwick King**, Chief Executive Officer, Australia Pacific LNG

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## Workshop Summary

The key theme from the 2019 Queensland Futures Institute *The Future of Energy in Queensland* workshop focused on the state's strong energy and resources sector and the challenges it faces moving forward. The current climate and energy policy environment, in both State and Federal Government, was stressed as a key driver of outcomes across the sector, closely followed by societal pressure to advance the transition to renewables.

The workshop identified Queensland as a national and international leader in exporting energy resources. As such, targeting policy and investment, whilst utilising the social license of business, could further advance this world-leading industry and its changing energy mix of coal, gas and renewables.

### Key comments from Panellists

#### Heidi Cooper, Adjunct Professor, UQ Energy Initiative

- Introduced the panellists and contextualised the discussion to the dynamic policy environment and the future role of energy as a contributor to Queensland's economy
- Queensland is a resource-rich state. In 2018, the resources sector earned \$62.9bn in revenue and provided 316,000 jobs. Over the past 9 years, the sector has contributed \$600bn to the state's economy (roughly the equivalent size of the economy of Hong Kong)
- Growing tensions are emerging in the policy areas of climate and energy, which must be navigated by industry assisted by government

#### Andrew Barger, Policy Director, Economics and Infrastructure, Queensland Resources Council

- The policy environment lacks clarity in long-term direction, due to evolving and shifting energy supplies and the state's diverse production and usage of various resources including coal, gas and aluminium
- There is a trilemma between energy affordability, reliability and emissions, each delivering social and economic impacts for different stakeholders
- Queensland has an abundance of technical and research expertise which must be utilised to continue to grow the sector and the economy
- The energy and resources industry itself consume about 11% of energy produced. The use of new technology, research and development (such as the new Rio Tinto Innovation Hub) will help to further advance the industry
- Industry and government must be proactive in addressing the social elements of the industry
- Queensland is an energy hub and in a prime position to utilise new technologies such as hydrogen and biomass

#### Andrew Bills, Chief Executive Officer, CS Energy

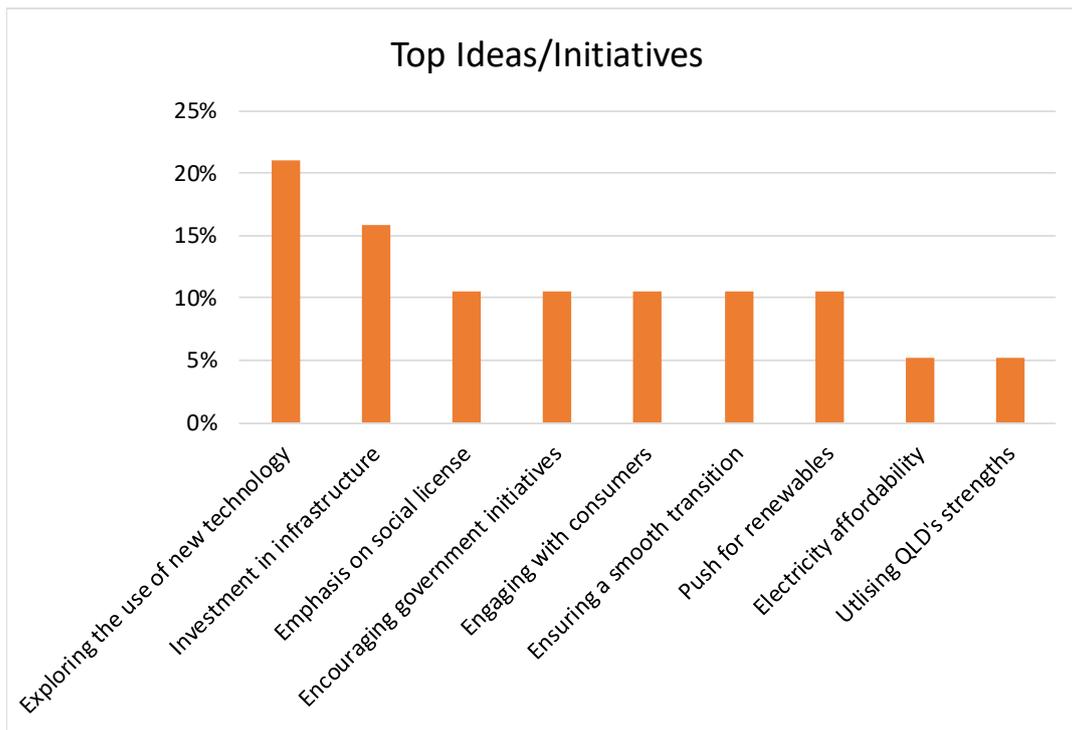
- While policy can only result in visible impacts in the medium-long term, Queensland must make the most of its abundant coal, gas and renewable resources, as coal will have a role to play throughout the transition
- New technologies which allow for more efficient response to peak demand (ramp-up production) are needed throughout the transition to renewables. Such mechanisms are needed due to the volatility in renewable production throughout each day
- Social license is critical for business in order to maintain positive public relations. The social perspective and opinion regarding the industry has become equally important as the financials
- Investment in the energy industry is especially important for transmission infrastructure – the social perspective must also be considered in related investment decisions
- From a consumer perspective, Queensland has had the highest uptake of rooftop solar in the world, with 35% of households using panels. Additionally, the opportunities for retail investment in large-scale renewable generation, and the adoption of new technology such as fuel cells, will deliver a positive impact on retail prices



## Warwick King, Chief Executive Officer, Australia Pacific LNG

- The energy mix is a key consideration especially for foreign investment. APLNG also plays a significant role, producing 1.9 petajoules of energy per day and meeting approximately 30% of the gas demand of the East Coast. APLNG will be making \$2-3bn of investment each year into Queensland over the next decade
- Queensland may remain heavily dependent on coal until 2050 and therefore a rapid transition would be problematic. As such, a long-term plan is needed, with gas being a suitable transition fuel
- During the transition to renewables, gas production will allow for ramp-up generation as needed, but will only be one part of the energy mix
- The industry must utilise social license in order to engage with a variety of social views and policy around the transition

## Summary of Workshop Comments



## Summary of Ideas

- Explore the use of new technologies such as biomass, hydrogen and battery storage to aid the transition towards renewables
- Invest in infrastructure to enable smoother transitions, such as transmission and inertia services in the system.
- Utilise Queensland's existing strengths in the energy and resources industry, alongside government policy and planning to enhance and fortify future planning
- Maintain an emphasis on the social license of generators and government, in order to include the social perspective in decision-making. This includes consideration on electricity reliability and affordability, enabling meaningful consumer engagement and education

The Queensland Futures Institute acknowledges the support of UQ Business School Commerce Honours student, Jordan Ferrari, for his summary of the Workshop.



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