

Queensland Budget 2024-25: A Win for Renewable Energy, Jobs, Investment, and a Win for Queenslanders.

Matt Pollard, Net-Zero Transformation Analyst, CEF

11 June 2024

The Miles Government has delivered its first budget, inclusive with the largest state investment package for renewable energy to-date in Australia. This provides the critical impetus required to crowd tens of billions of private capital into establishing the sunshine state as a renewable energy superpower, and accelerate the development of emerging low-emission industries to safeguard the state's future economic and jobs growth, leveraging the global shift to a decarbonised economy.

The Queensland Government delivered a \$564m surplus in 2023-24, its third consecutive operating surplus, following its record \$13.9bn surplus in 2022-23. A \$2.6bn deficit is forecast for 2024-25, as the Government addresses urgent short-term pressures faced by Queenslanders through, for example, energy bill offset measures, and directs landmark funding to critical infrastructure and industry packages required to position the state as a decarbonised, value-added industry leader for the long term.¹

Big Build

Queensland's record investment in the 2024-25 Budget into its '[Big Build](#)' social and economic infrastructure package is driving capital into decarbonising the state's energy grid, strengthening healthcare, and boosting public transport facilities and services, housing and schools.

It includes \$107.3bn into infrastructure projects over the next 4-years, with \$27.1bn over 2024-25, directly supporting 72,000 jobs, 70% of which are outside of the Greater Brisbane region, driving the development of new industries and economic growth in rural and regional Queensland.

Energy and Jobs Plan

The Budget includes landmark measures under the transformational **Queensland Energy and Jobs Plan** (QEJP), comprising a \$26bn investment over 4-years into new, zero-emissions publicly-owned renewable energy and storage projects and associated infrastructure, including:

- \$16.5bn for renewable energy and storage projects,
- \$8.5bn for transmission infrastructure, including CopperString 2032, SuperGrid and Renewable Energy Zone (REZ) transmission works,

¹ QLD Government, [Budget 2024-25, Budget Paper No.2 - Strategy and Fiscal Outlook](#), 11 June 2024

- \$500m for distributed network storage, including Energy Queensland's Local Network Battery Plan and Local REZ Pilot Projects,
- \$192m for Powerlink to develop Transmission and Training Hubs in Townsville and Gladstone.

The QLD Government's Department of Energy and Climate and QLD's Government Owned Corporations (GOCs) will invest \$8.7bn in 2024-25 into renewable energy generation, storage, transmission and distribution infrastructure, including:²

- \$452m to **CleanCo** - including \$275m to build, own and operate the 250MW/500MWh Swanbank Battery,
- \$1,126m into **CS Energy** - including \$674m to develop the 285 MW Lotus Creek Wind Farm and 228 MW Boulder Creek Wind Farm,
- \$2,683m to **Energy Queensland** - including \$255m to deliver the Local Network Battery Plan across QLD,
- \$1,881m to **Powerlink** - including \$712m into CopperString 2032 and \$109m into SuperGrid Stage 1 projects,
- \$974m to **Queensland Hydro** - including \$936bn to continue progress on the 2GW/48GWh Borumba Pumped Hydro Energy Storage (PHES) Project,
- \$1,568m to **Stanwell** - including \$424m for the 437 MW Tarong West Wind Farm and \$377m for Stage 1 and 2 of the 506 MW Wambo Wind Farm

Coal Royalties Fund Decarbonisation and Critical Infrastructure

Queensland's record investment into clean energy generation, storage and infrastructure is underpinned by Treasurer Cameron Dick's leadership in establishing a progressive coal royalty scheme, delivering economic benefits and security to Queenslanders by returning to QLD a fairer share of the windfall profits the state's coal industry has experienced during a global energy crisis, exacerbated by Putin's invasion of Ukraine.

From 2021-22 to 2023-24, the progressive coal royalty scheme added a staggering \$33bn to Queensland's budget, and is forecast to deliver a further \$20bn over the current budget period, notwithstanding that in 2024-25, Queensland's coal royalties are expected to decline to \$6.2bn, down 41% from 2023-24 as hard coking coal (HCC) prices trend downwards back to medium-term averages.

Cost of Living Support

The QLD Government has delivered \$3.7bn into new and expanded cost-of-living support, including \$2.3bn through the Cheaper Power (Supplementary Appropriation) Bill 2024, delivered via a \$1,000 upfront cost-of-living credit to electricity bills for all households in 2024-25 from the QLD Government, with an additional \$300 energy bill credit from the Federal Government.

Emissions Reduction

Under the Labor Government, Queensland has committed to an ambitious 75% emissions reduction target by 2035, relative to 2005, building on its 30% emissions reduction target by

² QLD Government, [Budget 2024-25, Paper No.3 - Capital Statement](#) , 11 June 2024

2030. This is in support of Australia's national 43% emissions reduction target, and 82% renewable energy target by 2030.

Future Made in Australia

The 2024-25 QLD Budget is a perfect complement to the Federal Government's Future Made in Australia (FMIA), a \$22.7bn policy framework to maximise the economic and industrial benefits of the global shift to a net-zero economy, capturing a greater value-share across cleantech supply chains for the Australian economy.

The core of FMIA is to realign economic incentives with broader national interest objectives, and reform policies that undermine Australia's future climate and low-emission industrialisation. The 2024-25 QLD Budget provides the largest state government package to support the acceleration of renewable energy and consumer energy resources uptake in Australia.

A salient example of a state policy that aligns with the FMIA's ambition is the Miles Government's nation-leading \$570m Battery Industry Strategy, designed to support innovation, commercialisation, and investment across the battery supply chain. The Strategy is estimated to potentially boost economic growth by \$1.3bn by 2030, delivering over 9,000 jobs, massively bolstering regional employment.³

Electricity Decarbonisation is Key

Electricity generation is the largest source of emissions in Queensland, and Australia. The rapid decarbonisation of our electricity demand is critical for Australia to realise its climate ambition, as well as to facilitate the decarbonisation of key future-facing industries i.e. value-added critical mineral and metal refining, to enable our key trading partners to decarbonise their economies, and to enhance and diversify our export markets.

Renewables are steadily rising in their share of energy demand in Queensland. In FY24, renewables account for 28.9% of state energy demand, up from 25.5% in FY23. In order to achieve the QLD Government's ambitious 80% renewables by 2035 target in 2035, renewables must generate 68.7 TWh in 2034-35, up from 15.5 TWh in 2022-23.⁴

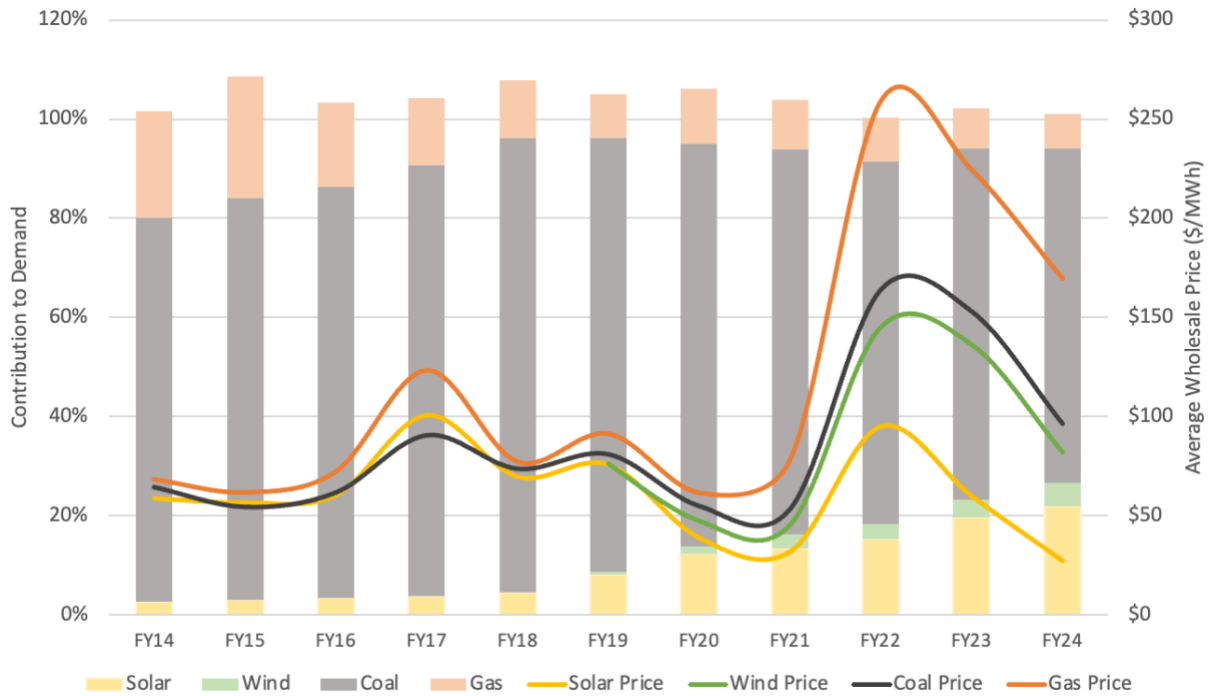
In FY24, average utility-scale solar wholesale prices in Queensland are currently \$32/MWh, 67% lower than average wholesale prices from coal-fired power plants, and 79% cheaper than combined cycle gas turbines (CCGT).

Building firm renewables is a key pillar of diversifying Australia's exposure to global fossil fuel price inflation and volatility, and onshoring energy-intensive industries by delivering low-cost, zero-emissions energy. Renewables that will provide downward pressure on energy bills, an urgent measure to combat the record fossil fuel prices that led to double-digit energy price and tariff inflation.

³ CEF, [QLD Battery Industry Strategy Positions Sunshine State as Cleantech Leader](#), 22 February 2024

⁴ CEF, [Queensland's Energy Transformation: From Coal Colossus to Renewable Energy Superpower](#), 21 February 2024

Figure: Queensland Energy Production and Average Prices



Source: OpenNEM ⁵

Queenslanders received a massive win in September 2022 with the introduction of the QEJP, the transformational \$62bn climate, energy and future industries policy package to transition the state’s over reliance on fossil fuels.

The 2024-25 Budget and its energy and industry package delivered by the Miles Government has cemented the state’s leadership in capturing the benefits of the accelerating national and global energy transition, building on the substantial progress achieved by the former Palaszczuk Government’s in decarbonising industry-intensive regions of Australia, and setting the state up for a thriving future as a zero-emissions trade and investment leader, with bipartisan support for the Clean Economy Pathway, the 75% reduction target for 2035.

⁵ OpenNEM, [Queensland Energy](#), accessed 11 June 2024