



CLIMATE ENERGY FINANCE

STORM CLOUDS FOR QLD'S CLEAN ENERGY LEADERSHIP AS LNP ASSUMES POWER

31 October 2024

The QLD state election last week saw the David Crisafulli-led LNP form a majority government. The sunshine state is now at serious risk of being locked into high-emission fossil fuels to power the state, derailing the crowding-in of tens of billions of renewable energy and green industry capital unlocked by the critical new transmission and grid firming investments made under the previous government.

The Government's [last state budget](#) comprised \$26bn of strategic public investment into renewables and enabling energy transition infrastructure over the coming four years, the largest state investment package to-date in Australia. The measures were a major component to the \$62bn transformational Energy and Jobs Plan, with the budget allocating \$16.5bn into new QLD-owned renewables, and \$8.5bn in new transmission infrastructure, including CopperString 2032.

Backtracking on the LNP's vote to support the legislated 80% by 2035 carbon reduction target, and continuing to push against the renewable energy target of 80% by 2035, incoming Premier Crisafulli has promised to extend the life of coal power clunker Callide B past its scheduled closure date in 2028, declaring [QLD's coal plants will "burn indefinitely"](#).

[Emissions from public electricity](#) are by far the largest component of the state's emissions profile (36.2% in 2022). QLD cannot achieve its 80% emissions reduction target without staying on target to decarbonise the electricity grid at speed and scale. When questioned whether the LNP still backed the legislated 2035 climate target, Crisafulli confirmed that his focus was only on achieving net zero by 2050, ignoring the importance of interim targets for actions this decade, not actions post the Premier's retirement.

The CSIRO's new [State of the Climate 2024](#) report out today notes we have already breached the 1.5°C threshold under the Paris Agreement, with Australia's weather and climate continuing to increase in severity and frequency, with the rising economic costs today of extreme heat events, longer fire seasons, intense rainfall and storms, and sea level rise. The world is seeing the real-time impacts of the climate crisis, with destruction across Spain, the US and Nepal. Addressing the climate crisis requires urgent action this decade, not in 20-years time to sprint to net zero at the last possible moment.

While CEF appreciates the state LNP have not publicly walked back their support for the emissions target, the Coalition's commitment to unwinding the state's current sharing of the windfall profits of coal exports with the private foreign entities is a damaging retreat from the

previous administration's prioritisation of using this to finance solutions to the climate and cost-of-living crisis.

The Smart Energy Council has said Crisafulli's promise is "[coalkeeper on steroids](#)". The LNP has also promised to scrap the planned large-scale pumped hydro project, Pioneer-Burdekin, in QLD.

David Crisafulli has said the LNP will address cost-of-living pressures in QLD by properly maintaining and running the state's coal-fired power stations, whilst simultaneously 'prioritising' cost-of-living measures through investments in natural disaster mitigation and lowering insurance premiums. We are seeing first-hand the devastating effects of climate change, and the massive inflationary pressures it has placed on insurance premiums globally as each year continues to set new records for insurance losses and claims. The LNP's commitments are a direct contradiction to doing what matters for Queensland, both short-term and long-term.

Based on the reverse auction nature of Australia's public electricity system, the National Electricity Market (NEM), generators of each type of technology, including coal, gas, solar, and wind, [set the market price at different times of the day](#). In the June quarter of 2024, now expensive coal set the price for over 40% of the day in Queensland, with an average price of \$81/MWh. In comparison, solar sets the price ~ 15% of the time, averaging **negative** \$491/MWh. Over the same quarter, average wholesale electricity prices for renewables was \$50/MWh in Queensland, 55% cheaper than coal (\$110/MWh), and 69% cheaper than super-expensive gas (\$161/MWh) now we have to pay export price parity and beyond for our own public resources.

It is clear that Queensland's energy inflation is a product of the state's dependence on inflationary fossil fuels. As the LNP have highlighted, Queensland's average energy tariffs are among the highest in the NEM absent the state's \$1,000 energy bill rebate (funded by the coal royalties the coal industry is pushing the LNP to cut). Incidentally, Queensland has the highest penetration of coal in the NEM. Investing into the energy transition is critical to simultaneously addressing the climate and cost-of-living crisis, enabling low-emission industries of the future to be developed in Australia, and decoupling our energy system from the multinational fossil fuel cartel.

Queensland's record investment into the energy transition was 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 of the state's coal export industry. From 2021-22 to 2023-24, the progressive coal royalty scheme added a staggering \$33bn to QLD's budget, and is forecast to deliver a further \$20bn over the current budget period.

Premier Crisafulli has declared his support for reforms to 'free' the state's coal mining industry from the new progressive royalties, taxes and regulations established under the previous Labor governments. However, the Miles Government's [Progressive Coal Royalties Protection \(Keep Them in the Bank\) Act 2024](#), passed in September, means changes to the royalty regime must be done through amendments to legislation.

The return of the LNP Government risks a serious regression to the state's historical capitulation to fossil fuel multinationals who price-gouge Queenslanders via hyperinflated energy bills, ensuring that their massive economic rents remain in pockets as they privately profiteer from the use of the state's sovereign resources. Worst case scenario is this will leave QLD falling behind as the rest of Australia, and the world, continue to accelerate their decarbonisation. We urge the Crisafulli government to embrace the opportunities of lower cost, sustainable energy that underpins our industry and consumers, rather than the short-sighted myopic self-interest of the fossil fuel lobbyists trying to hold back the tide. Qld will pay the clear long term price.