Wednesday, 9 August 2023

Submission – Inquiry into workforce development in Northern Australia – Issues Paper

The Clean Energy Council (CEC) and the Australian Hydrogen Council (AHC) welcome the opportunity to make a submission in response to the Joint Select Committee on Northern Australia (the Committee) on the Issues Paper - Workforce Development in Northern Australia (the Paper).

The CEC is the peak body for the clean energy industry in Australia. We represent and work with more than 1,000 businesses operating in Australia across renewable energy, energy storage, and renewable hydrogen.

AHC is the peak body for the Australian hydrogen industry. AHC connects the hydrogen industry and its stakeholders in building a secure, clean and resilient energy future that sustainably produces and uses hydrogen within the energy mix. AHC's members are from a range of sectors, including energy, transport, consulting, banking and technology.

As the Paper notes, the CEC previously submitted a response to the Committee regarding Northern Australia's potential workforce opportunity through the energy transition. This response was based on preliminary findings from the Net Zero Australia (NZAu) study, which has since published its final modelling results. While these results have lower total job estimates than the preliminary findings, the message for Northern Australia is consistent: the region boasts abundant renewable resources which could play a major role in the emerging renewable hydrogen industry. The region, and particularly Queensland, remains highly attractive even when regional cost modifiers are incorporated into the modelling, reflecting the higher capital costs associated with building in rural and remote Australia.

In this submission, we noted the potential for large-scale clean energy infrastructure buildouts to impact local housing supply. For context, the NZAu E+ Rapid Electrification scenario requires the construction of 850-1,100 GW of utility solar across Northern Australia to decarbonise our energy exports, which would create 124-180 thousand job-years over thirty years. This is orders of magnitude greater than current planning; for example, the Queensland Energy and Jobs Plan aims to build 25 GW of large-scale wind and solar to 2035.

In responding to these concerns, the Paper asks:

(c) What impact have major infrastructure and clean energy projects had on local housing stock?

(i) How have business and industry ensured the employees required for these projects have access to appropriate housing, without this impacting the local housing and rental market?

Phone: +61 3 9929 4100
Fax: +61 3 9929 4101
info@cleanenergycouncil.org.au

Level 20, 180 Lonsdale Street, Melbourne, VIC 3000, Australia

cleanenergycouncil.org.au

ABN: 84 127 102 443

Housing impacts of current projects is not a major consideration for developers and Engineering, Procurement and Construction (EPC) contractors (Tier 1 contractors). This is due to several reasons:

- **Scale –** the largest operational clean energy generation site in Northern Australia is the 180.5 MW Mount Emerald Wind Farm, which employed up to 260 construction workers over a two-year period. While this influx could put pressure on smaller communities, and should be a focus of government, impacts will escalate substantially as renewable developments grow to gigawatt-scale.
- **Responsibility** – the clean energy construction workforce is employed by numerous contractors and sub-contractors. No developer or EPC has responsibility or visibility over the complete workforce. As such, a project's liability for any local housing impacts is diffused. Government may have a more direct role in tracking the total workforce needs of the industry and ensuring that housing is available for organisations to draw on, or by directing developers to invest in local housing for communities as needed.
- **Geography** – clean energy developments will increasingly be sited within identified geographies known as Renewable Energy Zones (REZs) that may include several local government areas. Further to the above, no single developer or EPC working within a REZ has complete visibility or liability for the aggregate housing impacts that may occur within a REZ due to the concurrent development of multiple large-scale projects.

This potential impact of clean energy projects on local housing stock should be understood as a future planning risk to projects, particularly as decarbonisation ambitions accelerate and individual and aggregated developments increase in scale. These risks should properly be managed by relevant authorities in local and state governments, rather than individual developers or EPCs. Potential impacts could be mitigated by sequencing projects within a REZ over the short- to medium-term. This would minimise the workforce impacts of boom-bust construction cycles and reduce the impacts on local housing stock. It would enable relevant authorities to aggregate housing demand and minimise costs associated with provisioning any temporary accommodation required by the construction workforce throughout the development of a REZ.

Yours sincerely,

Dr Anita Talberg
Director, Workforce Development
atalberg@cleanenergycouncil.org.au

Julian McCoy
Senior Policy Officer
jmccoy@cleanenergycouncil.org.au