

Report on a page

In June 2017, the Queensland Government committed to a renewable energy target (the target). To meet the target, 50 per cent of all energy consumed in Queensland must come from renewable sources, such as sunlight, wind, and water, by 2030. The Department of Energy and Public Works (the department) is responsible for managing Queensland's energy policy. We examined the department's management of the transition to renewable energy.

Queensland's renewable energy was around 19 per cent in 2020–21

Rooftop solar is the greatest renewable generation source in the state, but wind and large-scale solar generation are rapidly increasing. The department reports on the growth in renewables but does not publish a clear definition on how the target is calculated.

In the next four years, a number of new renewable projects are planned to start operating. The department estimates this will see Queensland reach around 35 per cent renewable energy in 2025. Queensland's progress will then depend on the progression of future projects in early-stage planning. Growth in rooftop solar and green hydrogen production could help achieve the target.

Government is playing a greater role in the transition

Early renewable energy initiatives encouraged the private sector to deliver the transition to renewable energy. The government's new \$2 billion Queensland Renewable Energy and Hydrogen Jobs Fund will increase its direct role in the transition. Under this fund, government owned energy corporations may significantly increase their development and ownership of renewable energy generation. They may also access the fund to support the development of private sector renewable energy projects.

A new ten-year energy plan is in development

Beyond its 50 per cent target, the department has not yet set out its ambitions for the energy system towards 2030. The government has announced the development of a new ten-year energy plan. This would help inform investors, communicate its overall vision for the transition to renewable energy and provide information on its desired end state.

Network infrastructure must support growth and stability

The transmission network may need upgrades to accommodate increasing renewable generation. There have been limited locations within Queensland with sufficient network conditions for new generation projects. Additional renewable generation has also caused network instability in certain regions.

The government's recently announced Queensland Renewable Energy Zones (in which it plans to invest in infrastructure and encourage new renewable generation projects) will partially address this issue, but further network improvements are likely to be needed to maximise renewable generation.

Drivers for new investment are changing

Increasing renewable generation is contributing to falling average energy prices. While Queensland's total energy demand is forecast to remain stable this decade, government policy and investor demand for decarbonisation may offset the impact of lower prices. Queensland is also competing with other states for renewable energy investment. The department will need to actively monitor and manage these areas.

We recommend the department communicates its overall vision and objectives for the transition and conducts an interim review by 2025 to formally assess its progress and consider further actions needed to achieve the target. We also recommend the department updates its calculation of progress against the target and improves its public reporting on the transition to renewable energy.

