

# **State Development and Public Works Organisation (Particular Works for Borumba Pumped Hydro Energy Storage Project Exploratory Works) Amendment Regulation 2023**

Explanatory notes for SL 2023 No. 99

made under the

*State Development and Public Works Organisation Act 1971*

## **General Outline**

### **Short title**

*State Development and Public Works Organisation (Particular Works for Borumba Pumped Hydro Energy Storage Project Exploratory Works) Amendment Regulation 2023* (the Amendment Regulation).

### **Authorising law**

Sections 99, 100, 108, 109 and 173 of the *State Development and Public Works Organisation Act 1971* (SDPWO Act).

### **Policy objectives and the reasons for them**

On 28 September 2022, the Queensland Government announced the Queensland Energy and Jobs Plan (QEJP). The QEJP outlines the State's pathway to a clean, reliable and affordable energy to provide power for generations, targeting 50 per cent renewable energy by 2030, 70 per cent by 2032 and 80 per cent by 2035.

A significant part of this transition to renewable energy is the development of pumped hydro energy storage (PHES) as the key long-duration 'deep storage' component of the transitioned Queensland energy grid.

The proposed Borumba PHES project is a cornerstone piece of infrastructure to enable the transformation of the energy system. The Queensland Governments plan, under the QEJP, is to deliver the Borumba PHES project by 2030. Queensland Hydro Pty Ltd (Queensland Hydro), a publicly owned proprietary company created to develop state owned PHES infrastructure, is the project proponent.

A program of exploratory works for the Borumba PHES Project is proposed to commence in 2023 and be completed by mid-2025, providing essential geotechnical data to determine feasibility for the project. Establishment of two temporary workers accommodation camps (TWACs) is scheduled to commence from October 2023 to enable the exploratory works.

## **Achievement of policy objectives**

The objective of the Amendment Regulation is to create a new division in the *State Development and Public Works Organisation Regulation 2020* that directs Queensland Hydro to undertake particular works in accordance with sections 99 and 100 of the SDPWO Act and also directs the Coordinator-General to undertake reserved works in accordance with sections 108 and 109 of the SDPWO Act.

The intent is that Queensland Hydro will construct the TWACs and the Coordinator-General will be able to assist facilitation of works to support the TWACs using various powers of the Coordinator-General under the SDPWO Act. These powers include but are not limited to the opening, closing or rearranging of roads.

## **Consistency with policy objectives of authorising law**

The Amendment Regulation is consistent with the primary objectives of the SDPWO Act and amends the *State Development and Public Works Organisation Regulation 2020*.

The Coordinator-General's powers under the SDPWO Act are intended to facilitate large-scale and complex projects while ensuring their environmental and social impacts are properly managed.

The Amendment Regulation is also consistent with Part 6, Division 4 (Undertaking of works by Coordinator-General) of the SDPWO Act. Sections 99 and 100 within Division 4 state that a regulation may direct any local body to undertake works following consideration and approval of the regulation by Governor in Council. Sections 108 and 109 within Division 4 state that a regulation may direct the Coordinator-General or other person to undertake works, following consideration and approval of the regulation by Governor in Council.

## **Inconsistency with policy objectives of other legislation**

The Amendment Regulation is consistent with the policy objectives of other legislation.

## **Alternative ways of achieving policy objectives**

Alternative ways of achieving the policy objectives (including the option of not making subordinate legislation) have not been adopted.

Project works may not be able to be delivered within required timeframes without the use of the Coordinator-General's functions and powers under the SDPWO Act and the Amendment Regulation.

## Benefits and costs of implementation

The proposed Borumba PHES Project is a cornerstone piece of infrastructure under the QEJP to enable the transformation of the Queensland's energy system to renewable energy. The project would be capable of dispatching 2000 megawatts (MW) of stored energy for up to 24 hours. Fully operational, the pumped hydro facility would have the capacity to power up to two million Queensland homes.

The total cost to deliver the Borumba PHES Project is estimated to be \$14.159 billion. The 2023–24 Queensland Budget approved up to \$6 billion in equity funding over the project's construction phase. During construction, project personnel are estimated to peak at over 2000 workers.

The 2023–24 Queensland Budget committed \$183.7 million for Queensland Hydro for exploratory works for the project during 2023–24.

The amendment will facilitate a temporary element (the TWACs) required to progress exploratory works that will provide essential geotechnical data to determine feasibility for the Borumba PHES Project, which is an important renewable energy project intended to assist the State transition to clean, reliable and affordable energy and achieve its renewable energy targets.

## Consistency with fundamental legislative principles

The proposed direction for the Coordinator-General to undertake works, by the making of the Amendment Regulation, is consistent with the principles of good legislation including the fundamental legislative principles. Sufficient regard has been given to the rights and liberties of individuals and the institution of Parliament.

## Consultation

The Office of Best Practice Regulation (OBPR) was consulted under the *Queensland Government Guide to Better Regulation* (the guidelines) to determine if further assessment was required under the regulatory impact analysis system. The OBPR considered the proposal is designed to reduce the burden of regulation and it is reasonably clear there are no significant adverse impacts and advised that no further regulatory impact analysis is required under the guidelines.

Queensland Hydro has consulted with directly and indirectly impacted residents and landholders through a range of private meetings, community workshops, a stakeholder reference group, and publication of project information materials.

Gympie and Somerset Regional Councils have been consulted by Queensland Hydro and have indicated support for the project. The Office of the Coordinator-General will engage with Gympie and Somerset Regional Councils regarding implementation of the works regulation and any potential interface with council assets.