



GLADSTONE REGION

ECONOMIC TRANSITION ROADMAP 2022-32

SUMMARY REPORT

October 2022



ATTRIBUTIONS

Acknowledgement of Country

We wish to acknowledge the Bailai, the Gurang, the Gooreng Gooreng and the Taribelang Bunda people as the traditional custodians of the land to which this report relates. We pay our respects to their Elders, past and present, and offer our solidarity and support to First Nations groups across the country working towards economic sovereignty and justice.

Acknowledgement

This project is an initiative of Gladstone Regional Council and was completed in partnership with The Next Economy.

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This project is an initiative of Gladstone Regional Council and was completed in partnership with The Next Economy. Project funding was provided by the Australian Government.

INTRODUCTION

The Gladstone Region is simultaneously vulnerable to changes in the global energy system and poised to realise a number of opportunities that capitalise on its competitive advantages in the race to net zero emissions. The challenges facing both the region and Gladstone Regional Council stem from the need to manage the shift away from fossil fuels and the impacts associated with new energy industries. Simultaneously, however, Gladstone's existing industrial base and growing availability of low-cost renewable energy means the region is also well placed to expand and diversify its economic base and embrace opportunities such as 'green' manufacturing and hydrogen production.

Change on the scale facing the Gladstone Region and the likely impacts on its economy, workers and the community, makes transition planning and coordination critical for long-term resilience.

In 2021, as per its Operational and Corporate Plans, Gladstone Regional Council initiated a process to create a Gladstone Region Economic Transition 10-Year Roadmap. This initiative has been delivered in partnership with The Next Economy and funded by the Australian Government's Building Better Regions Fund. The purpose of the roadmap is to inform and guide Council on what is required to support the region to successfully adapt to a changing energy sector over the next decade, alongside other levels of government and industry.

This document summarises the roadmap with the full report, outlining the detail on what needs to happen to manage change well, available online at www.gladstone.qld.gov.au and search 'Economic Development'.



ENGAGEMENT PROCESS

In preparing the roadmap, The Next Economy worked with Council to engage more than 200 community and industry stakeholders to gather input into the work that needs to be undertaken across six key themes:

1. Energy Security, Reliability and Affordability
2. Building the Hydrogen Industry
3. Diversifying the Regional Economy

4. Workforce Development
5. Capturing Community Benefits
6. Protecting and Regenerating the Environment

This report summarises the findings for each theme in terms of stakeholder aspirations, the key issues that need to be addressed, and Council's role in managing change over time.

Stakeholder	Engagement Activity	Participants
Community	Council Workshop (for staff and Councillors)	23
	Agnes Water Community Forum (in person)	16
	Gladstone Community Forum (in person)	16
	First Nations Forum (in person)	13
	Workers Forum (in person) Including NRG and QAL workers, AMWU and ETU representatives and the Gladstone Industry Leadership Group	10
	Community Forum (online)	6
	Community Survey (online)	39
	Community Sub-Total	123
Industry	Energy Sector Workshop 1 (online)	24
	Energy Sector Workshop 2 (online)	16
	Hydrogen Workshop (online)	21
	Manufacturing, Heavy Industry, Supply Chain and Logistics Workshop (online)	11
	Education and Training Providers Workshop (online)	11
		Industry Sub-Total
	Total:	206



SIX KEY THEMES - AT A GLANCE



ENERGY

- Pace of change is accelerating
- Ambitious decarbonisation targets and high energy prices are driving change
- Increased emission reduction targets to support renewables' growth
- State Government support in Energy and Jobs Plan
- Stakeholders shared common vision for energy future
- Good management will leave positive economic legacy
- Establishing a Regional Transition Authority would enable better planning and coordination
- Support for decentralised energy generation such as household/community ownership.



HYDROGEN

- Green hydrogen potential as a new energy substitute for LNG, coal, oil and diesel
- QLD and WA leading in hydrogen projects
- Gladstone Region's two hubs preparing for export role
- Industry participants saw hydrogen as key to reaching net zero especially for hard to abate industries
- Some questioned the industry's commercial viability and environmental impact
- Most saw region becoming 'Centre of Hydrogen Excellence'
- State and Federal Government policy and incentives key to develop the green hydrogen industry.



ECONOMIC DIVERSIFICATION

- Decarbonising the economy opens up future manufacturing possibilities
- Region's economic base well placed to expand, diversify
- Sectors with potential to expand include agriculture, health, tourism and waste management
- Small and medium business need support to take advantage of procurement and other opportunities
- Transport and digital infrastructure investments to support diversification
- Community and industry stakeholders proud of industrial heritage.



WORKFORCE DEVELOPMENT

- Worker shortages an obvious challenge
- Current energy workers need support to transition to develop career pathways
- Training for future workforce needs in the region
- Need strategies for more inclusive work opportunities for women, First Nations, young people and older workers
- Develop strategies and incentives to attract workers to the region
- Include workers in workforce planning.



COMMUNITY BENEFITS

- Sharing learnings from past 'booms'
- Housing shortages a major concern
- Access to basic health services and childcare will be vital to attract new families to the region
- Capture financial benefits of energy transition for the region
- Support First Nations aspirations.



ENVIRONMENTAL PROTECTION

- Land clearing a threat to Gladstone Region's ecosystem
- Renewable energy projects to impose further pressure
- Monitoring of water resources will be required to keep waterways/biodiversity healthy
- Careful planning needed to ensure adequate water supply
- Apply circular economy principles to reduce and manage waste.

1. ENERGY SECURITY, RELIABILITY AND AFFORDABILITY

The pace of change in the energy sector has accelerated greatly over the past 12 months, fuelled by a number of factors including more ambitious decarbonisation targets across the world, financial pressures due to rising energy costs and global political instability. While the demand for Australian fossil fuel exports, particularly Liquefied Natural Gas (LNG), has increased due to the Russian invasion of Ukraine, this is unlikely to continue long term due to Europe's decarbonisation efforts, as well as better emission reduction targets from China and India, and recently passed climate bills in the United States and Australia.

A shift to renewable energy will ensure our industries remain competitive by avoiding an international levy on carbon intensive exports.

An increase in Australia's emission reduction target to 43 per cent reductions of greenhouse gas emissions by 2030, a 82 per cent national renewable energy target by 2030 and a recent update to Queensland's target of 70 per cent renewable energy by 2032 will support the further expansion of renewable energy generation.

'State Government support for \$365M Gladstone Grid Reinforcement to connect solar/wind projects'

The Queensland Government is supporting this change across the region with the \$365 million Gladstone Grid Reinforcement to connect solar and wind projects to the grid, which will be delivered by Powerlink as part of the State Government's 10 Year Energy and Jobs Plan.

Stakeholder aspirations

Stakeholders from across the Gladstone Region and industry groups shared a common vision that by 2032, the Gladstone Region will have transitioned its source of energy generation to renewable energy while intensifying its position as an energy superpower. People understand the energy sector is changing and expect that by the end of the next decade, industries across the region will be using renewable energy that is firm with some demand management and storage. This will require unprecedented development as almost all energy needs will be electrified or met by the growing regional hydrogen industry. Participants foresaw the build out of new energy infrastructure and the supporting industries would leave a positive economic legacy if managed well. This rapid expansion includes generating ongoing jobs and boosting local procurement opportunities.

Participants recognised that access to renewable energy will reduce financial pressure on households and businesses overtime, and they supported the then State Government's target of 50 per cent¹ renewable energy generation by 2030. While participants understood that developments would include large scale renewable energy and transmission projects, they expressed strong support for decentralised energy generation through increased household and community ownership of renewable energy generation.

Firming up supply means guaranteeing supply from other sources in the event of poor sun and wind generation.

¹ The Queensland Government has increased its renewable energy generation target since The Next Economy conducted the engagement activities to 60 per cent by 2030 and 70 per cent by 2032.

Key themes to address

Successfully transitioning the Gladstone Region to safe, reliable, and affordable renewable energy requires the following actions:

- Building enough renewable energy, firming, storage, transmission and distribution to reliably and affordably meet current and future needs.
- Constructing and upgrading the infrastructure (eg: transmission, transport) needed to support the renewable energy sector.
- Reducing the impacts of renewable energy developments on land-use by ensuring that planning and development assessment avoids competing interests and generates stakeholder support by consulting, mitigating and compensating for infrastructure impacts.
- Developing and upgrading legislative and regulatory parameters to enable innovations such as microgrids, energy trading, and community owned renewable energy projects to be deployed in the region.
- Undertaking more thorough and holistic planning to develop new policies and regulations to manage both the decline of the fossil fuel industry and expansion of renewable energy developments.
- Addressing a range of financial challenges, particularly the cost of infrastructure, to ensure affordable and equitable access to energy across the region including the technologies that will enable all residents and small businesses to take advantage of these changes.
- Establishing a Regional Transition Authority (supported by State and Federal Governments) to undertake planning that informs effective policies to improve coordination, improve clarity, and mitigate disruptions. The authority would coordinate efforts to successfully transition the region to renewable energy across all levels of government, industry and community, while helping the region to seize a range of economic opportunities.





Role of Council

There are four main ways that Council could contribute to ensuring secure, reliable, and affordable energy for the Gladstone Region across the next 12 months:

1 Leading and advocating for the region

Stakeholders repeatedly noted the importance of Council's role in advocating for the region. Suggestions included:

- Lead and encourage others by establishing targets to increase energy efficiency and reduce emissions across Council operations, such as installing solar or batteries or continuing to replace the existing fleet with electric vehicles.
- Staying abreast of significant changes in the energy sector and proactively putting forward the views of the community to inform State and Federal policies as the energy system changes.
- Advocating for planning and land use assessment legislation that is evidence based and consistent with current needs.
- Advocating to the State and Federal Government for programs and policies that support community owned energy and energy justice outcomes in the region.

2 Attracting new investment to the region

Council could play an important role in securing the region's energy system and making sure it is affordable for local consumers by attracting new resources and investment into the region. This may include collaborating with others to hold investment forums for the energy sector and the industries that service and supply it.

It is important for Council to continue to collaborate with other councils in Central Queensland to learn and share how they are navigating common challenges. This could include work to cooperatively set standards and local expectations for energy projects (eg: guidelines on procurement and community engagement).

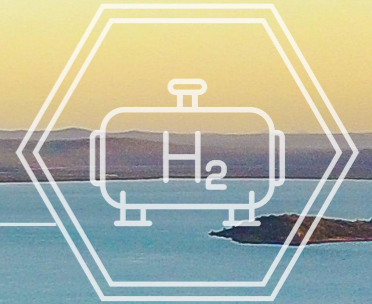
3 Supporting community and businesses

Council is well placed to help households and businesses across the region to benefit from the changes that are coming. Tangible ways Council can do this include raising awareness across the community about the changes that are underway in the energy system and educating communities to understand renewable energy development processes and how they can most productively participate, particularly in planning processes.

4 Ensuring new developments meet community aspirations

Local government can develop guidelines that detail practices and principles they expect developers to adopt when operating in the region. By having established guidelines in place, Council can encourage proponents to operate to the standard expected by the community. This may help proponents understand the strategic vision and aspirations of local communities and how renewable energy developments can contribute to them in positive ways, such as encouraging companies to share the benefits of new developments (e.g.: profits and access to services and infrastructure) in ways that support long term resilience and prosperity across the region.

2. BUILDING THE HYDROGEN INDUSTRY



Green hydrogen will substitute for LNG, coal, oil and diesel in a wide array of energy intensive industries over time. The industries most likely to adopt hydrogen first are hard to abate sectors such as remote power generation, heavy manufacturing (e.g. steel and alumina production), heavy transport as well as production of chemicals such as ammonia.

Queensland is only second to Western Australia in terms of the number of hydrogen developments underway. The Gladstone Region is home to 14 initiatives, including two of the six national hydrogen hub development projects gearing up to meet export demand.

Stakeholder aspirations

Participants envisioned that the hydrogen industry will play a crucial part in the Gladstone Region's ability to achieve net zero emissions while sustaining and expanding energy intensive industries and economic prosperity.

Some participants questioned the 'potential' of the industry, expressing concerns about its commercial viability due to high production costs and potential impacts on the region's energy and water resources. Nevertheless, the majority shared a vision of the Gladstone Region becoming a 'Centre of Hydrogen Excellence' through coordinated efforts to develop resilient local supply chains, production, demand and export capabilities.

Many of the industry stakeholders consulted expect that the hydrogen industry will grow over time by

Vision for region as a 'Centre of Hydrogen Excellence'



developing local capability to first meet domestic demand. This may include expanding the region's industrial capability to use hydrogen in industrial processes, such as making green metal/aluminium locally with hydrogen.

By 2032, the technical aspects of hydrogen storage and transportation will have been resolved, with the construction of common user infrastructure key to building a competitive industry.

Importantly, the industry will have developed responsibly over time, addressing community concerns about the safety and environmental impacts of hydrogen production.

Key themes to address

Breaking into the global hydrogen industry requires access to massive amounts of yet to be built renewable energy and common user infrastructure. Attracting investors requires stable regulatory environments, a high level of coordination, and incentives to build projects that demonstrate how hydrogen can be produced, handled and consumed at regional, domestic, and global scales. The hydrogen industry must attract, train, and develop its workforce as well as overcome public concerns about safety and the industry's social and environmental impacts, especially on water resources. Ensuring Australian hydrogen meets overseas market requirements will require cost reductions and compliance with emissions certification that ensure 'green hydrogen' value chains.

Specific actions identified by industry stakeholders included:

- Develop domestic demand by using hydrogen across a range of local operations, e.g. heavy vehicle fleets.
- Develop the export market by working with Japan, South Korea, The European Union and others to support their ambitions to convert to low emissions hydrogen.
- Ensure sufficient availability of renewable energy to power the hydrogen industry, which Australian

Energy Market Operator (AEMO) predicts that this nearly quadruples National Electricity Market energy consumption by 2050 to support a hydrogen 'superpower' export industry.

- Increase efficiencies and reduce production costs related to installation, electrolyser production, water supply, renewable energy generation and other processes and inputs.
- Invest in the infrastructure needed to develop the hydrogen supply chain including the sustainable provisioning of water through desalination, renewable energy infrastructure, gas and water pipelines, storage facilities, port facilities and waste treatment facilities.
- Build community understanding of the industry, particularly around safety, viability and legacy issues.
- Develop effective policy and legislation and undertake detailed planning. Examples included measures to encourage demand in areas such as transport, trusted certification schemes, and to enable common user infrastructure.

The global hydrogen industry requires access to massive amounts of yet to be built renewable energy and common user infrastructure.





Role of Council

Stakeholders identified three main roles that Council could fulfill in establishing a viable regional hydrogen industry:

1 Planning and assessment

The majority of hydrogen development is taking place in the Gladstone State Development Area (GSDA) and therefore State Government departments are assessing these projects. Notwithstanding, Council can advocate for what the region needs to manage change and should be properly resourced by State and Federal Governments to ensure that it has enough staff and training to:

- Consider and plan for the cumulative impact of the hydrogen industry, rather than assessing the risks of individual projects in isolation.
- Work with other stakeholders to educate the community so that they understand proposed developments and can provide appropriate and timely feedback.
- Collate some of the lessons learned from past experiences of rapid industrial development to identify ways to improve approaches to planning, engagement and infrastructure development.
- Stay abreast of developments and the range of hydrogen initiatives and proposals.
- Set clear expectations of project proponents to help them understand the existing context.

2 Advocacy on behalf of community to ensure good, sustainable development

Council's primary role is to represent the region's interests and ensure the voice of the region is articulated to other levels of government, industry, and investors. Council can play an active role in ensuring the hydrogen industry develops in a way that benefits the Gladstone Region as a whole. This includes activities such as:

- Conducting a program to engage diverse community stakeholders to determine what their concerns and aspirations are for the hydrogen industry. The result of this could be used to develop guides for investors to articulate community expectations around design and operations (including safety), as well as potential benefits to the region.
- Continuing to participate in initiatives such as the CQH2 Technology Cluster, CQH2 Alliance and the Hydrogen Ecosystem to support planning and coordination efforts.
- Engaging with State Government departments to address needs related to common user infrastructure and service upgrades (e.g.: trade waste, roads and sewage development).

3 Testing and demonstrating the advantages of hydrogen

Council could play a role in expanding the domestic demand for hydrogen and demonstrating the safe use of hydrogen by utilising the resource across its operations. This could include negotiating offtake agreements to power heavy vehicles such as trucks, buses and waste collection vehicles.



3. DIVERSIFYING THE REGIONAL ECONOMY



Global efforts to decarbonise the economy has opened up a range of economic opportunities for the Gladstone Region, including the opportunity to expand local manufacturing in a competitive way. The growing demand for renewable energy components and other green products, combined with global supply chain shortages and Gladstone's existing industrial base and growing availability of renewable energy, means the region is well placed to expand and diversify its economic base.

Stakeholder aspirations

Community and industry stakeholders across all engagement activities expressed pride in the Gladstone Region's industrial heritage. Overwhelmingly, participants wanted to see the region continue to be 'a place where things are made and exported to the world' as the economy decarbonised over time.

By 2032, participants wanted to see the Gladstone Region well on its way to becoming a 'showcase of green industry and manufacturing'. This includes manufacturing a wider array of goods to reduce Australia's reliance on imports. In terms of exports, participants see the region as a 'green' exporter of products such as green hydrogen, aluminium, steel, chemicals, cement and lime, electrolysers, batteries and renewable energy components.

'Gladstone - a green industry and manufacturing showcase'

This transformation over the next decade – made possible by the supply of low-cost, low emissions energy – will underpin long-term investment and growth in existing and new energy intensive industries

such as manufacturing, data centres, agriculture and food and fibre production. Stakeholders also wanted to see greater investment in other sectors including construction, professional services, housing, health, education and tourism.



Key themes to address

If managed well, the work of decarbonising existing industries could also lead to the expansion of a range of enterprises across the region, providing a diverse range of opportunities for local employment and services. Addressing the challenges and realising the opportunities associated with economic diversification includes:

- Supporting existing industries to decarbonise so they can remain viable.
- Expanding the local manufacturing base by building on existing infrastructure, skills and inputs and taking advantage of lower energy costs.
- Providing incentives to attract new industries and investment to the region.
- Building the capacity of local businesses to meet the needs of these new industries (e.g. hydrogen, renewable energy generation).
- Developing local infrastructure to meet the needs of emerging industries.

- Exploring innovation in areas like the circular economy, or in creating an eco-industrial centre, such as the Renewable Energy Industry Precinct concept proposed by Beyond Zero Emissions.
- Engaging people currently marginalised from the workforce and attracting workers to live in the region long-term.
- Taking advantage of locally available renewable energy and the need to decarbonise the economy to expand other sectors such as agriculture, tourism, and waste management.

Economic diversification will bring challenges and create opportunities through new industries and investment in the region. For example, innovation in the circular economy or creating jobs for marginalised workers.





Role of Council

Participants identified four main roles Council can play to support the diversification of the regional economy including:

1 Planning

While there is significant planning occurring at a State and Federal level that will impact the region, it is important that Council continues to facilitate processes to develop and update its own planning scheme with the input of community and other key stakeholders. Some of the areas raised by participants for Council's attention included: planning for appropriate areas to be available for development; awareness of what industries require, particularly with regards to new technology; improving the speed of planning approvals; and generally knowing what's coming so Council can be well prepared.

2 Marketing the region

Council can play a role in attracting new projects to the region by strategically marketing the competitive advantages of the Gladstone Region which include the deep-water port, access to state development land, a skilled workforce and openness to innovation.

In collaboration with relevant stakeholders, Council can run awareness campaigns advocating for the region, including:

- Sharing the portfolio of investment opportunities developed by Trade and Investment Queensland with interested investors.
- Work with Gladstone Engineering Alliance (GEA) and Central Queensland Regional Organisation of Councils (CQROC) on local procurement guides.
- In collaboration with Gladstone Area Promotion and Development Ltd (GAPDL), produce a strategic marketing plan and continue to invest resources to promote the Gladstone Region as an attractive place to visit and live, to attract new professionals and workers, and encourage people to stay in the region.

Gladstone Region Liveability

The region lies on the east coast of Queensland, Australia, within a one hour flight of Brisbane.

<https://bit.ly/3fegiWz>



3 Advocacy

Council can advocate to the State Government for high quality infrastructure in the region and for the resources needed to maintain Council assets and responsibilities (eg: roads, bridges and waste management facilities) so they are able to withstand the impact of industrial expansion.

As the region diversifies, Council could also encourage new market entrants to uphold environmental standards and meet community expectations regarding community benefits.

4 Keeping the community informed

Council could play a greater role in preparing the community for changes that come from major projects. In terms of diversifying the economy, this includes raising awareness of the range of economic opportunities that are emerging, likely impacts of new developments and how people can participate and benefit.

Avenues to raise and address community concerns and generate greater awareness could include updates during regular Council forums, dedicated community meetings and online sharing.



4. WORKFORCE DEVELOPMENT



Australia is facing serious worker shortages across a range of economic sectors. This challenge is heightened in the Gladstone Region, given the scale of proposed developments in the renewable energy and manufacturing sectors. Addressing workforce issues will require measures to support existing energy workers to move into the renewable energy sector, as well as attract and train new workers.

Stakeholder aspirations

Participants in engagement activities overwhelmingly agreed that by 2032, the expansion of the renewable energy, hydrogen and manufacturing sectors will ideally result in long-term career opportunities with secure, well-paid positions that offer a range of benefits for existing and future workers.

By 2032, the impacts on the local economy have been well managed as the population expands to meet the needs of industry, creating positive outcomes such as improved local services, and increased cultural diversity and equity. People who have been historically marginalised from the workforce have been properly supported to participate in new industries, seeing record numbers of women, First Nations, young people, people living with disabilities and older workers participating in the workforce.

A place-based approach to training has created multiple world-class facilities with Gladstone positioned as a “centre of excellence for training.”



Key themes to address

Achieving the aspirations expressed by stakeholders will require a careful analysis of the existing workforce and future industry needs, as well as long-term coordination, participatory planning and immediate action. These actions include:

- Identify current and future skills shortages and undertake a thorough skills audit.
- Develop a place-based approach to local workforce training and development, including the development of new structures to support efficient coordination over time (e.g. a Regional Transition Authority).
- Facilitate greater cooperation between State and Federal Governments and regional stakeholders to develop consistent and complementary legal and policy levers; incentives for industry to develop the regional workforce and strategies to capture localised workforce development opportunities presented by Renewable Energy Zone development.
- Support fossil fuel workers to be redeployed to other energy operations, retrain for new careers or retire early. These efforts will be strengthened

by the recent Queensland State Government's announcement of a 'Job Security Guarantee' for workers at Queensland's publicly owned coal-fired power stations.

- Develop a strategy and practical support to enable historically marginalised groups to join the local workforce. This includes increasing the number of apprenticeships and traineeships in the region that target women, First Nations people, young people and older workers.
- Improve services and facilities across the region to attract workers to migrate to the region and minimise reliance on Fly-In Fly-Out (FIFO) workers.
- Strengthen the role of unions to support workers and inform workforce strategies to ensure good conditions and long-term security for workers.
- Invest heavily in education and training support in the region to address skills shortages (including investment in the regional university and developing micro-credentialling), develop local workers, and meet the training needs of small and medium sized enterprises.





Role of Council

Advocacy and planning are the main areas Council can provide support for the region's workforce development. The following actions are viewed as important for Council to either take the lead or be involved in over the next 12 months:

1 Advocacy

There are numerous advocacy roles Council can play in ensuring the region's workforce is developed and sustained for broader social and economic outcomes. These include:

- Articulating what the region's stakeholders expect of development proponents in relation to workforce development, training, procurement and working conditions.
- Advocating for more resources to ensure Council can play its role in working to bring different stakeholders together to coordinate efforts in workforce planning and development. For example, Council is best placed to articulate

the kinds of services and infrastructure that is needed to help attract workers, i.e. through local procurement and employment networks and schemes.

- Advocating to State and Federal Governments to build clear employment pathways for locals and for more inclusive employment and workforce ratios.
- Continuing to liaise with State and Federal Governments, CQUniversity and other training providers, to engage in policy development and national discussions related to workforce development.

2 Planning and strategy

Council has a minor but important role to play in ensuring workforce planning is undertaken well to produce results that have real impact, given its connection to local stakeholders.

Council could co-develop a training and workforce development strategy in collaboration with other regional stakeholders. Specific elements of Council's input to a regional workforce strategy could include building on existing initiatives such as the Connecting Council with Curriculum Program. This program could expand to include topics such as energy and economic transition and hydrogen.

Council could develop a communication strategy with a focus on the region as a good place to live to attract permanent workers. Additional funding could be sought to expand Council's existing marketing materials, for instance videos promoting the region to attract people with the diverse range of skills needed to realise the energy transition.

Other suggestions for how Council could progress workforce development as part of a regional strategy included:

- Work with Federal Government to attract new migrants to the region from interstate and internationally to address skills shortages.
- Identify and facilitate the development of land for training facilities and accommodation.
- Council to adopt strategies to create more inclusive employment opportunities for groups traditionally marginalised from the workforce including women, First Nations people, young people and older workers.

Glad to be in Gladstone A guide to living in the Gladstone Region.

This page provides links to general and local information to assist you to settle into your new home.

<https://bit.ly/3N8M3Nx>



5. CAPTURING COMMUNITY BENEFITS



The rapid expansion of industries in the past, such as, LNG, have generated employment opportunities and wealth for some, but it has also contributed to housing shortages, higher costs of living, pressure on existing services, a deterioration of local infrastructure, and a lack of long-term employment opportunities for locals.

The socio-economic gap between 'the haves and the have-nots' in the region is increasing and tends to worsen during and after periods of rapid industrial expansion. 2021 Census data showed 18.8 per cent of Gladstone regional households are living on less than \$650/week, even though the average median weekly household income is \$1639/week. The widening gap is attributed to the high wages of some workers as well as the increased costs of living, all of which is intensified during boom periods.

At the time of the 2021 Census, the Gladstone Region had considerably cheaper housing and greater housing affordability compared to other regions. However in the 2021-2022 financial year, sale prices have increased 17.37 per cent and rental prices have increased 7.1 per cent. While housing prices now appear to be in decline, more planning is needed to deal with this level of volatility, particularly given the projections of economic growth in new sectors over coming years, as well as projected interest rates rises.

Access to health and other basic services will continue to be a fundamental issue over the next decade and will determine whether families move to and stay in the region as they age. Many participants in engagement activities highlighted a dire need to resource a range of essential local health services including maternity, paediatric, mental health,

Access to aged care, childcare and health services will determine region's future

emergency and imaging services, plus increase the availability of childcare and options for community aged care facilities, which would enable older generations to stay in the region.

Stakeholder aspirations

Participants across the community workshops agreed that everyone within the Gladstone Region should share in the revenues and benefits generated from it being one of the nation's 'industrial engine rooms.' By 2032, participants expect that economic changes brought about by the energy transition should extend beyond just increasing employment opportunities to also improve the region's livability. This includes reductions in the cost of living, improvements to health and wellbeing services and access to affordable housing for all.

Participants emphasised that the benefits from changes extend to everyone, emphasising that First Nations people, fossil fuel workers and traditionally marginalised communities should share more equitably in the opportunities generated by new energy industries. This includes new employment and procurement opportunities, as well as participating in new models such as community owned energy projects.

Everyone should benefit in one of the nation's 'industrial engine rooms'

Key themes to address

The vision to capture community benefits could be achieved by:

- Reinvesting economic windfalls (whether through taxation, royalties or community funds) to improve infrastructure such as roads, as well as augment access to essential services in areas such as health, aged care and childcare.
- Finding ways to develop affordable and accessible housing that can meet the long term needs of residents. For example, companies could invest in high quality modular homes or 'rent to own' programs, or develop mobile tiny homes for transient workers.
- Ensuring social inclusion in employment and procurement opportunities by building the capacity of local enterprises and coordinating regional access to large project contracts.
- Capturing financial benefits for the region in a strategic, transparent, and equitable way. For example, through social infrastructure planning and industry-based community benefit funds.
- Addressing loss of fossil fuel royalty payments during the transition to renewable energy.





Role of Council

Council plays an important role in advocating for community needs.

Suggested actions that Council can either take the lead or be involved in over the next six to 12 months include:

- 1 • Explore ownership models, options and feasibility for the provision of aged care facilities in Gladstone. Decide what models suit the Gladstone Region and promote the business case widely to attract interest from specialised aged care providers.
- Review town planning mechanisms to accommodate and encourage the construction of more affordable housing in the context of long-term housing needs in the community.
- Where possible work with relevant stakeholders to develop a Regional Housing Taskforce for the purpose of planning, overseeing, coordinating and advising on housing supply within the region.
- Develop a Social Infrastructure Plan to clarify local priorities and guide decision making about funding by government and industry.
- Support the Port Curtis Coral Coast Trust to facilitate processes for First Nations groups to create their own 'Local Expectations Guide' for project developers in the Gladstone Region, including benefit sharing preferences.
- Support productive and informed community involvement, negotiation and communication with industry (e.g. increasing access to community and providing training on negotiating skills).

Suggested actions that Council could progress over the next two years include:

- Produce an annual report of the range of community benefits distributed across the Gladstone Region by various industries and companies to acknowledge the contributions they make and keep benefit expectations on the public agenda.
- Develop a community benefit fund that industries contribute to, and communities manage, to develop services and infrastructure across the region.
- Work with regional development organisations and business groups to strategically foster interest and training in community ownership and social enterprise business models.

2 Advocacy

- Council has an important role to play in advocating for better health services, affordable housing and benefits for the community. Suggestions included:
 - Coordinate with Regional Development Australia, local chambers of commerce, industry, health, housing and community service sectors to advocate for better services in a collaborative and strategic way.
 - Develop a joint 'Statement of Community Needs'.
 - Advocate to the State Government for improved health services; particularly the resourcing of maternity, paediatric, psychiatric and mental health services, plus the general recruitment and retention of health professionals.
 - Advocate for the construction of more social / affordable housing and innovative financing models, such as rent-to-own, shared equity models and land trusts.
- Advocate for State and Federal Governments to standardise industry guidelines for corporate profit and benefit sharing, encouraging companies to contribute to the communities they operate in.
- Advocate for legislative anomalies to be resolved to ensure renewable energy proponents effectively engage and compensate First Nations communities (not just Native Title holders) for the impact new energy, transmission and other projects have on land and biodiversity.
- Advocate for adequate financial literacy and financial management support services to be provided for workers, especially where forced redundancies occur, as well as to other residents to address the gap between the 'haves and have-nots'.

6. PROTECTING AND REGENERATING THE ENVIRONMENT



The Gladstone Region's natural vegetation ecosystem consists of mangroves, saltmarsh and dune vegetation, open eucalypt woodlands and forests, vine scrubs and rainforests. Currently, these provide a home to eight critically endangered animals and three critically endangered plants, 23 endangered animals and 11 endangered plants. Land clearing is one of the key threats with 45 per cent of the region cleared. The pressure on land use will be further exacerbated by renewable energy generation and transmission projects requiring an estimated 160,000 to 180,000 hectares of land.

Gladstone has been a fully drought declared region since 2019, highlighting the need for planning and regular water assessments to consider competing uses (including environmental needs) to ensure healthy waterways and biodiversity.

Stakeholder aspirations

Participants in engagement activities envisaged improvements in how the Gladstone Region's diverse environments and natural resources are managed over the next decade. There is substantial support for action to mitigate climate change, assisting ecosystems to adapt, and protecting the Great Barrier Reef along with other precious water resources. Most participants saw a zero-waste future that uses circular economy principles. Participants also emphasised the importance of First Nations traditional knowledge in guiding development, managing resources and biodiversity, mitigating against natural hazards, and rehabilitating industrial sites (such as coal fired power station assets).

'First Nations traditional knowledge will help manage resources and biodiversity, rehabilitate industrial sites'

Domestic resource recovery from many different waste streams is already being undertaken in the region resulting in the diversion of materials such as clean fill, green waste, paper and cardboard, timber, metals, concrete and glass. Council targets include aspirations for zero waste to landfill, increasing the recycling rate by 20 per cent, and reducing carbon dioxide emissions. These goals underpin the 2019 Gladstone Waste Management and Resource Recovery Strategy.

2019 Waste Management and Resource Recovery Strategy.

Council aims to develop a realistic pathway to a zero waste to landfill future, based on the principles of the waste hierarchy.

<https://bit.ly/3NbYUOW>



Key themes to address

A suite of actions generated through the engagement activities would improve the balance between rapidly developing new energy industries and meeting community expectations to protect and restore environmental assets. This could be achieved by adopting a more holistic and comprehensive planning assessment process that better considers, minimises and if required, changes how new developments and industries are built or operated to mitigate negatively impacting land and water assets.

Regenerating and repurposing assets such as disused sites and degraded land or waterways would improve environmental outcomes. Circular economy informed policies and regulations are needed for the transition to renewable energy to have regenerative impacts, such as eliminating waste streams and improving air quality. Making sure progress is made requires improved environmental monitoring and reporting by industry and government. In summary, the priority areas for action include:

- Protecting water quality and supply in an already dry part of Australia.
- Protecting the Great Barrier Reef and marine ecosystems.
- Protecting, remediating and regenerating existing land (includes rehabilitating and repurposing fossil fuel infrastructure, sites and projects and minimising the impact of renewable energy on biodiversity).
- Ensuring changes lead to air quality improvements and emissions reductions.
- Adopting new approaches to reduce waste and impacts including the integration of circular economy approaches.
- Improved environmental monitoring and reporting by industry and government.





Role of Council

The main recommendation relating to the role of Council in protecting and regenerating the environment is primarily to work with other authorities and the State and Federal Government departments to assist in assessment, planning, and monitoring activities.

Suggested actions to commence over the next six to 12 months include:

- Working with the Department of Environment and Sciences (DES); Department of Energy and Public Works; Department of Manufacturing, Regional Development and Water; and the Gladstone Area Water Board to update the Gladstone Regional Water Supply Security Assessment to incorporate the latest industry water demands and potential supply impacts. This needs to include a vision for water security that considers future climate projections.
- Working with the Department of Environment and Science to review and update processes to monitor and mitigate the impacts of new developments on air quality, the Great Barrier Reef, vegetation and management of organic and metal waste in the Gladstone Region.

Suggested actions to commence over the next two years include:

- Setting internal emission reduction targets across Council operations.
- Implementing measures to improve energy efficiency and increase use of renewable energy across Council operations.
- Council involvement in relevant environment groups, community groups and specialist agencies to develop regional 'Renewables and Nature' guidelines and best practice resources that articulate local expectations for new renewable energy and green manufacturing developments.
- Continue to invest in the implementation of the 2019 Gladstone Waste Management and Resource Recovery Strategy.



CONCLUSION

Managing a transitioning energy sector is a complex task, especially given the rapid pace of change. The myriad of stakeholders that need to participate in planning and decision making extend across all sectors of the economy and society. Greater coordination is needed to clarify roles and responsibilities at all scales if the region's industries and businesses are to mitigate negative impacts and capture benefits to support everyone to thrive. While Local, State and Federal Governments have statutory roles to fulfil, there are many strategic policy and regulatory moves they need to make to ensure everyone benefits from changing to a more secure, decarbonised and affordable energy system.

Suggestions for the roles Council can play to strengthen and diversify the regional economy are summarised throughout this report and listed in detail at the end of each chapter of the full report www.gladstone.qld.gov.au/economic-information. These roles typically fit into four categories: (i) leading and advocating for the region's priorities, (ii) attracting new investment to the region, (iii) informing community and local businesses about programs that can support them to take action, and (iv) ensuring new developments and industries meet community expectations and aspirations.

To do this effectively, Council must work collaboratively with industry and other levels of government, not only according to their statutory responsibilities, but to stand up for the needs of the region. This Gladstone Region Economic Transition Roadmap project demonstrates Council's foresight and willingness to play the role of facilitative leader, which has been appreciated by all participating stakeholders.

For more detail, please see the full report at www.gladstone.qld.gov.au/economic-information





www.gladstone.qld.gov.au

