



Hon Steven Miles MP

Deputy Premier

Minister for State Development, Infrastructure,

Local Government and Planning

Minister Assisting the Premier on Olympic and Paralympic Games Infrastructure

1 William Street
Brisbane Queensland 4000
PO Box 15009
City East Queensland 4002
Telephone + 61 3719 7100
Email deputy.premier@ministerial.qld.gov.au
Website www.statedevelopment.qld.gov.au

ABN 65 959 415 158

DECISION NOTICE

I refer to my decision made on 22 December 2021 to exercise my ministerial powers and call in the development application by Waratah Coal Pty Ltd (Waratah Coal) for a 1,400 Megawatt coal-fired power station (the development application).

Please be advised that on 14 December 2023, I decided to refuse the development application under the *Planning Act 2016* (the Planning Act).

Ministerial call in details

Date call in notice given: 22 December 2021

Date of decision: 14 December 2023

Details of decision: **Refuse** the development application for a development permit for:

- Material Change of Use – Public Utility
- Material Change of Use – Environmentally Relevant Activity (ERA's 14, 33, 50, 60 & 63)
- Material Change of Use – Hazardous Chemical Facility

Reasons for decision: See schedule 1 to this Decision Notice

Matters considered

The following matters were considered in making my decision:

- Ministerial Briefing Note (MBN23/854) and attachments, including
 - Planning Assessment Report, prepared by officers of the Department of State Development, Infrastructure, Local Government and Planning (DSDILGP and attachments including a human rights assessment
 - Draft decision notice.

Property details

Street address: 3260 Monklands Road, Alpha, QLD, 4724

Real property description: Lot 2 on SP136836

Application details

Original assessment manager: Barcaldine Regional Council

Date application properly made: 7 February 2020

Level of assessment: Code assessment

Appeal rights

A person may not appeal against the Minister's decision on a call in under the Planning Act.

If you require any further assistance, please email ministerial.callin@dsdilgp.qld.gov.au.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'S. Miles', with a stylized flourish at the end.

STEVEN MILES MP
DEPUTY PREMIER
Minister for State Development, Infrastructure,
Local Government and Planning
Minister Assisting the Premier on
Olympic and Paralympic Games Infrastructure

Schedule 1 - Reasons for decision

Schedule 1

Reasons for decision

The reasons for the decision are:

1. I previously called in, to reassess and redecide, the proposed development comprising three components, being:
 - a. A material change of use for a **Public Utility**, being for a 1,400 MW ultra-supercritical (HELE — High Efficiency, Low Emissions) power station adjacent to the proposed Galilee Coal Project Mine (GCP).
 - b. A material change of use for an **Environmentally Relevant Activity**, being:
 - i. Environmentally Relevant Activity 14 (2)(b) – Electricity Generation
 - ii. Environmentally Relevant Activity 33 – Crushing, Milling, Grinding or Screening Activities
 - iii. Environmentally Relevant Activity 50 (1)(a) – Mineral and Bulk Material Handling
 - iv. Environmentally Relevant Activity 60 (1)(a) – Waste Disposal
 - v. Environmentally Relevant Activity 63 (1)(a)(i) – Sewerage Treatment.
 - c. A material change of use for a **Hazardous Chemical Facility**, being for the storage and use of chemicals where the maximum inventory will exceed 10% of chemical's threshold quantities under the Work Health and Safety Regulation 2011, Schedule 15.

I am informed that:

2. The site is on a freehold rural property known as "Monklands" in the Barcaldine Region and is located to the north-west of Alpha approximately 440km west of Rockhampton and 220km east of Longreach. Monklands is within an area of land identified as the Galilee Basin, which covers nearly 250,000km² of Central Queensland.
3. The site is within the Rural zone under the Jericho Planning Scheme 2006 (superseded planning scheme) being the planning scheme in effect when the development application (DA) was lodged and called in and the Barcaldine Region Planning Scheme 2023 (planning scheme) which has subsequently come into effect for this area. The actual site of the proposed power station comprises natural grazing vegetation and improved pastures.
4. The majority of the surrounding area is sparsely populated and vegetated. The Bimblebox Nature Refuge, (gazetted under the *Nature Conservation (Protected Area) Regulation 1994* of the *Nature Conservation Act 1992*), is 6km to the west of the proposed power station site, but outside the Monklands property boundary.
5. The power station is proposed to be developed in two phases with the first 700 MW power plant commissioned in 2028, the second 700 MW plant would be commissioned in 2033 and the project would have a lifespan of 30 years and close in 2058.

6. The application material indicates that Waratah Coal intend to use 350 MW of the total output for auxiliary load, carbon capture and storage (CCS) compression load and distribution to the GCP. The remaining 1,050 MW is intended to be distributed as follows:
 - a. 60MW to Alpha and Jericho
 - b. 360MW to Bowen Basin Coal mines
 - c. 630MW to Gladstone industrial area or other Galilee Basin coal mines, via the National Electricity Market (NEM).
7. The proposed sequencing would first provide power for construction and the operation of the GCP. The output would then increase over 10 years to provide a connection to Alpha and Jericho and the NEM. The connections to Alpha and Jericho would require further approvals for a new 132kV local distribution powerline and the NEM connection is reliant on a new dual 275 kV transmission line to a substation at Lilyvale, approximately 190km northeast of Alpha.
8. The major inputs required for the power station are coal, water and limestone. According to the application, the fully operational power station (1,400MW output) would require approximately 4 million tonnes of coal per annum and that coal is proposed to be conveyed from the adjacent GCP. The power station will require an estimated 1,374 megalitres (ML) of water per year. Waratah Coal propose to take water from the adjacent GCP, with the application material estimating that mine dewatering will produce 3,740 ML per annum.
9. Other approvals are required for the project to proceed, including an Environmental Authority (EA) under the *Environmental Protection Act 1994* (EP Act) for electricity generation, which has been refused.
10. The power station DA required referral to the State Assessment and Referral Agency (SARA) as a concurrence agency. SARA referral was required for the following triggers:
 - a. Environmentally relevant activities (Assessed against State code 22: Environmentally relevant activities)
 - b. Hazardous chemical facility (Assessed against State code 21: Hazardous chemical facilities).
11. The SARA referral agency response dated 2 November 2023 records that the proposed development complies with the relevant provisions of the State codes in the State Development Assessment Provisions (SDAP) subject to conditions, and accordingly SARA recommended conditions to attach to any approval of the DA.
12. The matters SARA assessed the DA against are limited to the assessment benchmarks in the relevant State codes, and that these assessment benchmarks are limited in the matters they address. Specifically, while State code 22 for Environmentally relevant activities requires consideration of whether the development meets the air quality objectives of the Environmental Protection (Air) Policy 2019, the EP Act and its regulation and policies including the Environmental Protection (Air) Policy 2019 do not set air quality objectives or emissions limits for greenhouse gas emissions.
13. I am not required to consider any referral agency's response. Given the limited matters to be addressed by the SARA response, DSDILGP considered the SARA Response does not impact my consideration of the broader matters I may consider including greenhouse gas (GHG) emissions.

14. The assessment undertaken by the Department of State Development, Infrastructure, Local Government and Planning (DSDILGP) informed the following:

- a. While the proposal may, subject to conditions, comply with relevant parts of the applicable planning schemes, the 2006 and 2023 planning schemes' assessment provisions are not adequate to assess a development of this type and scale and these provisions should only be given limited weight in the assessment of the application.
- b. Due to the location and nature of the proposed development, the Emissions and Hazardous Activities state interest under the State Planning Policy (SPP) is relevant to the assessment of the application as is the Water Quality state interest under the SPP.
- c. The site is within the area covered by the *Central West Regional Plan 2009* (Regional Plan). The Regional Plan:
 - i. Identifies that the Queensland framework for ecologically sustainable decision making has been used to inform principles and policies of the regional plan.
 - ii. The principles included long and short term environmental, economic and social considerations, inter-generational equity, ensuring that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations and ensuring a fair share of resources and opportunity among present generations.
 - iii. States the desired regional outcome for the natural environment seeks that the area, function and value of the region's terrestrial and aquatic natural assets are effectively protected and enhanced and are resilient to climate change.
 - iv. Includes a range of aligned strategies to achieve this desired regional outcome, including a strategy relating to 'Atmosphere and greenhouse gas emissions', which seeks to '*manage the potential impact of climate change and develop a regional approach to minimise greenhouse gas emissions*'.
 - v. Recognises that access to reliable, affordable power supply is necessary to support existing and future growth and development of alternative energy options will help buffer the region against supply disruptions and pricing volatility.
- d. The Queensland Climate Action Plan (QCAP), released in July 2021, outlines the roadmap to reach emissions and renewable targets and create jobs, and sets targets for 30 per cent emissions reductions below 2005 levels by 2030 and net-zero emissions by 2050.
- e. After my decision to call in the application, the Queensland Energy and Jobs Plan (QEJP) was released by the Queensland Government in September 2022 as one of the actions of the QCAP. The QEJP:
 - i. States the long-standing target of 50% renewable energy by 2030 and set a new commitment of 70% renewable energy by 2032, and 80% by 2035.

- ii. Indicates the capacity from coal is shown to steadily reduce over the next 15 years and is not expected to contribute beyond 2037/38. Conversely, the contribution and capacity provided by renewable energy sources will significantly increase over time.
- f. The QEJP sets out actions across three focus areas and associated actions to transform the Queensland energy system.
 - i. Focus area 1 is for a clean energy economy and the plan states that Queensland will deliver clean, reliable, and affordable energy that grows the economy, boosts employment and attracts investment to the state.
 - ii. Actions 1.1, 1.2 and 1.3 relate to building a SuperGrid to connect energy storage and renewables to industry, businesses and consumers across the state, together with a proposal to develop two world-class pumped hydros (being Borumba and Pioneer-Burdekin) and more investment in batteries and storage.
 - iii. Action 1.4 seeks to build more renewable energy and connect an additional 22 Giga Watts (GW) by 2035. The action identifies that the Queensland Government has established three regions for developing Queensland Renewable Energy Zones (QREZ) in Northern, Central and Southern Queensland. These areas have high quality renewable resources, like strong wind and solar, which can be developed in a coordinated way to achieve Queensland's targets.
 - iv. More specifically, this action states that Powerlink will invest in the Central QREZ region with \$365 million for the Gladstone Grid Reinforcement. This investment is considered essential for supporting heavy industries in the region to decarbonise and ensuring more renewable energy can flow into Gladstone.
 - v. Action 1.8 seeks to switch to renewable energy with new targets and states that as Queensland's energy system transforms, the Government can demonstrate leadership and move faster to drive more renewable energy into the system. The QEJP states that to make the Queensland Government ambition clear, the recently tabled Energy (Renewable Transformation and Jobs) Bill 2023 seeks to enshrine the existing 50% renewable energy target by 2030 in law and impose the two above mentioned renewable energy targets being 70% by 2032 and 80 per cent by 2035.
- g. As a signatory to the Paris Agreement, Australia has an obligation to pursue efforts to keep global average temperature rise to below 1.5°C. To achieve these targets, the Australian Government has a Nationally Determined Contribution (NDC) which has resolved to reduce GHG emissions by 43% below 2005 levels by 2030.
- h. Australia's Long Term Emissions Reduction Plan is one of the identified NDCs, used to advance the implementation of the Paris Agreement. This plan sets out how Australia will achieve net-zero emissions by 2050 in a practical, responsible way that will take advantage of new economic opportunities while continuing to serve our traditional export markets. A key point of the plan is 'achieving net-zero by 2050 emissions will require low emissions technology to be deployed at scale across all sectors of the economy' and 'ultra-low emissions electricity generation is central to Australia achieving net-zero emissions by 2050'.

- i. Australia manages a number of domestic policies that support meeting its targets, including the Powering Australia Plan which includes the National Energy Transformation Partnership (the Partnership). The Partnership is a framework for Commonwealth, State and Territory governments to work together on reforms to help transform Australia's energy system to achieve net-zero by 2050. Under the partnership, all governments including all Australian states and territories, have:
 - i. Committed to reach net-zero emissions by 2050 or earlier.
 - ii. Agreed that decarbonised electricity systems are critical to broader energy transformation.

15. The assessment undertaken by DSDILGP also informed the following:

- a. The community consultation resulted in 551 comments being received of which:
 - i. 506 were opposed to the development;
 - ii. 45 supported the development; and
 - iii. 449 were from individuals across Australia, using a generic action@campaignnow email account with either standardised submission wording or a version of the standardised wording.
- b. The community consultation raised a number of issues including concerns about the impact on GHG emissions and the resulting environmental impacts should the power station proceed.
- c. Based on the advice provided by the Department of Energy and Public Works (DEPW), DSDILGP considers the combined cost proposed by Waratah Coal is optimistic and cannot be relied upon as a true estimate of electricity pricing for this project. Therefore, Waratah Coal has failed to demonstrate that the power station will be capable of providing an affordable supply of power in accordance with the QEJP and the regional plan desired regional outcomes.
- d. Further, the application fails to demonstrate compliance with the regional plan as it fails to achieve the overriding intent of the regional plan which seeks the region to grow and change in a sustainable way or satisfy the strategy relating to 'Atmosphere and greenhouse gas emissions', which seeks to 'manage the potential impact of climate change and develop a regional approach to minimise greenhouse gas emissions'.
- e. Waratah Coal has not demonstrated that the project is not reliant on an alternative water source and how, if necessary, an alternative water source could be accessed while maintaining the natural water cycle and ecological health of surrounding water sources, and therefore fails to demonstrate that the proposed coal-fired power station complies with the water quality state interest under the SPP.

16. The EA for the power station was refused on 2 November 2023. The decision on the EA identified:

- a. The power station will emit greenhouse gas emissions through the combustion of 4 million tonnes of coal per annum and the CO₂ emissions of the power station would be 9.427 Mtpa.

- b. In the absence of surety of a carbon neutral proposal, the Department of Environment and Science (DES) considered the power station will contribute to longer-term and cumulative global climate change impacts.
- c. Based on Queensland's 2019 total greenhouse gas emissions, the power station would increase Queensland's emissions output by approximately 5.73% and the power station would impede Queensland's achievement of its renewable energy targets and the national and Queensland commitments to achieve net-zero emissions by 2050.
- d. The project would be the second highest emitter of total scope 1 emissions (being the greenhouse gas emissions that are the emissions released to the atmosphere as a direct result of the activity, or series of activities at a facility level) in comparison with Queensland's existing coal-fired power stations.
- e. The project would sit among the top 100 greenhouse gas emission sources in Australia.

17. Waratah Coal has provided the following information:

- a. In response to an information request to provide details on how the proposed coal-fired power station aligned with Australia's Long-Term Emissions Reduction Plan, Waratah Coal advised it would achieve the targets by:
 - i. Providing net-zero emissions baseload power from the commencement of its operation in 2028.
 - ii. Capture and sequester between 90-95% of its carbon emissions using CCS technologies.
 - iii. Purchase and surrender carbon offsets certificates for the residual carbon emissions to ensure a net-zero carbon emissions profile.
 - iv. Offset with a biomass fuel source.
 - v. Investigate and closely monitor the implementation of CCS to support the proposed development, with applications made for GHG tenements and concepts to work with other high emitting industries being explored.
- b. The intended benefits from the proposal include that the proposal would provide a modern and efficient (ultra-supercritical High Efficiency, Low Emission) power plant that would allow for the replacement of older plants resulting in environmental benefits such as a reduction in GHG emissions.
- c. Between 2028 and 2032, 100% of the 4.72 million tonnes per annum (Mtpa) of carbon dioxide (CO₂) emitted by the coal-fired power station will be offset by the purchase and surrender of accredited offset certificates, being a combination of Australian Carbon Credit Units (ACCUs) and international certificates of high reputational standing.

18. In response to this information, the assessment by DSDILGP indicated that Waratah Coal has not demonstrated that it will achieve net-zero emissions baseload power from the commencement of its operation in 2028 as:

- a. In relation to 'Capture and sequester between 90-95% of its carbon emissions using CCS technologies':

Waratah Coal has not sought approval for CCS as a mitigation measure and the feasibility and timeframe for approval of CCS as a GHG abatement measure for this project cannot be determined. Accordingly, Waratah Coal has not demonstrated that it will be able to capture and sequester between 90-95% of its carbon emissions using CCS technologies.

- b. In relation to 'Offset with a biomass fuel source':

Waratah Coal has not sought approval for the burning of biomass and the feasibility of supplementing coal with biomass has not been determined. Accordingly, Waratah Coal has not demonstrated that it will be able to offset emissions through this measure.

- c. In relation to 'Purchase and surrender carbon offsets certificates for the residual carbon emissions to ensure a net-zero carbon emissions profile':

Waratah Coal has stated that to offset emissions, over 50% of annual quantity of Australian Carbon Credit Units would be needed which would greatly exceed the volume that would be available. Therefore Waratah Coal will rely on international credits to meet this shortfall.

DEPW has advised that reliance on international carbon offsets is unfeasible as there is currently no agreement that international credits can be used in Australia. Accordingly, Waratah Coal has not demonstrated that it can rely on international offsets to offset the power station emissions.

Accordingly, Waratah Coal cannot has not demonstrated that it will achieve net-zero emissions baseload power from the commencement of its operation in 2028.

19. Further, Waratah Coal's proposal to offset 100% of its emissions between 2028 and 2032 cannot be achieved as its reliance on international carbon offsets is not feasible. Accordingly, Waratah Coal cannot rely on these offsets to achieve net-zero emissions baseload power from the commencement of its operation in 2028.

20. Finally, the QEJP indicates that Queensland's publicly owned coal-fired power stations will continue to play an important role in our future energy system as clean energy hubs. The plan:

- a. states these power stations are located in strong parts of the Queensland network with strategic advantages like grid connection, a highly skilled workforce, established community relationships, and land; and
- b. identifies that Government will work with publicly owned energy businesses to develop proposals to reserve, repurpose and reinvest to modernise coal-fired power stations into future clean energy hubs; and
- c. for clean energy hub investment backed by the boosted \$4.5 billion Queensland Renewable Energy and Hydrogen Jobs Fund.

21. Having regard to the above, DSDILGP's assessment recommended the application be refused as:

- a. Waratah Coal has not demonstrated that it will achieve net-zero emissions baseload power from the commencement of its operation in 2028.
- b. It is contrary to actions under the QEJP that seek to transform and transition the Queensland energy system and achieve the long standing target of 50% renewable energy by 2030 and set a new commitment of 70% renewable energy by 2032, and 80% by 2035.
- c. It is contrary to the QCAP that sets targets for 30 per cent emissions reductions below 2005 levels by 2030 and net-zero emissions by 2050 and the Partnership under which Queensland has:
 - i. Committed to reach net-zero emissions by 2050 or earlier.
 - ii. Agreed that decarbonised electricity systems are critical to broader energy transformation.
- d. Waratah Coal has failed to demonstrate that the power station will be capable of providing an affordable supply of power in accordance with the QEJP and the regional plan desired regional outcomes.
- e. The application fails to demonstrate compliance with the regional plan as it fails to achieve the overriding intent of the regional plan which seeks the region to grow and change in a sustainable way or satisfy the strategy relating to 'Atmosphere and greenhouse gas emissions', which seeks to 'manage the potential impact of climate change and develop a regional approach to minimise greenhouse gas emissions'.
- f. Waratah Coal has not demonstrated that the project is not reliant on an alternative water source and failed to demonstrate that the proposed coal-fired power station complies with the water quality state interest under the SPP.
- g. The submissions received on public consultation indicated there is significant community opposition to the development including concerns about the impact on GHG emissions and the resulting environmental impacts should the power station proceed.

22. The assessment undertaken by DSDILGP has also informed the following:

- a. Waratah Coal has not demonstrated the following benefits proposed for the development:
 - i. DSDILGP's assessment of the application material indicates there are significant uncertainties over the timing and delivery of electricity supply to Alpha and Jericho as well as to the NEM. The electricity generated from the proposal is far exceeded by the approved renewable energy developments within Central Queensland that align with the QEJP that sets out the pathway to transition, transform, and decarbonise the Queensland energy system.
 - ii. While a project of this size may be expected to produce broader economic benefits to the Queensland economy, Waratah Coal has not demonstrated a quantifiable economic benefit to the local community particularly given the proposal to rely on a non-local workforce and

provide a discrete workers accommodation camp. Further, details of the \$1.3 billion increase in real income and \$14 billion increase in real economic output into the Barcaldine Regional Council local government area has not been substantiated.

23. A human rights assessment was undertaken for the recommended decision. I agree with this assessment and am satisfied that the decision is compatible with human rights under the *Human Rights Act 2019* (HR Act) because it does not limit any human rights, or, if it does limit a human right, it does so only to the extent that is reasonable and demonstrably justifiable in accordance with section 13 of the HR Act.
24. I accept the reasons, findings on material questions of fact and evidence contained within MBN23/854 including the Planning Assessment Report, and for these reasons decided to refuse the development application.

Matters considered in making the decision

Prior to making my decision on the development application, I was provided with:

- a Briefing Note (MBN23/854) and attachments, including:
 - Planning Assessment Report, prepared by officers of the Department of State Development, Infrastructure, Local Government and Planning and attachments including a human rights assessment.

I am informed that the following matters were considered in undertaking the assessment of the development application in the Planning Assessment Report:

- The Jericho Planning Scheme 2006 (superseded)
- Barcaldine Region Planning Scheme 2023
- Central West Regional Plan 2009
- State Planning Policy 2017
- Planning Act 2016
- Queensland Climate Action Plan, specifically the following actions:
 - Queensland Energy and Jobs Plan
 - Queensland Renewable Energy Zone Roadmap
- Federal Government Commitments
 - Paris Agreement
 - National Energy Transformation Partnership
 - Australia's Long Term Emissions Reduction Plan.