

# Queensland Renewable Energy Procurement Policy

CREATING LOCAL JOBS



# Queensland Renewable Energy Procurement Policy - Creating Local Jobs

This policy is a procurement-related policy within the meaning of the Queensland Procurement Policy.

## Interpreter statement



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# Ministerial foreword



Queensland is establishing itself as a clean economy jobs and renewable energy superpower.

The *Queensland Energy and Jobs Plan* (QEJP) articulates a clear vision of our future clean economy and is advancing our commitment towards 70% renewable energy by 2032 and 80% by 2035. Our new emission reduction target of 75% on 2005 levels by 2035 will elevate Queensland even further.

Before 2035, Queensland will build around 22 gigawatts (GW) of new wind and solar generation, 13 GW of storage, and approximately 2,000km of new high voltage backbone transmission to move more power around the state. We'll support the transformation of existing blue-collar industries, and back the emergence of new ones like renewable hydrogen, electrolyzers, and batteries.

The *Queensland Renewable Energy Procurement Policy – Creating Local Jobs* (QREPP) will ensure our clean economy transformation will generate immediate and lasting benefits for Queensland workers, companies, and communities.

The QREPP is backed by our nation-leading procurement approach, *Buy Queensland*. This means government and government-owned corporations (GOC) renewable energy projects will promote local, Aboriginal and/or Torres Strait Islander, and gender diverse workers, usher up a pipeline of trainees and apprentices, and ensure that tradies are fairly paid and safe on the job.

Not only is this the right thing to do by Queenslanders, we know it is the only way to attract and retain the

quality talent we will need on the front lines delivering our pipeline of renewable energy projects.

We also know our approach works. Since its introduction in 2017, *Buy Queensland* has pumped more than \$121.60 billion back in to our state's economy, supporting 99,680 companies. This has included \$72.15 billion to 81,510 Queensland-registered businesses securing the full-time equivalent of 3,738 apprentice and trainee hours, as well as bolstering 35,430 suppliers in our regions.

The QREPP is another example of our commitment to Queenslanders. If you're a miner in Mackay, a boilermaker in Bundy, a Welder in Winton, or a technician in Townsville we are making the transition to renewables to secure your jobs and to create jobs for your kids.

An exciting opportunity awaits Queensland. It is essential that we harness it to create a lasting legacy for the benefit of all Queenslanders, ensuring that local jobs and businesses thrive now and into the future. QREPP allows us to do just that.

**Mick de Brenni MP**

Minister for Energy and Clean Economy Jobs

# Executive summary

The Queensland Government has set a considered, affordable, and credible pathway to transform Queensland’s electricity system to deliver cleaner, cheaper and more reliable power.

The QEJP articulates a clear vision of our future clean economy and is advancing our commitment towards 70% renewable energy by 2032 and 80% by 2035. Our new emission reduction target of 75% on 2005 levels by 2035 will elevate Queensland even further.

Globally, energy systems are rapidly transforming in response to an increasing focus on sustainability and the need for suppliers to demonstrate strong environmental, social and governance (ESG) credentials.

To remain globally competitive, meet our targets, and harness the plentiful opportunities before us, Queensland Government agencies and government-owned corporations (GOCs) are driving investment in a significant pipeline of new energy infrastructure projects.

**In Queensland, this has resulted in almost \$11.1 billion of renewable energy investment since 2015, which has supported an estimated 8,500 jobs in construction.**

**Based on the 12 months to February 2024, approximately 27% of generation is now supplied by renewable energy sources.**

Independent modelling released with the QEJP, identified Queensland’s energy transformation will support the creation of up to 100,000 additional jobs in

the state by 2040, consisting of:

- up to 28,500 direct jobs from construction, onshore manufacturing, and maintenance of new transmission and large-scale renewable generation
- up to 35,000 indirect jobs each year supported in services, hospitality and other industries across Queensland as a result of capital investment
- up to 36,000 additional direct and indirect jobs from expansion of new industries—renewable hydrogen, battery manufacturing, resource mining and metal refining.

To guarantee Queenslanders are the beneficiaries of these opportunities, we will ensure:

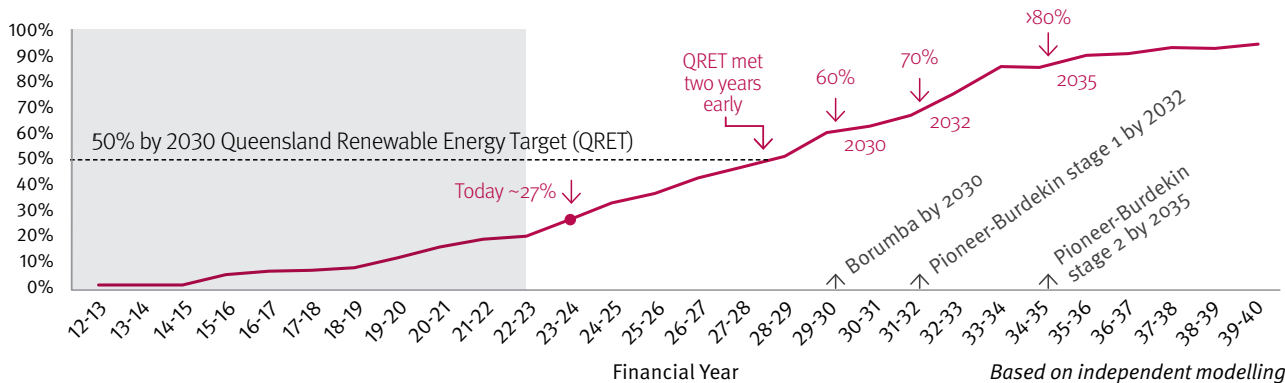
- a positive transition and certainty about their future for workers at existing government-owned coal fired power stations generation businesses and associated mines
- a positive transition for regional towns and their economies by maximising supply chain opportunities in the local manufacturing of components and equipment, local sourcing of expertise and contracting, investment in apprentices and trainees, and engagement with project partners with well-established ESG credentials

The entire community benefits, not just in terms of direct jobs but also through resulting flow-on benefits to local towns and regions.

The QREPP is supported by *Buy Queensland* (which enshrines responsible public procurement practices to drive economic, ethical, environmental and social outcomes), the QEJP, and the *Queensland SuperGrid Infrastructure Blueprint* (the Blueprint).

## Beat our renewable energy target

### Renewable energy percentage under the Queensland Energy and Jobs Plan





## 1. Overview

The QREPP outlines how the Queensland Government's *Buy Queensland* approach to procurement applies to the renewable energy investment and infrastructure.

This includes the application of key policy initiatives, not limited to local benefits, local content targets, *Best Practice Principles: Quality, safe workplaces* (BPPs), and *Best Practice Industry Conditions Renewable Energy Facilities and Related Construction Projects* (Renewable Energy BPICs).

***Buy Queensland 2023 consists of the Queensland Procurement Strategy 2023—Jobs, Economy, Legacy and Confidence (QPS) and the Queensland Procurement Policy 2023.***

In the next ten years, in accordance with the QEJP and the Blueprint, Queensland will see the development of around 22 GW of new large-scale wind and solar generation, 13 GW of storage, and approximately 2,000 km of new high voltage backbone transmission to move more power around Queensland.

Applying *Buy Queensland 2023* to the significant renewable energy investment across Queensland will provide benefits for local communities, ensure our procurement investment backs genuine quality

Queensland jobs and drives positive economic, ethical, social and environmental outcomes now and into the future.

Embodying the *Buy Queensland* approach, QREPP will:

- deliver **local benefits for Queensland workforces** and **ensure support for Queensland communities**
- support **innovation** and seek to develop **new supply markets and industries**
- ensure **value for money**
- enable **strong local supply market engagement**
- deliver a **Forward Procurement Pipeline** of upcoming opportunities in the renewable energy sector
- ensure **strong industry conditions** that:
  - » supports the implementation of the Queensland Energy Workers' Charter to create sustainable ongoing jobs
  - » apply the BPPs to all renewable energy (generation, transmission, storage, and distribution) projects over \$100 million (or as declared by the Minister)
  - » apply the Renewable Energy BPICs to government-owned infrastructure projects identified in Sections 3 and 4
- apply a strong integrity **compliance and reporting framework**, to support ethical suppliers and supply chains.

## Promoting a local workforce and emerging industries

All projects with Queensland Government involvement will demonstrate, to the maximum extent possible, the establishment and ongoing support of quality, safe, and secure local jobs, and local supply chains.

This will be important in seizing opportunities to establish industries in manufacturing for renewable hydrogen, wind and solar projects and other emerging renewable energy industries.

Responsible procurement drives local economic development, supporting the government's objectives to build Queensland communities, grow our regions and support clean economy jobs. This also supports the *Queensland Workforce Strategy 2022-2032* on delivering locally focused and led workforce solutions.

## Supply chains

The development of renewable energy and storage projects requires the local manufacturing and fabrication of products to be used in the projects, along with development and design, construction and ongoing operation and maintenance.

*Buy Queensland 2023* introduced a 'supply chain of state significance mechanism' to create value chains in Queensland and alleviate global impacts where possible. This is supported by a strategic partnership between the Department of Energy and Climate (DEC), the Department of State Development and Infrastructure (DSDI) and the Department of Regional Development, Manufacturing and Water (DRDMW) to determine potential supply chains of state significance and when and how these are declared.

Work is occurring to mitigate supply chain risks in Queensland and increase local manufacturing. The Queensland Government is working with local industry to strengthen supply chains and identify industry development outcomes through complementary policies related to supply chains. We've powered ahead with the Queensland Battery Industry Strategy (DSDI), introduced REZ Readiness Assessments (DEC), and are following the Queensland Advance Manufacturing 10-Year Roadmap (DRDMW).

While the QEJP, supported by the QREPP, aims to create many opportunities for local supply chains, manufacturers, and other businesses, it may be necessary to secure supply of components internationally to meet delivery timeframes as global demand escalates. To manage the risks associated with international supply chains, including modern slavery, the Queensland Government will ensure strong consideration and monitoring on a project-by-project basis.

## 2. Policy intent and authority

The QREPP is a procurement-related policy under the Queensland Procurement Policy 2023 (QPP).

It is the intention of the QREPP that any renewable energy project that has Queensland Government support must:

- demonstrate benefits for Queensland and ongoing support for local benefits including developing local workforce and capability
- reflect the Queensland Government's strong commitment to ESG (environmental, social, and governance) standards, including ethical behaviour and treatment of employees.

Under this policy, the Queensland Government will only provide support to proponents which comply with the QREPP.







## 3. Policy coverage

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### 3.1 General coverage of renewable energy storage projects

The QREPP is mandated for application to all Queensland Government agencies, including budget sector agencies, GOCs, statutory bodies, and special purpose vehicles.

The QREPP applies to all renewable energy projects (generation, storage, transmission and distribution) receiving government funding including GOC funding.

### 3.2 GOC renewable energy projects

Renewable energy projects are delivered through a range of commercial models, incorporating merchant operations (where the owner derives revenues directly from the market trading of electricity), and offtake arrangements (where revenue from the project is guaranteed by a market participant).

In practice, a renewable energy project may incorporate both elements so that the project can be financed and constructed.

#### 3.2.1 Best Practice Principles (BPP)

The *Best Practice Principles: Quality, safe workplaces* policy applies to all GOC renewable energy generation, storage, transmission and distribution projects of \$100 million or more (or declared). It ensures that the delivery of these projects incorporates best practice:

- workplace health and safety (WHS) systems and standards

- commitment to apprentices and trainees
- industrial relations.

#### 3.2.2 Best Practice Industry Conditions (BPICs)

For some categories of BPP projects, the delivery of best practice industrial relations is mandated through a set of BPICs, which specify the conditions the government expects will be applied on BPP projects in more detail.

A set of *Renewable Energy Facilities and Related Construction Projects Best Practice Industry Conditions* (Renewable BPICs) has been developed to apply to generation and storage projects where a GOC has a direct equity interest that is:

- i. projects owned by a GOC
- ii. projects where the GOC owns the project as part of a joint venture, consortium, or with a private sector owner.

For clarity, the QREPP and BPP applies to pumped hydro, transmission and distribution projects, including those subjected to regulatory investment tests or equivalent processes. For these projects, GOC enterprise agreements in conjunction with the QREPP, will ensure high standards, preference for local supply chains, and quality and safe local jobs are achieved to the maximum extent by each project partner. Further detail is provided at 4.6.

The Renewable Energy BPICs does not apply to pumped hydro projects or offtake agreements.

# 4. Policy requirements

## 4.1 Local benefits—workforce

All purchasing and procurement activities covered by the QREPP must demonstrate local benefits and competitive and capable local suppliers will be invited to respond. Where a local supplier is not selected, the reason must be documented by the procuring agency.

It is a mandatory requirement to apply an evaluation weighting for local benefits of between 10% and 30% taking into account any minimum weightings set by category councils for significant procurement. Reasons must be documented if this mandatory requirement is not applied.

As defined in the QPP, ‘local benefits’ are economic impact benefits deriving from procurement

investment supporting the ‘local workforce’ and/or ‘local supplier’.

Local benefits will be determined based on the ‘best use of a local workforce’. A workforce is deemed to be local where their usual place of residency (i.e. where they normally live, sleep and eat) is located within a 125 km radius of where the good or service is to be supplied.

For the purposes of QREPP, the ‘best use of a local workforce’ must include, among other things, support for workers impacted by the energy transformation and the transition of tradespersons to renewable energy roles.



## 4.2 Support for Queensland communities

All procurement activities covered by the QREPP must give significant weight to initiatives supporting Queensland communities. How this support occurs will be determined on a case-by-case basis. It can include, but is not limited to, a weighted evaluation criterion related to the following:



**Support for workers impacted by the energy transformation** — seeking businesses in the supply chain (including manufacturers) that provide jobs for local workers impacted by the energy transformation.



**Opportunities for local supply chains** — seeking the use of local businesses, contractors, manufacturers, and supply chains (including Queensland small and medium enterprises, along with Aboriginal and /or Torres Strait Islander-owned businesses) for the supply or manufacture of goods and/or services. This includes pursuing opportunities for innovation and the development of new markets and industries.



**Opportunities for apprentices and trainees** — considering the number of local apprenticeships and traineeships supported by the activity.



**Community Benefit Funds** — pursuing initiatives that share the financial benefits of renewable energy development with the local community throughout the project's lifecycle and beyond. These must be administered to create lasting benefits with direct input from communities, including considering the role of local government in the governance arrangements.

The type of support the initiative provides must be determined during the planning stage and incorporated into the subsequent stages of the procurement process. This determination needs to be based on regional capability and capacity, the stage of project development (construction as opposed to ongoing operations and maintenance), capital investment, financing, land acquisition, transport, and logistics.

For example, an assessment of market size, forward demand, price competitiveness and industry capability, indicates that some wind farm components are technologies with potential to be delivered through Queensland's supply chains and manufacturing capability. In addition, hydrogen, as an emerging industry, also presents significant opportunities for focused supply chain development within Queensland.

## 4.3 Ensuring value for money for Queenslanders

All initiatives must be assessed on an overall value-for-money basis, not just price alone. QREPP provisions related to 'local benefits—workforce' and 'support for Queensland communities' must form part of this assessment.

More broadly, all procurement decisions must achieve value for money. Value-for-money decisions must consider:

- relevant government economic, ethical, social and environmental objectives and targets; (including local benefits and BPPs)
- whole-of-life costs
- non-cost factors.

Whole-of-life costs can include acquisition costs, such as the contract price, initial transactional costs, ongoing payment options, operating costs, maintenance costs, support costs, transition out (costs of disengaging from a supplier on expiration or termination of a contract) and disposal costs. Whole-of-life costing should be scaled to the value and complexity of the purchase or procurement.



Non-cost factors must, at a minimum, consider:

- fit-for-purpose, which may include alignment with procurement objective/s, compliance with specifications, and quality
- supplier capability, capacity, experience and past performance, including delivery and after-sales service and support
- risk, which may include operational and reputational risks.

The following procurement-specific targets must be pursued wherever possible:

- increase government procurement with Aboriginal and/or Torres Strait Islander-owned businesses to 3% of addressable spend
- source at least 30% of procurement by value from Queensland small and medium enterprises (SMEs).

Procurement-specific emissions reduction targets must also be pursued as required in the QPP to contribute to the economy-wide emission reduction targets of:

- 30% emissions reduction below 2005 levels by 2030
- 75% emissions reduction below 2005 levels by 2035
- net zero emissions by 2050.

In accordance with the QPP, an emissions baseline will be set for priority procurement ‘category’ by 2024 and priority procurement activities identified that can contribute to reducing agreed emissions reduction. Following approval of the emissions baseline and commencing from 2025, priority procurement activities will aim to reduce emissions by at least 30% by 2030, with a recommended target of 5% from the baseline per year.

In executing procurement activities, the achievement of value for money can be supported in several ways. This can include the unbundling of projects to achieve better value-for-money outcomes and competition in the market, increasing eligible bids and cost savings through accessing innovative, capable, and competitive solutions.

Related to this, all business cases considered by the Queensland Government, or by proponents seeking to engage with the Queensland Government, must clearly outline how value for money will be obtained, particularly in regard to both local benefits and support for Queensland communities. This must also include the exploration of opportunities for local manufacturing.

## 4.4 Strong local supply market engagement

Proponents must regularly gather, consider and, wherever possible, share market intelligence to ensure:

- a better understanding of the capability and capacity of local suppliers within the market
- benefits from suppliers' knowledge of markets, trends, and emerging technology
- they identify and manage emerging opportunities, potential new entrants to the market, issues, and risks
- they foster market participation, competitive tension, innovation, and collaboration in solution design
- they assess the scope of the market to deliver on government's economic, environmental, and social commitments for procurement (e.g. social procurement, engaging Queensland-based SMEs, Aboriginal businesses and/or Torres Strait Islander-owned businesses).

The following activities could be undertaken to support local supply market engagement:

- **Market sounding and other forms of early market engagement**—raising ideas with the market to obtain feedback prior to formally approaching the market, through expressions of interest (EOI), requests for information (RFI) or other similar processes.
- **Briefing sessions/supplier information sessions and industry site visits**—allowing prospective suppliers to participate in discussions regarding aspects of the procurement process, requirements, and risks.
- **Indicative approaches to the market**—publishing notice of intended procurement activities well in advance of the formal release to market (refer 'Forward Procurement Pipeline', below).
- **Concept viability**—testing the viability of proposed procurement activities by requesting input from suppliers ('proof of concept' process).
- **Outcome-based procurement approach**—seeking innovation from the supply market by focusing on the outcome required rather than defining how the outcome should be achieved.

In addition, this includes working with:

- DSDI to build industry capability including accessing the Industry Partnership Program aimed at growing and creating jobs across priority industry sectors.

- DEC to embrace circular economy principles, and deliver the QEJP commitments. This is supported by the Clean Economy Jobs Bill 2024.
- Queensland Treasury to administer the Queensland Renewable Energy and Hydrogen Jobs Fund which aims to increase public ownership of commercial renewable energy and hydrogen projects, as well as supporting infrastructure, including in partnership with the private sector.

Renewable energy procurement activities must ensure that strong, local market engagement occurs and informs the delivery of the QREPP requirements.

Local market engagement should also include activities to build industry capability. Coordination of activities with industry will enable Queensland to build local manufacturing capabilities in components needed for renewable energy and enhance operations and maintenance capabilities.

## 4.5 Forward Procurement Pipeline

Transparency and visibility are critical to enabling suppliers, sub-contractors, and communities to benefit from Queensland's renewable energy opportunities.

All government agencies subject to the QPP will, to the maximum extent practical and consistent with competition law, provide information about renewable energy-related supply opportunities, at least four years in advance, via the Queensland Government's Forward Procurement Pipeline. Publication will occur for all planned procurement, even where the quantum or source of funding is not yet identified.

All non-government proponents will provide, to the maximum extent practical, visibility of related supply opportunities at least four years in advance, via a freely and publicly accessible mechanism (e.g. a project-related website). This mechanism must be appropriately publicised and promoted to ensure awareness for relevant stakeholders.

Wherever possible, the government's ambition is to maximise pipeline certainty and developing a forward procurement outlook of between five and ten years. This aims to de-risk investments in new manufacturing capability and underpin the development of local supply chains.



## The emerging opportunity for batteries in Queensland

The QEJP presents long-term opportunities for the battery industry to grow, establish, or transform operations in Queensland. Under the QEJP, sectors such as battery manufacturing, resource mining, and mineral refining can contribute to transforming the state into a source of economic development and strengthen Queensland's standing as a globally-competitive investment destination.

A thriving battery industry unlocks our critical mineral resources, including valuable vanadium supplies in the North-West Minerals Province. The Queensland Government is investing \$5 billion in CopperString 2032, a project unlocking one of Australia's largest areas of renewable energy and potentially more than \$500 billion in new critical minerals in North Queensland.

The *Queensland Battery Industry Strategy* outlines the pathway to develop Queensland's role in the battery supply chain — from critical minerals to battery manufacturing and installation.

Queensland has existing capabilities across the battery value chain particularly in mining, refining and active materials and has competitive advantages through its:

- Advanced Battery Facility (ABF) which was established to provide validation and safety

testing of multiple types and sizes of battery systems in real-world conditions. ABF capabilities also include fabrication and testing of prototypes

- strong end-to-end capabilities in vanadium and related battery technologies
- research and development capabilities through the value chain particularly in active materials, cell manufacturing and pack assembly
- ability to position itself as a reliable participant in global battery value chains and low future energy costs from renewable energy
- strong ESG credentials throughout the value chain
- proximity to markets in Asia.

The growth of the battery industry in Queensland represents an opportunity to build manufacturing capacity, and support more secure, local and skilled jobs. We want to ensure Queensland capitalises on these emerging opportunities. By building a capable and competitive manufacturing sector that helps boost local content, Queensland develops the battery value chain, manages supply chain risks and helps support the move towards a reliable renewable energy system.



## The emerging opportunity for wind in Queensland

Under the QEJP, around 22GW of new large-scale wind and solar across public and private investment will be needed to support Queensland's renewable energy target of 80% by 2035.

The SuperGrid provides a view of the scale of investment required and the myriad of opportunities for businesses to manufacture key renewable energy components and provide local content to a range of energy infrastructure projects.

Applying the QREPP will provide a view of the demand for componentry and services to scale that is attractive enough for investors to commit to transform current manufacturing facilities. It will also attract new manufacturers to Queensland which, in turn, supports other local suppliers.

As onshore wind generation grows, the contribution of local firms to the manufacturing and installation of wind turbines will also increase. Queensland can begin capturing the economic benefits that wind turbine manufacturing will bring. As an example, wind tower construction makes up 16% of capital expenditure (CapEx) spend (2022), and the combined assembly and installation, engineering procurement and construction (EPC), and electrical infrastructure make up 24% of CapEx spend (2022).

To meet the pace and scale of the transformation, civil works for wind farms needs to increase capacity to overcome potential constraints due to concurrent demands across the national energy market and in adjacent sectors, particularly in electrical trades.

## Building new capability

Tower & steel manufacture	Nacelle manufacture & assembly	Transformers
<ul style="list-style-type: none"> <li>• Use automation to bend steel sheets, stack, and assemble</li> <li>• Not original equipment manufacturer (OEM)-specific but varies by project</li> <li>• 5MW turbine uses 500 tons of steel</li> <li>• Uses existing manufacturing facilities in Victoria and Tasmania</li> </ul>	<ul style="list-style-type: none"> <li>• Houses technical components that drive the turbine, such as the generator, gearbox and transformer</li> <li>• Nacelles make up 37% of CapEx spend (2022)</li> </ul>	<ul style="list-style-type: none"> <li>• Forms technical component in the nacelle</li> <li>• Integral, open market, not OEM-specific</li> <li>• Uses existing manufacturing facilities in Victoria</li> </ul>

## Growing existing capacity

Infrastructure support	Civil works
<ul style="list-style-type: none"> <li>• Includes transportation, storage and special logistical handling of large-scale components</li> <li>• Increases demand for adequate infrastructure capability and capacity, including availability of appropriate storage solutions</li> <li>• Increases demand for labour — accredited truck drivers, crane operators etc</li> </ul>	<ul style="list-style-type: none"> <li>• Includes earthworks, construction, electrical and plumbing</li> <li>• Increases supplier demand — already largely sourced from nominated local suppliers</li> <li>• Increases demand for adequate infrastructure — likely to be constrained due to concurrent demand across the national electricity market (NEM)</li> <li>• Increases demand to attract and retain electrical trades</li> </ul>

## 4.6 Strong industry conditions

### 4.6.1 Transition arrangements for the existing government-owned coal-fired power station workforce and associated government-owned mines

The Queensland Government is committed to securing positive outcomes for the existing energy industry workforce in our government-owned coal-fired generation assets and associated mines, as well as their families and communities.

Procurement activities under the QREPP gives weight to initiatives that support this commitment to clean economy jobs. For example, the employment of workers who are transitioning and/or the inclusion of businesses that employ transitioning workers in their supply chain will count towards local benefit evaluation criteria.



### 4.6.2 Best Practice Principles

The BPPs apply to all renewable energy (generation, storage, transmission and distribution) projects valued at \$100 million (or declared) to support quality, safe workplaces.

For the purposes of QREPP, shareholding ministers will be advised about upcoming projects above \$20 million, with sufficient time to allow for the consideration of declaration.

The BPPs are the best practice:

- workplace health and safety (WHS) systems and standards
- commitment to apprentices and trainees
- industrial relations.

The below principles provide guidance to proponents on the government’s expectations regarding conditions on renewable energy projects.

Principle	How it is demonstrated
<b>Best practice workplace health and safety systems and standards</b>	<p>A demonstrated history of, and commitment to, compliance with work health and safety laws such as:</p> <ul style="list-style-type: none"> <li>• details about matters such as adverse findings, penalty infringement notices, warnings, infringements penalties, pursuant to the <i>Work Health and Safety Act 2011</i> and <i>Electrical Safety Act 2002</i>, over the past 10 years</li> <li>• history and registration of workers’ compensation and policy number</li> <li>• processes and procedures governing workforce consultation on WHS matters</li> <li>• the level of knowledge and experience in the use of digital engineering to reduce work, health, and safety risks (where relevant for the project)</li> <li>• work health and safety management plans, specifically focused on managing the risk rather than the consequences of the risk</li> <li>• how the organisation will manage site establishment e.g. preparatory works including security, site clearance (including comprehensive WHS site induction for anyone who performs work on the site) amenities, access and egress and on-site labour movement.</li> </ul>
<b>A commitment to apprentices and trainees</b>	<p>A demonstrated history of, and commitment to, training including the engagement of apprentices and trainees such as:</p> <ul style="list-style-type: none"> <li>• compliance with the Queensland Government Building and Construction Training Policy</li> <li>• the number of apprentices and trainees to be employed as part of the project</li> <li>• specific training and development plans that will be provided in relation to the work</li> <li>• the delivery of nationally endorsed building and construction competencies</li> <li>• other practices or programs used to improve opportunities for apprentices and trainees, including training and advancement.</li> </ul>
<b>Best practice industrial relations</b>	<p>A demonstrated history of, and commitment to, positive industrial relations such as:</p> <ul style="list-style-type: none"> <li>• a plan for the industrial relations management for the project</li> <li>• how an organisation adopts/provides best practice industrial relations for employees, contractors, and their employees in the workplace. For example: <ul style="list-style-type: none"> <li>» administration—how does the organisational structure for the project affect labour productivity, including the identification of staff, reporting lines</li> <li>» risk assessment—what are the industrial relations risks that the project might face and how will those risks be managed</li> <li>» sub-contractor management—how the organisation will manage sub-contractors and their designated employees including how the selection and mobilisation of sub-contractors, trade packages, labour hire and apprentices will be carried out</li> <li>» conditions of employment—how are terms and conditions of employment established</li> <li>» recruitment of direct labour—how direct labour will be attracted, recruited, and retained depending on the size, scope and location of the project, address issues of skills shortages, interstate and offshore sourcing of labour, training, and competency assurance</li> <li>» performance metrics—how is labour performance measured to ensure project is on track</li> <li>» employee participation—how employee issues are heard, addressed, and resolved in accordance with the relevant industrial instrument or policy.</li> </ul> </li> <li>• declarations in relation to the <i>Fair Work Act 2009</i> (in the last 5 years). A supplier must state if they have been: <ul style="list-style-type: none"> <li>» convicted of an offence</li> <li>» the subject of an enforceable undertaking</li> <li>» issued an infringement notice.</li> </ul> </li> </ul>
<b>Commitment to wage and entitlement standards</b>	<p>A supplier undertakes that they meet, and will continue to meet, the requirements as specified under the Ethical Supplier Threshold.</p>
<b>Local benefits</b>	<p>A supplier must engage a local workforce, wherever possible. A workforce is determined to be local where their usual place of residency (i.e. where they normally live, sleep and eat) is located within a 125 km radius of where the good or service is to be supplied. This must include, wherever possible, support for workers impacted by energy transformation.</p>
<b>High standards of ethical, environmental, and social conduct</b>	<p>A supplier must undertake that they meet, and will continue to adhere to, the expectations contained within the <i>Queensland Government Supplier Code of Conduct</i>.</p>

For further detail, refer to the *Best Practice Principles: Quality, safe workplaces*.







Image credit: Genex

#### 4.6.3 Best Practice Industry Conditions

For renewable **energy and storage** BPP projects, the ‘Best practice industrial relations’ principle is implemented through the *Best Practice Industry Conditions Renewable Energy Facilities and Related Construction Projects* (Renewable Energy BPICs).

The Renewable Energy BPICs:

- outline the Queensland Government’s expectation for best practice employment conditions for workers performing work on-site on BPP projects
- require contractors to demonstrate a best endeavours process for sub-contractors (the extent to which this is demonstrated will be assessed through the tender process)
- help to ensure the objectives of the BPPs are achieved, particularly in relation to best practice industrial relations, to minimise disruption and resulting time and cost implications to major projects.

BPICs set high standards for industrial relations and workplace health and safety on major construction projects. They require a commitment to maximising

local benefits through local business opportunities and local jobs, as well as local training opportunities for apprentices to help future-proof a skilled trades workforce. BPICs also ensure government does business with suppliers that can demonstrate they are suitably qualified and experienced in delivering comparable works, committed to ethical business practices and that they have the financial capacity to deliver the work. BPICs provide a competitive advantage to projects requiring a skilled workforce in a labour shortage.

The Renewable Energy BPICs will apply to projects prospectively from 18 April 2024, not retrospectively, and apply up to 30 June 2027. The Renewable Energy BPICs will not apply to projects that have already been tendered or contracted.

The capacity to apply the Renewable Energy BPICs is a mandatory criterion to being shortlisted through the tender process. Contracts for projects will be conditional on the contractor’s negotiating workplace arrangements that reflect the Renewable Energy BPICs by a specified date.



## 4.7 Ethical supply chains

The Queensland Government expects their suppliers will be ethically, environmentally, and socially responsible, including for all renewable energy (generation, storage, transmission and distribution) projects.

The *Queensland Government Supplier Code of Conduct* outlines Government’s expectations of suppliers. A range of compliance mechanisms exist to ensure these expectations are met, including:

- *Ethical Supplier Mandate*, a penalty (demerits and sanctions) mechanism managing instances where a supplier fails to comply with a policy requirement, regulatory requirement, or contractual obligation
- *Ethical Supplier Threshold*, outlining the minimum wage and entitlement standards expected of suppliers
- Tripartite Procurement Advisory Panel—an independent body that hears matters related to the Ethical Supplier Mandate or Ethical Supplier Threshold and provides advice and recommendations about the potential penalties, including suspension of suppliers from government procurement for up to 12 months.



Queensland Government Procurement (QGP) ensures compliance with *Buy Queensland* through the above compliance mechanisms and conducting a range of audits and investigations to ensure suppliers meet their contractual, legislative and policy commitments. QGP Compliance Branch also manages a complaints and referral function for procurement policy-related complaints.

Under the QPP, government will not engage suppliers for renewable energy (generation, transmission, storage, and distribution) projects that:

- are suspended because of accruing demerit points under the Ethical Supplier Mandate
- that fail to comply with the Ethical Supplier Threshold. This means that a supplier has not:
  - » contravened a civil remedy provision of Chapter 2 or Chapter 3 of the *Fair Work Act 2009* (Cth), or committed an offence against the Act
  - » contravened a civil remedy provision of Chapter 2, 3, 4, 5, or 7 of the *Industrial Relations Act 2016*, or committed an offence against the Act, or failed to pay employment related levies, or other payments, established under Queensland legislation



Picture: Lighthouse Infrastructure

- » failed to make superannuation contributions on behalf of employees in accordance with the law
- » purported to treat employees as independent contractors
- » required persons who would otherwise be employees to provide an Australian Business Number so that they could be treated as independent contractors
- » engaged persons on unpaid work trials or as unpaid interns, where they should be treated as employees
- » entered into an arrangement for the provision of labour hire services with a person who is not licensed under the *Labour Hire Licensing Act 2017*, or a supplier who is an unlicensed provider under the Act
- » paid employees' wages below the applicable modern award (including for people with disability, 'suppliers' must provide award-based wages (using the Supported Wage System where appropriate)).

To further ensure compliance and enable reporting against contractual undertakings, all contracts related to all renewable energy (generation, storage, transmission and distribution) projects must include provisions that:

- legally enable audit activities (e.g. audits in relation to local benefits and BPPs) by QGP
- clearly identify provisions and undertakings related to the QREPP (e.g. local benefits), and that a failure to comply with these undertakings by the supplier represents a substantial breach of contract
- require annual reporting by the supplier of their performance against the provisions of the QREPP, and that this assessment will be published by the supplier
- enable access to supplier records (either managing contractor or sub-contractor) for the purposes of assessing compliance with the Ethical Supplier Mandate and Ethical Supplier Threshold (e.g. pay records for industrial relations commitments, employee records for local employment commitments, training, and apprentice records)
- provide authority to access supplier regulatory history (e.g. to assess prior compliance with work health and safety component of BPPs commitments and Queensland Building and Construction Commission records)
- ability to share information as necessary, including information related to key milestones, investigations and penalties imposed
- under the *Modern Slavery Act 2018* (Cth), large businesses and other entities (including GOCs) operating in Australia must report annually on how they are addressing modern slavery risks in their operations and supply chains.





# Queensland Renewable Energy Procurement Policy

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*Creating Local Jobs*



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