



EnergyAustralia

LIGHT THE WAY

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Senate Standing Committees on Economics
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Dear Chair and Committee,

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NATIONAL ENERGY TRANSITION AUTHORITY BILL 2022

EnergyAustralia welcomes the opportunity to comment on the Senate Standing Committees on Economics' (the Committee) Inquiry into the proposed establishment of a National Energy Transition Authority.

EnergyAustralia believes a National Transition Authority would be a welcomed initiative to provide the much-needed focus and support on the regions that will be doing the "heavy-lifting" when it comes to Australia's transition to net-zero emissions. This focus is needed now, before the closure of coal-fired power stations which are amongst the biggest employers in these regions.

For an orderly transition to occur co-investment in new sources of economic activity is needed between government and industry in these regions. For the energy sector, this is necessary not only to maintain a reliable supply of energy, but to create the new places of employment for displaced workers to have the opportunity to transition over to. Timing is critical and a National Transition Authority could play a vital role in this intervening period to ensure resources are allocated to where they are most needed to avoid the downturns that may otherwise occur without adequate regional structural assistance.

In summary the key points we wish on the role of National Energy Transition Authority are that it:

- recognise that the regions themselves largely know what they need and where the opportunities for growth lay
- engage with the exiting local entities across industry, government and the community and support the investments and initiatives backed by the region rather than "reinventing the wheel"
- establish a set of evidence-based national success measures and targets
- regions should be benchmarked against these metrics and resources allocated to support regions most disadvantaged
- support co-invest opportunities between government and industry that help the region meet those targets
- have a local presence, with an office established in key regions

- be a point of liaisons between the closing industries and those emerging
- identify national and local skills shortages and opportunities and promote these opportunities to educators and workers before the closures occur
- work with supply chains businesses to identify new opportunities and aid their pivot to new areas of operation
- facilitate learnings between regions
- centralise overheads, providing a resource pool of research and technical expertise to shift between regions as required.

About EnergyAustralia

EnergyAustralia is one of Australia's largest energy companies. We own, contract and operate a diversified 4,500 MW energy generation portfolio that includes two coal-fired power stations; Yallourn in Victoria's Latrobe Valley and Mt Piper in New South Wales.

EnergyAustralia is dedicated to building an energy system that lowers emissions and delivers secure, reliable and affordable energy to households and businesses and is investing in the generation fleet of the future including battery storage, pumped hydro, hydrogen-capable gas and distributed customer assets.

EnergyAustralia's purpose is to lead and accelerate the clean energy transformation for all and this is a guiding force behind our decision making. When it comes to transitioning regions, we recognise that we all have a role to play, governments, industry, and community alike. EnergyAustralia is committed to providing a leading experience for our Yallourn workforce to help them plan, prepare, and reskill for their future beyond Yallourn.

EnergyAustralia is investing in the transition to cleaner energy

Our plan is to be out of coal assets by 2040 and be carbon neutral by 2050 and these are steps we are taking to do this:

- closing Yallourn by 2028, reducing our emissions by 60%
- delivering Australia's first net zero emissions hydrogen and gas 350MW power plant, Tallawarra B in NSW
- underpinning 250-megawatt Kidston pumped hydro facility in Queensland
- offering zero upfront cost solar to household customers starting in NSW
- building the 350 MW Wooreen Energy Storage System in the Latrobe Valley.

The Yallourn Transition Program

To truly support a just transition for coal workers investment is needed in the impacted region well before coal closures. Consistent with this approach, EnergyAustralia has provided seven years' notice of closure for the Yallourn Power Station in 2028 and we are commissioning the 350MW Wooreen Energy Storage system by 2026 also in the Latrobe Valley. Beyond allowing significant lead time for new replacement capacity to come online, this will also provide the time necessary for coal workers to identify and train appropriately for new employment opportunities.

EnergyAustralia is investing \$10 million through the Yallourn Transition Program to provide our workforce the best opportunity to develop their skills and retrain in their chosen field of interest. The leading program extends beyond those directly employed by

EnergyAustralia to provide services to our Alliance Partners, contractors, and regular casual employees. It offers a range of services to help the workforce plan, prepare and train for the future - whether that be into a new job, retirement or self-employment.

The program was designed based on a detailed consultation process with the Yallourn workforce which saw 516 people complete a questionnaire about their wants and desires from the program. The program enables employees to develop their own personalised transition plan and includes:

- career planning
- training support
- individual career coaching
- financial advice and planning
- small business seed funding
- job application assistance
- links to employment opportunities.

When it comes to the energy transition for our workforce EnergyAustralia aims to provide a comprehensive program. However, beyond the fence that surrounds the Yallourn power station and mine there is a role to be played by government in supporting the supply chains and the community that will be impacted by its closure.

This role may be aided by the establishment of a National Transition Authority to help these supply chain businesses pivot and expand their operations to the new industries of the future and support new economic opportunities in the region before coal closures. Waiting until after closure is too late. The inevitable economic downturn in the absence of government funding will occur. This inaction may lead to great costs with respect to social security payments and social disadvantage may also arise.

With over 60% of current Yallourn employees indicating that they wish to continue residing in the Latrobe Valley region, EnergyAustralia has established relationships with potential local replacement job opportunities, such as local offshore wind farm projects that Yallourn workers could upskill into through the program. A skills mapping exercise is underway between EnergyAustralia, Star of the South, TAFE Gippsland and Federation University to map career and training pathways to transition from coal jobs to jobs in the offshore wind sector. EnergyAustralia is committed to engage with workers who wish to train to bridge the skills gap and enable them to transition to a secure job. Knowing where these secure jobs are going to be though is a challenge.

EnergyAustralia is reinvesting in the Latrobe Valley region

As part of EnergyAustralia's commitment to re-invest in the Latrobe Valley region we are co-investing with the Victorian government to build a 350MW/1350MWh battery storage system, located nearby at the Jeeralang gas-fired power station, to be operational before Yallourn's closure, to provide reliability and stability to the energy system.

As the owners of the 5,500 Hectare Yallourn site, EnergyAustralia is also exploring opportunities to redevelop the site to provide amenity and prosperity for the region. EnergyAustralia is committed to continuing to be a good neighbour through the transition, by:

- continuing engagement with forums, face-to-face sessions with local groups to keep them informed on plans, opportunity to provide feedback;

- funding community grant and sponsorship schemes;
- engaging with local unions;
- participating in local representative groups such as the “Committee for Gippsland” which looks at options for driving additional investment into the region; and
- engaging with community and industry determine the most appropriate and beneficial use of the land post-closure.

The role of National Transition Authority should stretch beyond energy

For Australia’s energy transition to be successful, coordinated and targeted support for transitioning regions will be required. To achieve this, a National Energy Transition Authority, working with regional authorities and governments, can play a role.

A key function for any national transition authority should be to financially support the structural adjustment taking place. At risk are those in indirect coal jobs and supply chain industries such as fabricators, contract services providers and local businesses supporting the workforce. There is a role for government or the authority to identify impacted industries and people in the region more generally and support their transition by providing support and guidance to identify and reorient their business to new markets, trade fairs, social support services and training.

Financial support can also be deployed to support economic adjustment by attracting new industry and investment to the region. This funding should be directed towards projects that generate lasting employment and economic opportunities for the region, diversify the local economy and leverage comparative advantages of the region such as proximity to infrastructure and transport corridors, climate, workforce skills. For example, new airports that create transport links for the workforce and products, or incentives to hire displaced workers.

Local organisations and community have a key role to play

A national authority should play a coordination role to support regional implementation. It is important that any national transition authority seeks to work with existing regional organisations, rather than apply broad national policies or duplicate or disrupt activities already underway. Coal regions have unique challenges, strengths and communities require tailored support. Local organisations are best placed to:

- understand their region’s unique needs;
- develop long term regional plans; and
- empower local stakeholder participation in decision making processes.

Any national authority should seek to empower and resource these organisations to deliver the outcomes they know are needed for their region.

The Committee for Gippsland’s report on Gippsland’s Clean Energy Future¹ is an excellent example of local-led approach to identify regional needs.

Conclusion

For a successful transition to be realised, it must be supported by early action to create future jobs and provide appropriate resourcing for training providers to support worker preparations for the jobs of the future. While employers can support their workforce to

¹ <https://www.committeeforgippsland.com.au/news/gippslands-clean-energy-future>

