



Latrobe City Council Submission to

Victorian Energy Jobs Plan Consultation Paper

April 2024



Why this submission

Latrobe City is located 135 kilometres east of Melbourne, boasting a population of 77,606 residents. Our annual economic output stands at \$13.7 billion, with a business landscape that encompasses 35,322 jobs, comprising nearly 30% of the overall employment in the Gippsland region.

The global transition to cleaner energy sources to address climate change has seen the regions coal-fired power stations, and mines announce their closure dates, causing uncertainty to current and future employment opportunities and impacting economic output.

With an unemployment rate currently sitting at 5.5% which is significantly higher than that of other regional cities Latrobe City is now calling on the government to provide more certainty around the clean energy workforce.

With the 2028 closure of Yallourn and the 2035 closure of Loy Yang fast approaching - the time to act is now. ¹

That is why our submission to the *Victorian Energy Jobs Plan* is particularly relevant in advocating to government Ministers and policymakers to provide the certainty our community needs to prepare for and adequately plan for the industry transition.

Submission

Workforce

As Victoria's most heavily impacted region, Latrobe City Council has significant concerns regarding the uncertainty surrounding the local workforce's future and the need for more clarity regarding the emergence of new job opportunities. This prevailing uncertainty is not only unsettling for the community but also hampers effective planning efforts.

The Victorian Energy Jobs Plan presents a promising opportunity to address these concerns. We urge the Victorian government to initiate a thorough audit of our current energy sector workforce and skills landscape. This audit should serve as the foundation for an evidence-driven roadmap, incorporating localised job and skills strategies along with robust community engagement initiatives.

Such a comprehensive audit would pinpoint vulnerable sectors within our local job market, including supply chains and small businesses, which are at risk during this transition period and identify the skills and numbers of jobs required to transition them to the new energy workforce. Moreover, it would facilitate the identification of educational pathways necessary to equip the existing workforce with the skills needed for a smooth transition in a short-, medium- and long-term context.

¹ https://www.latrobe.vic.gov.au/City/Invest_in_Latrobe/Investment_Prospectus

This evidence-based approach will inform targeted training programs and drive community engagement efforts, including educational campaigns and participation in events like job fairs. Emphasising the stability and growth potential of careers in the renewable energy sector will be pivotal in attracting local talent and newcomers to the region.

While initiatives like Star of the South have demonstrated success on a smaller scale through collaborative efforts with local stakeholders, a larger-scale audit is imperative to ensure a cohesive approach to workforce development. Energy Australia has also conducted a detailed mapping exercise of their own workforce, Council welcomes this and suggests that this could be a template for a larger scale holistic exercise but emphasises a need for an overarching document to avoid a piecemeal approach.

Furthermore, concerns regarding job security and the long-term sustainability of industries are paramount for Latrobe City. We advocate for the implementation of a localised job quota within the renewable energy sector, including at the State Electricity Commission (SEC) headquarters in Morwell. This will help us ensure a net positive workforce now and into the future by mitigating job losses resulting from the transition and ensuring the region's economic resilience.

We acknowledge the significant efforts made by various government agencies, such as the Latrobe Valley Authority, the Net Zero Economy Agency, and Jobs and Skills Australia, in addressing the Clean Energy Generation workforce requirements for a net zero economy. As part of *The Victorian Energy Jobs Plan*, we ask the Victorian Government to conduct this next piece of work to complement these existing documents and provide a practical localised plan.

In summary, a concerted effort guided by evidence-based planning and community engagement is essential for navigating the transition to renewable energy. By leveraging local talent, addressing skills gaps, and promoting job security, we can foster a sustainable future for our region while contributing to Victoria's renewable energy goals.

Education

Education is a key pillar in supporting our energy workforce in transitioning and attracting new talent into the industry.

Conducting a comprehensive audit of the existing energy workforce and identifying a localised jobs and skills plan will allow the training and educational providers to prepare the relevant training and educational pathways to ensure the community does not have a jobs and skills mismatch in the future.

In addition to these efforts, we advocate for intensified engagement and educational outreach initiatives within our local high schools. By heightening awareness and delineating clear pathways to employment in the clean energy sector, we can effectively nurture a pipeline of skilled individuals poised to contribute to our region's economy.

As mentioned previously, Latrobe City has an unemployment rate of 5.5% which is significantly higher than other regional cities. We would welcome further support pathways for young people as they enter the job and or education process.

Anecdotally young people in Latrobe City encounter challenges in meeting the literacy requirements for various qualifications, such as TAFE level courses, school-based apprenticeships, or the newly introduced Vocational Major option for years 11 and 12. We urge educational providers and the Victorian government to collaborate in devising strategies aimed at alleviating this barrier to qualification attainment in the energy sector. By doing so, we can ensure that all aspiring individuals have equal access to the educational resources necessary to participate in the clean energy workforce.

Wind and Hydrogen Worker Training Centres

Locating the Wind Worker and Hydrogen Worker Training Centres in the Latrobe City community will mark a significant stride towards sustainable energy practices and economic growth, further solidifying the community's identity as an energy powerhouse. With hydrogen enjoying widespread support and several research projects already underway at Federation University, alongside the operation of innovative hydrogen technology at the advanced air mobility space located at the Latrobe Regional Airport, the region stands ready to be at the forefront of innovation in renewable energy.

Establishing these dedicated training centres in the Latrobe City community not only aligns with the community's enthusiasm for the energy industry but also presents a strategic opportunity to equip individuals with the skills needed to thrive in this rapidly evolving sector. By investing in these training centres in the Latrobe City, the Victorian Government not only reaffirms its commitment to the energy industry locally but also lays the groundwork for a skilled workforce poised to drive the region's transition towards a greener, more prosperous future.

Moreover, these centres will not only benefit the city's accommodation sector as apprentices and workers travel for training but will also provide a pathway for residents to acquire the necessary skills for employment in the energy sector.

Research indicates that 70% of individuals who study in a region tend to stay there, and with large renewable energy projects, both offshore and onshore, slated for the region, these training centres will play a pivotal role in building and retaining the local energy workforce to meet the demands of these projects.²

Furthermore, positioning these training centres as the best in the southern hemisphere will make Gippsland and Latrobe City the preferred destination for international wind and hydrogen workers seeking to acquire sector-specific skills. The substantial export earnings generated from international students' fees will further bolster the region's economy, solidifying its status as a global leader in renewable energy education and innovation and supporting the Latrobe City to transition from traditional coal-fired mining to new energy.

² Federation University (2023), "Campus Vision 2023-2030".

Local benefits

The clean energy workforce holds significant potential to benefit the local community by boosting employment and driving economic output. In Latrobe City, this workforce not only supports our core identity but also aligns with our historical role as Victoria's energy powerhouse, a legacy spanning over a century. Embedding the majority of the clean energy workforce in the Latrobe City will enable us to continue fulfilling this vital role.

We can ensure the realisation of these benefits by conducting a comprehensive audit of our current energy workforce and developing a localised jobs and skills plan. Furthermore, implementing a jobs quota will give our community the certainty needed to realise these benefits fully.

It's also important to consider that the existing coal-fired power stations play a role in contributing to the local community. For context, Council currently collects approximately \$7.5 million annually from the mining providers. This funding helps to support essential community services, including maternal child health, kindergartens, and road maintenance, while also contributing to a portion of our capital works program.

Despite the anticipated decrease in rate revenue, Council remains optimistic about the community's continued prosperity and would like to work with all levels of government to ensure appropriate levels of planning and support are provided. To facilitate this process, Council suggests establishing a Latrobe-specific task force comprising representatives from local, state, and federal government levels.

Council also encourages the appropriate policy settings and regulatory framework to be applied to benefit sharing schemes to drive impactful investment that is underpinned by community need. Latrobe City Council would welcome further conversations with the government to establish a comprehensive process to develop best practices.

Employment attraction and population retention

Attracting new workers to our region and encouraging our population to stay has been identified as key priorities by our Council as part of *Our Transition Plan*.

While there are numerous factors contributing to this goal, we emphasis the critical importance of housing affordability, alongside employment opportunities, and essential liveability factors, including access to public transport, healthcare, quality education provided by universities and TAFEs, safe and inclusive open spaces, and community facilities. Housing affordability in Latrobe City stands out significantly compared to our neighbouring municipalities. Median house prices range from \$338K to \$480K, in stark contrast to the \$665K median price in adjacent areas.³

³ https://www.latrobe.vic.gov.au/City/The_Region/Economic_and_Community_Data

Moreover, Latrobe City boasts access to suitably zoned housing land capable of supporting an additional 6000 dwellings. Coupled with access to an existing train line and leveraging significant investments made by the Victorian State Government in key facilities, our community presents an attractive option for individuals and families considering relocation.

A localised jobs and skills plan incorporating an element of population attraction would allow for improved engagement with young people from Latrobe City and neighbouring communities, opening doors to opportunities in the energy workforce. Providing our youth with real jobs locally will contribute to our economy's growth and serve as an attractive incentive for them to stay and build their futures within the region.

Market confidence

Council welcomes the Victorian Government's work in developing a comprehensive support package. We encourage the Victorian Government to continue to pursue a contract for difference (CfD) policy framework that will help mitigate market revenue risk, in combination with additional payments to close the revenue–cost gap.⁴

Integrating a CfD with national capacity incentives will provide the investment certainty the industry needs to build energy projects locally in Victoria and the Latrobe City area.

The licencing process for offshore wind projects is also causing lengthy delays and confusion. The Council has identified this as a barrier to guiding the local jobs and skills market. Our information suggests that establishing a clearer timeframe and prioritising the resolution of offshore wind license issues would enable the industry to expedite the feasibility studies necessary for identifying suitable sites. This, in turn, would provide guidance for the local jobs and skills market.

Furthermore, Council welcomes the Victorian Governments commitment in developing a local content policy. We advocate for the inclusion of a local quota for Latrobe City within this framework, as it would enhance market confidence and demonstrate a commitment to fostering a pipeline of local projects supporting the private sector to better plan future needs.

⁴ https://www.energy.vic.gov.au/_data/assets/pdf_file/0026/691181/Offshore-Wind-Energy-Implementation-Statement-3.pdf

Conclusion

In conclusion, Latrobe City Council's submission to the Victorian Energy Jobs Plan Consultation Paper underscores the urgent need for coordinated action to address the impending closure of coal-fired power stations and mines in the region. With the closures of Yallourn in 2028 and Loy Yang in 2035 looming, the time to act is now to provide certainty to the local workforce and economy. Latrobe City Council's submission advocates for an integrated approach guided by evidence-based planning, community engagement, and strategic investments. Latrobe City can navigate the transition towards a sustainable future while maximising local benefits and opportunities by addressing workforce challenges, promoting education, and training, and creating an enabling environment for renewable energy development.



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4 April 2024