



Feedback on the Future Jobs and Investment Authorities Issues Paper

Submission from the Hunter Jobs Alliance (HJA)

Date - 11 July 2024

Submitted via email - fjia@regional.nsw.gov.au

Thank you for the opportunity to make a submission. The Hunter Jobs Alliance is a collaboration of unions and environment organisations in the Hunter region, working together to create a future for our region with full employment, good union jobs, a thriving and healthy living environment, an equitable society, a stable climate, and renewable prosperity. The members and supporters of our organisations are workers, conservationists, local businesses people with deep ties to the Hunter region and a shared commitment to its fair and sustainable future.

For inquiries contact: Justin Page, Coordinator - Hunter Jobs Alliance
justin.page@hunterjobsalliance.org.au

Hunter Jobs Alliance affiliate member organisations:

- | | |
|---|--|
| <ul style="list-style-type: none">• Australian Manufacturing Workers' Union NSW & ACT Branch (AMWU)• Electrical Trades Union NSW & ACT Branch (ETU)• United Workers Union (UWU)• Australian Municipal, Administrative, Clerical and Services Union NSW & ACT Services Branch (ASU)• Community and Public Sector Union (CPSU)• National Tertiary Education Union (NTEU) | <ul style="list-style-type: none">• New South Wales Teachers Federation (NSWTF)• Independent Education Union of Australia NSW/ACT Branch (IEU)• New South Wales Nurses and Midwives' Association (NSWNMA)• Labor Environment Action Network (LEAN)• Lock the Gate Alliance (LTG)• Hunter Community Environment Centre (HCEC)• Nature Conservation Council of New South Wales (NCC) |
|---|--|





Other Non-Affiliated Organisations that support this submission.

- | | |
|--|---|
| <ul style="list-style-type: none">● HunterNet● Energy Renaissance● Ampcontrol● Maritime Union of Australia Newcastle Branch (MUA) | <ul style="list-style-type: none">● Hunter Renewal● Rising Tide● EcoNetwork Port Stephens● Hunter Community Alliance (HCA) |
|--|---|

Long-term outlook for coal

HJA is concerned about the way the Issues Paper represents the long term outlook for global coal demand. We believe the methodology used is not consistent with the NSW Government's *Climate Change Net Zero Future Act* & underestimates the real decline in coal demand. Our concern is from a transition perspective, this results in a reckless underestimation of the potential scale of the task ahead.

The Issues Paper cites an outdated International Energy Agencies (IEA's) "Stated Policies Scenario" forecast that global coal demand will reduce by 30% by 2050. The IEA's March 2024 forecast is that coal demand will fall by at least 40% and up to 90% during that period. Internal modelling by Glencore contemplates a nearly 100% decline in seaborne thermal coal trade by 2040. The government's failure to appreciate the urgency of the coal transition challenge is reflected in its policy proposal. A steeper reduction in coal use requires more upfront investment and support for the region.

Australia and NSW have both committed to preventing global average temperature rise to 2 degrees and to doing what they can to stabilise global average warming at 1.5 degrees above pre-industrial temperatures. [The NSW commitment is in legislation](#) passed late last year - the *Climate Change Net Zero Future Act*, which established goals and principles for urgent action on climate change. The Issues Paper mentions this law without laying out these goals and principles - [despite several of the principles](#) being directly relevant to the Authority's proposed mandate.

The IEA's "Stated Policies Scenario" (aka STEPS) - is the scenario with the greatest ongoing coal demand and estimated to reflect global average temperature rise of 2.4 degrees. The IEA scenario that is consistent with the NSW Government's *Climate Change Net Zero Future Act* in keeping warming below 2 degrees and aiming for 1.5 degrees is the "Net Zero Scenario".





Recommendation 1

- The NSW Government must maintain realistic forecasts of the rate of decline of coal demand, and make corresponding adjustments to the urgency and resourcing of transition planning. Government must be upfront with mining communities about the pace of the changes ahead.

Establishing the Future Jobs and Investment Authorities proposed model

Government Coordination

The HJA believes the Future Jobs & Investment Authorities should report to the Premier's Department and Cabinet Office for whole-of-government consideration & coordination. We need a coordinated multi-agency approach across government to drive action for our regions under transition. The Strategic & Policy priorities are much broader than Mining, Exploration & Geoscience -The Resources Minister's Department.

The scope of work undertaken by the Authorities will transcend across energy, environment, climate, jobs, planning, domestic manufacturing, education and skills & training, hence needing a whole-of-government approach.

Decision Making Authority

HJA is concerned the proposed model does not have any statutory decision making authority of its own, as envisaged by the NSW Labor Party Platform:

NSW Labo "The authorities should have the power to coordinate and deliver worker and community support programs, regional economic development programs, site rehabilitation for employment and conservation purposes, and implement job transfer schemes for workers in power stations and mines to allow voluntary redundancy and redeployment across sites".

HJA has been advocating a regional transition authority & developed the [BUILDING FOR THE FUTURE A 'Hunter Valley Authority' to Secure Our Region's Prosperity](#) report in 2021. HJA has long advocated for a Statutory Authority with local decision making autonomy, sufficient and reliable funding and skilled staff, to deliver support programs for affected workers & communities. The proposed model does not align with NSW Labor Party Policy Platform nor HJA's view on what a successful model should look like.





Model Overly Bureaucratic

HJA is concerned the Issues Paper outlines an overly bureaucratic advisory model that appears to be at least 7 levels of Government:



Our concern is this many levels will hinder the timely flow of support & funding to coal regions already under transition.

To date, not one cent of the Royalties for Rejuvenation Funding has flowed back to affected communities. Over \$3M from the fund has been spent on operating expenses with expert panels reporting directly to the Minister. Creating the proposed multiple layers of bureaucracy will be costly & only exacerbate the delay in support & funding flowing to support the affected workers & communities.

Authorities Remit

HJA is concerned the remit of the Authorities has been reduced to jobs & investment and is missing the environment and community as envisaged in the Platform. The Platform specifically lists community support programs, site rehabilitation for employment and conservation purposes, and implement job transfer schemes for workers in power stations and mines to allow voluntary redundancy and redeployment across sites. These elements have not been addressed in the Issues Paper.

Recommendation 2

- The Future Jobs & Investment Authorities needs to report to the Premier's Department and Cabinet Office to drive a whole-of-government, multi agency strategic approach.

Recommendation 3

- The proposed model is overly bureaucratic & needs to be simplified to ensure funds & programs are delivered in a timely manner to affected workers & communities. The Authorities for each region must have legislated powers to deliver the programs as contemplated by the NSW ALP Policy Platform.





Recommendation 4

- The Future Jobs And Investment Authorities remit needs to be expanded to include community support programs, implementation of job transfer schemes for workers in power stations & mines to allow voluntary redundancy & redeployment across sites as contemplated by the NSW ALP Policy Platform.

Proposed arrangements for establishing the authorities

HJA supports legislative reform to establish priorities and the governance structure of the Future Jobs and Investment Authorities. We support legislative reform to repeal the current provisions for the Expert Panels and Royalties for Rejuvenation Fund, and introduce new legislation to establish an appropriate authorities model including four Future Jobs and Investment Authorities (located in each of the four coal regions), Future Jobs and Investment Board, and the Future Jobs and Investment Fund.

Employer Legislated Framework & Obligations

The Australian Government's *Net Zero Economy Authority Bill 2024* establishes a legislative framework & obligations to protect workers at coal fired power stations, the mines that supply them and the businesses that support them. However, it leaves workers in export-oriented coal mines, the vast majority of coal miners in the Hunter region, exposed to sudden market change with no protections.

The Issues Paper fails to address any legislated framework or obligations for supporting the future employment of employees of any closing coal related operations or businesses that support them.

The Issues Paper states the Hunter coal mining industry employs 14,919 & supports around 37,000 indirect jobs. It also states that 90% of coal from the Hunter region is produced for export trade. The Hunter region hosts 3 operational coal-fired power stations, representing 409 jobs.

Using that information-

Workers in the Hunter covered by NZEA Bill = **5,682** (10% mine workers (1492) + powers station workers (409) + 10% indirect jobs (3700))

Workers in the Hunter not covered by NZEA Bill = **46,727** (90% mine workers (13,427) + 90% indirect jobs (33,300))





HUNTER JOBS ALLIANCE

SECURING OUR FUTURE

The Future Jobs and Investment Authorities model must have a specific focus on export coal mines not covered by the NZEA Bill. These mining companies have an obligation and must be held accountable to support and facilitate the transition of employees to new employment.

Recommendation 5

- There must be a legislated framework & obligations on closing employers to support & facilitate the transition of employees to new employment including-
 - creating a consistent approach to supporting workers in closing facilities;
 - ensuring workers have the right support and skills to transition to new employment;
 - connecting workers to other employers in the region;
 - complementing existing supports offered by closing employers and governments; and
 - aiming to fill the gap where comprehensive support packages are not readily available for workers.

Post-mining land use / Site Rehabilitation & Conservation

In relation to post-mining land use, we cannot forget rehabilitation & conservation. The NSW Labor Party Policy Platform specifically outlines “*site rehabilitation for employment and conservation purposes*”. Land restoration is a crucial industry in the post-mining transition and can create hundreds of jobs. The scale of the mine rehabilitation and landscape restoration task facing NSW is enormous, but the state has a critical knowledge and skills gap in implementing that task.

HJA supports post-mining land use but it cannot be at the expense of proper rehabilitation of the remainder of the mine site. Cost savings for leaseholders resulting from not having to remove site infrastructure like roads, rail & transmission should be reinvested in community and environment projects. The Authorities must play a role in the job creation space for post mining land use, site rehabilitation & conservation.

Recommendation 6

- The legislation must also set clear objective for the role of the Future Jobs and Investment Authorities in coordinating workforce support, industry development, investment attraction for **site rehabilitation & conservation** as contemplated by the NSW ALP Policy Platform.



Securing our Future

WWW.HUNTERJOBSALLIANCE.ORG.AU



Future Jobs and Investment Fund

HJA supports the Future Jobs and Investment Fund utilising existing funding currently allocated for the Royalties for Rejuvenation Fund. HJA is concerned ongoing funding of \$25M PA is not sufficient to support the Future Jobs and Investment Authorities model as outlined in the Issues Paper.

The previous NSW Government's [Royalties for Rejuvenation](#) program did not deliver on its stated aims to *“ensure coal mining communities have the support and funds they need to diversify their economies for a strong and vibrant future. The funding will ensure that coal mining communities can make targeted investments towards strategic planning, workforce development programs, constructing enabling infrastructure, and establishing new industries and employment opportunities.”*

The Future Jobs and Investment Fund is proposed to be focussed on incentivising significant investments in coal-reliant communities, prioritising the creation of new jobs and new industries. This could include co-investment in infrastructure, business case funding for major, game-changing investments, training packages linked to specific new investments, and other incentives to attract private sector investment into new industries.

\$25M PA shared between 4 regions and an overly bureaucratic model of 7 layers of Government will not deliver on these stated objectives.

HJA is concerned that our region has received no funding & the projected funding through this Issues Paper is not adequate to deliver the stated objectives of the Future Jobs and Investment Fund. We need to rapidly diversify our economy in step with the pace of change during the transition from coal mining. The Hunter is a \$65 billion economy and the scope of the challenge ahead is immense. Even if the entire \$25 million per annum was allocated to the Hunter it is considered well short of requirements.

These concerns are shared by industry and local government. The Committee for the Hunter has [advocated](#), “partitioning a dedicated envelope of funding for the Hunter region relative to the size of our coal industries, affected workforce and scale of impacts to ensure equitable allocation.”

The 2023 NSW Budget included a significant increase in royalties payable by coal mining companies.

It was of great concern to learn that the Royalties for Rejuvenation Funds currently cannot be accessed until 2028–29, or until the fund reaches \$250 million. This demonstrated the previous Governments lack of real intent to deliver on its stated aims for our regions. This current Government must increase the





annual funding allocation, ensuring the funds will be available for regions as soon as possible and ensuring the Hunter receives its fair share of equitable allocation.

Recommendation 7

- That the annual funding allocation for the Future Jobs and Investment Funds be increased to the greater of \$150 million, or 5% of royalties income, in order to properly address the stated objectives of the Fund, and reflect both the amount of royalties income, and the increase in royalty rates.

Recommendation 8

- That the Future Jobs and Investment Funds, including the existing funding currently allocated for the Royalties for Rejuvenation Fund, are immediately made available on the introduction of the associated legislation.

Recommendation 9

- That the Future Jobs and Investment Funds be allocated across the four coal mining regions of NSW broadly commensurate with the proportion of coal royalties paid by coal mines operating within each region

