

Inquiry into the Closure of the Hazelwood and Yallourn Power Stations

Mr Tony Shields

Organisation Name: The Australia Institute

Your position or role: Adjunct Fellow

YOUR SUBMISSION

Submission:

I have uploaded my submission

FILE ATTACHMENTS

File1: [615e8be221df1-P838 We can work it out FINAL.pdf](#)

File2: [615e8be225e68-Vic Inquiry into coal power stations covering letter FINAL \(1\).pdf](#)

File3: [615e8be2262bc-Fossil_Fuel_Employment_Transitions_Final.pdf](#)

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Inquiry into the Closure of the Hazelwood and Yallourn Power Stations
Economy and Infrastructure Committee
Parliament of Victoria
Submitted via website

7 October 2021

Dear Committee members,

The Australia Institute welcomes the opportunity to make a submission to the Inquiry into the Closure of the Hazelwood and Yallourn Power Stations.

The Australia Institute is an independent public policy think tank, based in Canberra. We carry out research on a broad range of economic, social and environmental issues.

Two recent research papers by The Australia Institute and our affiliate, the Centre for Future Work, address the Inquiry's terms of reference. Both papers are attached to our submission and can be easily found on our website.

The first paper, *Employment Aspects of the Transition from Fossil Fuels in Australia* discusses policies that could assist with reducing the impact of closures such as Hazelwood, Yallourn and Loy Yang. These include retirement and voluntary severance incentives, retraining and relocation grants, income protection, and regional diversification strategies. If planned well in advance and implemented with strong consultation, these policies can support affected workers and communities as the transition occurs, and ensure strong job-creation in the rest of the economy.

The second paper, *We can work out*, explores lessons Australian governments can learn from the current German phase out of coal-fired power. The German Coal Commission was a multi-stakeholder group that negotiated a consensus to phase out coal power by 2038. Its work built considerable community consensus despite years of conflict between various stakeholders.

The German Coal Commission was different to the Latrobe Valley Authority in that:

- It was set up by the German national government,
- The German Government charged the Commission with deciding the nature of the transition and the budget required for it,
- It was set up before, rather than, after the closure of coal-fired power stations. As such it was able to plan, and build consensus for, the transition out of coal. This is regarded as necessary to make a successful transition.

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A German-style body may not be possible, or appropriate, for the Latrobe Valley, however, the manner of its establishment, its operation and outcomes may be of interest to the Committee, the Authority and perhaps the wider Latrobe Valley community.

We would be happy to expand on this submission if that would assist the Committee.

Rod Campbell
Research Director
The Australia Institute