

# TRANSCRIPT

## LEGISLATIVE COUNCIL ECONOMY AND INFRASTRUCTURE COMMITTEE

### **Inquiry into the Closure of the Hazelwood and Yallourn Power Stations**

Melbourne—Wednesday, 16 February 2022

#### **MEMBERS**

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Mrs Bev McArthur

Mr Bernie Finn—Deputy Chair

Mr Tim Quilty

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Mr David Limbrick

Ms Kaushaliya Vaghela

Ms Wendy Lovell

Ms Sheena Watt



**WITNESSES** (*via videoconference*)

Dr Colin Long, Just Transitions Organiser, and

Ms Danae Bosler, Chief of Staff, Victorian Trades Hall Council.

**The CHAIR:** I declare open the Economy and Infrastructure Committee public hearing for the Inquiry into the Closure of the Hazelwood and Yallourn Power Stations.

I wish to begin by acknowledging the traditional owners of the land, and I pay my respects to their elders, past, present and emerging.

My name is Enver Erdogan, and I am Chair of the committee. I would like to also introduce my fellow committee members that are present today: Ms Harriet Shing, Mrs Bev McArthur and Ms Melina Bath.

To witnesses giving evidence, all evidence taken at this hearing is protected by parliamentary privilege as provided by the *Constitution Act 1975* and further subject to the provisions of the Legislative Council standing orders. Therefore the information you provide during this hearing is protected by law; however, any comment repeated outside the hearing may not be protected. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament.

All evidence is being recorded, and you will be provided with a proof version of the transcript following the hearing. Ultimately transcripts will be made public and posted on the committee's website.

We welcome your opening comments, but I ask that they be kept to a maximum of 10 minutes to allow plenty of discussion and questions with the committee. If you have any technical difficulties at any stage, please disconnect and contact the committee staff using the contacts you are provided. If you could begin just by introducing yourselves as well, that would be helpful. I will hand over to Dr Colin Long and Danae Bosler from Victorian Trades Hall. Over to both of you.

**Ms BOSLER:** Thank you, Chair. For the record—excuse me, I will remove my mask while I speak, but we will put our masks back on when we have finished speaking as well—Danae Bosler. I am Chief of Staff at Victorian Trades Hall Council, and I am here with Dr Colin Long, our Just Transitions Organiser at Victorian Trades Hall Council as well.

I will begin our statement. Victorian Trades Hall Council welcomes the opportunity and thanks the committee for the opportunity to present to this inquiry. The VTHC was founded in 1856 and we are the peak body for unions in Victoria. We represent over 40 unions across Victoria and more than 430 000 workers across the state. These workers are members of their unions that reach into every industry across Victoria, both in the public and private sectors.

In 2020 at Trades Hall we went through a process with our affiliated unions to draft and publish a pivotal document for us, which was our just transition plan. It has been submitted to this committee as part of this inquiry and we reference it throughout the presentation. And yes, it is 50 pages long, but we really encourage committee members to take the time to read that document. It really spells out the position that Trades Hall and our affiliated unions take on this. It covers substantial opportunities in every industrial sector as well as our expectations about union engagement going forward.

We note the recent announcement by AGL that it will close Loy Yang A in 2045 rather than 2048, and we are not here today to argue about specific closure dates. We want to make the point that the way the closure dates were determined for Hazelwood and Yallourn and now Loy Yang is deeply flawed. Companies making arbitrary decisions about when they will close is of no use to workers, their families and their communities, who need clean time lines and transition and redundancy plans.

We begin with the following basic principles, which I am sure all the committee would agree with. Number one, that all Victorians, indeed all Australians, have a deep interest in the energy system. Electricity is essential to modern life. How electricity is generated and distributed and at what cost affects household budgets, the viability of businesses and indeed the very provision of jobs. Number two, that electricity industry workers have played and continue to play an essential role in the development of our state and in the maintenance of

virtually all aspects of modern life, and I want to acknowledge particularly here the role and the contribution to this inquiry of the CFMEU mining and energy division, who have already appeared before this committee. And number three, the decarbonisation of the electricity industry is the most important step to the decarbonisation of the economy more generally, to the achievement of safe climate targets and thus to the protection of a climate safe for human civilisation.

And before I pass to Dr Long, I just want to acknowledge the work to date done by the state Labor government. We congratulate the government for the establishment of the Latrobe Valley Authority and their work. VTHC advocates for long-term funding here so their work can continue.

**Dr LONG:** I would like to draw the committee's attention to the following existing policy frameworks that should guide our thinking here. First of all, the Paris Agreement targets, reinforced by the Glasgow Climate Pact, which emphasises the need to restrict temperature growth to 1.5 degrees, and all Australian jurisdictions have accepted these targets. Second, Victoria's emission reduction and renewable energy, and the reduction targets of course have been legislated.

Third, AEMO, the Australian Energy Market Operator's, integrated system plan for 2022, which identifies the most important so-called development opportunities for the Australian electricity system. Its central scenario now includes that they expect double the delivered electricity to approximately 330 terawatt hours per year to replace gas and liquid fuels in transport industry, office and domestic use. There would need to be even more electricity generated if the hydrogen economy was to take off in ways that are predicted. Second, that coal is likely to retire two to three times faster than anticipated. Current announcements by thermal plant owners suggest that about 5 gigawatts of the current 23 gigawatts of coal capacity will withdraw by 2030, but modelling for AEMO suggests that 14 gigawatts may actually retire in that time frame. AEMO expects that all brown coal generation and over two-thirds of black coal generation could withdraw by 2032. Thirdly, AEMO expects nine times the utility scale of variable renewable energy capacity on a per capita basis. Australia added four to five times more renewable energy than the European Union, the USA or China in 2018 and 2019, and the national electricity market now needs to maintain that record rate every year for the decade to triple renewable energy capacity by 2030, then almost double it again by 2040 and again by 2050. And AEMO, fourthly, says that it expects nearly five times the distributed photovoltaic capacity—largely rooftop solar—and substantial growth in distributed storage, so household batteries and community batteries.

What follows from all of those principles and policies is the following overarching energy system transformation framework we have developed and which we think should guide the transition. First of all, decisions about the future of the electricity generation system are decisions, as Danae said, that are relevant to all Victorians, and those decisions should be taken through democratic processes and not just parliamentary democratic processes, and decisions should not be left just up to big business and the owners of the power stations.

Second, given the importance of electricity to all aspects of life, the transformation of this vital industry must be properly planned with long time horizons. Planning should closely engage unions, local communities, businesses, all levels of government and community and environment organisations. Third, decisions about the future of the electricity system and individual parts of it should not be left up to private companies, especially when some of the biggest private players in the system are not even Australian owned. Closure dates for individual power stations must be based on the requirements of decarbonisation determined by scientific emission reduction targets, designed to meet the Paris and Glasgow emission and temperature targets and on the provision of renewable energy and storage in a way that ensures grid stability and the adequacy of supply. Closure dates should not be determined by the profit demands of private owners. Fourth, but probably for us the most important principle, workers in the industry must be given a powerful voice and put at the centre of the energy transformation.

Following from those above principles, policies and that transformation framework are a number of policies for a fair and effective transformation of the electricity system. These are the fundamental elements of a just transition for workers that the union movement has developed. We draw attention to our full submission to the inquiry for broader policies to guide the energy transformation, and I note, following Danae's comments, that a number of these policies have been drawn from the CFMEU mining and energy division's policies around a just transition for workers. First of all, guaranteed new employment for all current workers who want it. Second, a job transfer scheme between closing power stations and those yet to close, with an obligation on

employers to employ first from a redundancy pool. Third, guaranteed job transfers into new energy sector jobs, including offshore wind, other forms of renewable energy generation, site rehabilitation and hydrogen manufacture; retraining for all workers who want it; enhanced redundancy, retirement and wage maintenance schemes for power station workers; mechanisms to hold companies to account for closure dates and redeployment, retraining and other commitments; a plan for the replacement generation and its location; a plan for the grid upgrades that are necessary to facilitate the energy transformation; committed funding from employers and governments to ensure all elements of the plan are implemented; ambitious renewable energy targets that maximise the development of the renewable energy industry; commitment to public agencies sourcing their energy needs from renewable energy sources; direct public investment in renewable energy generation—the Victorian government, we say, should establish a renewable energy generation authority to build, own and operate renewable energy assets, there is a model for that in Queensland of course; the establishment of industry-wide collective bargaining in the renewable energy industry with a commitment to improved terms and conditions of employment, and substantial effort to encourage energy efficiency.

Those are our introductory remarks. Thank you for the opportunity to present them to you. I know there is a lot there, but we are very happy to answer questions.

**The CHAIR:** Thank you very much, Danae and Colin, for quite a good review, but obviously it builds on a detailed submission and I quite enjoyed reading even the principles for just transition and the community engagement piece. I think it is all a very important reminder for all of us about what we could aspire to. In that regard I might go around and give committee members an opportunity to ask questions. Committee members, we will stick to a 5-minute time limit so that everyone gets an opportunity. I might start with Harriet Shing, then Melina Bath and then we will go around. So, Harriet, would you like to ask the first few questions?

**Ms SHING:** Thank you very much. I hope that you can hear me okay. My connection tends to be a little patchy, so if I do start to run out, just give some sort of sign and I will turn my camera off, which will hopefully then improve how you can hear me.

Thank you very much for that presentation. One of the challenges that we have, as you have outlined, is the importance of a just transition that in fact meet obligations under Paris and Glasgow but also commits to long-term transition and development. We have seen that that has been a focus for the Latrobe Valley Authority, which you have recognised, and that that is in fact the way in which we can place communities at the forefront of positive change over time and seize the opportunities that exist around innovation. So in particular to pick up, Dr Long, on your point around the renewable energy generation authority, these are the sorts of innovative solutions which we know have worked in other jurisdictions, in particular Europe as it moves to transition away from coal-fired power into other diversified economies.

One of the things that I would like to ask for your views on relates to the importance of all levels of government across electoral cycles and potential changes of government working to commit to transition and to change. We have seen through the establishment of the authority that that has often been used as somewhat of a political football, and to that end it comes down to the importance of everyone working together—as we have seen in Germany, which was in fact the way in which they had a 50-year transition. I would like to get your thoughts on how it is that we can bring jurisdictions together to commit to the sorts of principles that underpin your submission and the programs that it delivers but also through engagement with community stakeholders and building a localised network, not just ‘I am for Gippslanders’, which is the LVA’s I suppose hallmark characteristic, but also in a way that serves the interests of Victoria and Australia more broadly. And I am going to put myself on mute again.

**The CHAIR:** Harriet, could you also switch off your camera? There is a significant lag with the video.

**Ms BOSLER:** But I think we caught your question, Harriet. And Dr Long, did you want to—

**Dr LONG:** Well, it is a really good question. In many ways it is the essence of the problem, isn’t it? How do we move away from dealing with climate change being a part of the culture wars effectively and make it into a meaningful way to help regional communities in particular, where a lot of carbon intensive industries are located? How do we help them transition to a good future that does not leave anyone behind?

I think getting institutional structures right is important, so ensuring that the Latrobe Valley Authority continues. We advocate for something at a state level as well. We think there need to be similar agencies to the

Latrobe Valley Authority, perhaps overseen by a statewide agency, for other regions of Victoria. The needs of western Victoria, around Portland and so on, are very different to the Latrobe Valley. The needs of the farming communities in northern Victoria, around Mildura and so on, are very different—the issues there are really around water and drought potential. So having agencies that can be very closely connected to their local communities and that engage closely with all representatives of local communities—business, unions, community organisations, local government and so on—I think is really important. As is bringing people together in a shared enterprise that is not exploited for cheap political points but is seen as an opportunity to really advance the interests of communities in what is going to be a difficult operation—transforming the economy—but one that we have to go through. So having goodwill and a commitment to transition and a commitment to the communities that are undergoing transition is very important and ensuring we have the right institutions in place to ensure continuity. I think those things are incredibly important.

**Ms SHING:** Thank you for that. I am sorry I dropped out momentarily there. Danae, did you want to add anything before I ask my last question at the end of my 5 minutes? I think the Chair will start to wind me up very quickly.

**Ms BOSLER:** I will be very quick, Ms Shing. I just wanted to add that I think we can say honestly the state government has come to the table. I think local government has also in these communities contributed an enormous amount. I think local government in some communities is punching way above its weight and its expectations in delivering in this sector. I do not seek to be too political, but we really need the federal government to step up to the plate as well to make sure that it is not just for Victoria but a plan for Australia.

**Ms SHING:** I am keen, with the time I have left, just to get your views on the extent to which the LVA has made a difference in its operation since it was established prior to the very swift notice period announced in relation to Hazelwood, what that looks like around negotiating what we now have as the longest notice period in Australia in relation to Yallourn and how we can improve upon that and more broadly how we can use the LVA as a template, which, Dr Long, you referred to earlier, in other parts of Victoria and indeed Australia. I know that that has been part of the work of the LVA outside of the envelope of funding that it has been auspiced to deliver and that those networks are indeed a crucial part of developing a transition that is durable. Thank you.

**Dr LONG:** One of the things that LVA has been really important in doing is facilitating discussions—when Hazelwood closed, facilitating those discussions and those processes around job transfer. I think we can say we were disappointed in the number of workers that were able to transfer from Hazelwood to other power stations, and some of the problem there is actually to do with the owners of power stations, but such a scheme had never existed before in Australia.

**Ms SHING:** No, it is the first in Australia.

**Dr LONG:** Yes, and the history of industry restructuring in Australia is not a good history for workers, which is part of the problem for transition and for climate change discourse in this country, because workers legitimately do not believe in industry restructuring they are going to be well treated because in the past, whether it is textile, clothing and footwear, the car industry or whatever, they have not been well treated. The Latrobe Valley Authority has given some structure to that and tried to put the interests of workers at the heart of that transition in a way that we have not really seen in Australia before, so I think that was incredibly important. It has done very important work, some of which it has done in partnership with organisations like the Gippsland Trades & Labour Council, in worker retraining and job placement and things like that. That is incredibly important work, doing that retraining and reskilling, but also it has been doing some good work trying to find alternative forms of economic activity, because of course in regional transition economic diversification is incredibly important. We are not just going to get jobs in renewable energy—we need to diversify regional economies—and it has been thinking about all of those things. And working closely with the community—I have seen some very interesting work it has done to bring the community on and to develop the community's ideas around transition and then working with very large projects like the Star of the South as well. That range of activities has been very important, I think.

**Ms SHING:** Excellent. Thanks, Dr Long. Oh, the Chair has taken himself off mute, so that ends my questions. I will turn my camera off, but I will still be listening.

**The CHAIR:** Thank you, Harriet, for your questions. Ms Bath, over to you.

**Ms BATH:** Thank you, Chair, and thank you very much, Dr Long and Ms Bosler, for attending and providing really some comprehensive discussion there. I am interested to know, in a snapshot: what is the outcome that you want for the Latrobe Valley? This is a discussion on the Latrobe Valley. What is the outcome you want for the workers in the Latrobe Valley?

**Dr LONG:** Well, in broad terms we want the Latrobe Valley to be better than it is now, which is not to say it is a bad place. But we want not just people to be not worse off; we would love to see all parts of Victoria improved and the economy diversified. All workers currently working in the power industry or who have worked in the power industry before who want to work, we want them to have good, high-quality, decent jobs—we would love them to be unionised jobs, obviously—that they want to stay in the community and raise their families and that any worker who loses a job in the coal-fired power industry is able to go into a very similar quality of job in another industry without any periods of unemployment, and we do not want to see any social dislocation in the valley. I think that is our overarching desire. Certainly on a very practical level we want to see no forced redundancies for power station workers. We want to see them fully integrated and involved in any transition processes, any closure decisions, to make sure that no power station worker is disadvantaged by the transition that we all have to go through but they have to bear the brunt of.

**Ms BATH:** Thank you. I think you have just articulated what all of us sitting in this forum want as well. I think—very important for long-term and sustainable jobs—it is going to need, from my understanding, a variety of forums and technologies. What is your opinion, what is Trades Hall's opinion, on the utilisation of the assets that we already have? I will list them in terms of lignin and lignite, so both timber and coal. If we look at coal, there is still a great vast resource in Latrobe Valley. What is Trades Hall's opinion on utilisation of that in other forums and other technologies in a reduced emission world, keeping those targets—both federally and state-stated targets?

**Dr LONG:** In terms of lignite, or brown coal, it is hard to see any other long-term industries for it that would be zero emissions. I understand there is experimentation with carbon capture and storage related to hydrogen, but that is not a zero emissions technology even with carbon capture and storage and is likely to have a very limited export potential in the long term to most countries or even a domestic need because of the rise of certification for hydrogen at an international and national level, which is likely to give higher priority to hydrogen generated by renewable resources. I mean, there are some proposals also around lignite for fertiliser and things like that because it is not too far off being dirt anyway. I know there is a big resource there, but it is hard to see any particular clean uses for it.

**Ms BATH:** I guess I am asking, you don't have a philosophical adverse feeling towards coal as a substance, as a resource; it is more keeping in line with our targets. Would that be a fair statement of Trades Hall?

**Dr LONG:** No philosophical objection to any physical or natural resource of any kind. It is how it is used and what the ramifications are for the climate.

**Ms BATH:** Thanks for that. We had Mr Geoff Dyke in before Christmas in our first hearing, and he is a very passionate local and knows the industry backward and forward. I put a question to him around the native timber industry and the fact that it is closing in the foreseeable future under state government direction, and he said:

I think it is a disgrace to shut down the timber industry. I will be blunt.

And then he went on to elucidate his point. What is the position of Trades Hall on the closure of the timber industry and—I guess the key thing that I am asking—the loss of jobs from that industry in Latrobe Valley?

**Dr LONG:** Well, the principle should be the same for industry transitions. It is about finding alternative resources and alternative jobs. There are alternatives to using native timber in plantation, for instance in other crops. Industrial hemp, for instance, can play many roles that timber plays in the industrial economy and could be a very substantial industry in a place like the Latrobe Valley, but it has just never been given any opportunity or thought about seriously because very little industrial planning takes place in Australia. But there are plenty of opportunities. Personally we are looking at how timber can be used in large-scale buildings to replace concrete and steel in decarbonising the construction industry, but the demand for that is likely to be for plantation timber. So there are still plenty of opportunities in timber work, but—

**Ms BATH:** I asked the question by 2030, the cut-off for native timber—my question in relation to plantations is: does Trades Hall feel that there is an adequate supply for there to be a nice, smooth transition for workers from one industry to the next?

**Ms BOSLER:** I think we would have to defer to another division of the CFMEU on that one, the forestry division of the CFMEU, which I do not think made a submission to this inquiry or thought that the timber industry was going to fall into the scope of this inquiry, so they might have missed out on that opportunity.

**Ms BATH:** Thank you. I think Mr O'Connor has been quite vocal in the past in relation to his views on the closure of the native timber industry, but it relates I guess to my first question around jobs and what we want in the valley, so that is how—the replacement jobs. Thank you, Chair.

**The CHAIR:** Thank you very much, Ms Bath. I might pass over to Bev. Mrs McArthur, do you have a couple of questions? Then we will go to Lee—but Lee just messaged me saying that he is giving his speaking rights to Ms Shing—and Mr Meddick, and then I will go last. So, Mrs McArthur, over to you.

**Mrs McARTHUR:** Thank you, Chair. Thank you, Dr Long and Ms Bosler. Now, I just missed the exact figure you gave. What is the total number of union members in Victoria?

**Ms BOSLER:** Apologies, Mrs McArthur. I had it. I quoted 430 000, but if you are happy to take it on notice—I think that is what I said?

**Dr LONG:** Yes.

**Mrs McARTHUR:** I just missed it. I did not quite get it—430 000, right?

**Dr LONG:** Yes.

**Mrs McARTHUR:** So what percentage of the workforce does that union membership represent—of the total workforce in Victoria?

**Ms BOSLER:** It varies hugely, as you can imagine, across sector to sector, varying in the public sector—the nurses and the teachers overwhelmingly having majority union membership—through to sectors like hospitality and retail or sectors that have younger workers, which have a much lower percentage, I think around 20 per cent or just below.

**Mrs McARTHUR:** But we ought to be able to—you must know the total percentage of the union workforce as a percentage of the workforce in Victoria. 430 000 members does not sound to me like an awful lot.

**The CHAIR:** Mrs McArthur, I am just trying to draw the link to the terms of reference, that is all—

**Mrs McARTHUR:** Well, actually, Ms Bosler raised the issue of the union membership numbers so I am just clarifying exactly how representative that membership is.

**Ms BOSLER:** Yes, I provided it just to provide context of the workers that we represent across Victoria and the 40 affiliated unions that we seek to represent. I did not provide it to push an agenda other than that.

**Mrs McARTHUR:** No, no. I am sure we can find out. I think it is not a very great percentage. I think that is probably what we will discover.

I am interested in a few aspects in relation to energy, and in particular the transmission and distribution of energy, and you have touched on that given that AEMO are involved in the development of transmission in this state. While you are particularly advocating on behalf of the workforce in the energy sector, what is your view on the position that government, the community and the Parliament should take in relation to landholders in particular who have to endure the infrastructure that goes with the transmission of energy?

**Dr LONG:** All appropriate consultation processes for development of any infrastructure should take place.

**Ms BOSLER:** And can I just add to that further? In our just transitions plan we do talk about, you know, a social licence, including, I should acknowledge, our First Nations brothers and sisters as the traditional owners

of this land as well. We should engage in a fair process with them as well so they have access to the opportunities that would come through any change in our energy sector.

**Mrs McARTHUR:** Well, that is so good to hear. A social licence is very important. Do you think the project that is currently underway—orchestrated by AEMO, which of course all state energy ministers are part of—being executed by AusNet has any social licence in the western Victoria transmission project, for example?

**The CHAIR:** Mrs McArthur, I am aware of that project, but I am not sure it relates to the Latrobe Valley. It is on the other side of Victoria.

**Mrs McARTHUR:** Well, yes, it does, because it is connecting the power to the grid, Chair. It is vitally important. If we are going to talk about moving away from coal and into renewables, we have got to be able to transmit the energy, and at the moment there are many wind farms with the wind blades not turning because there is no room on the grid. So we need to connect the energy to the grid—and for some curious reason it is going to end up virtually in the Latrobe Valley. So the social licence that you are quite rightly advocating needs surely to extend to all participants in this energy space. Do you agree?

**Dr LONG:** As I said, all major projects should go through relevant consultation processes and environmental approvals.

**Mrs McARTHUR:** I guess you are advocating for the zero-emission target, which we are all trying to aim for, and you do agree that natural resources should be used. If we are really interested in zero emissions, what is your position on nuclear energy, which is of course a zero-emission energy source?

**Dr LONG:** Well, it is not, but—

**Mrs McARTHUR:** It is not?

**Dr LONG:** No, no. The uranium needs to be mined, transported and used and so on.

**Mrs McARTHUR:** Well, similar to renewables, really.

**Dr LONG:** Well, no, because once you have built solar and wind farms their fuel source is zero emissions. But that is not the point. The Victorian Trades Hall Council has for a long time had opposition to a nuclear industry in Australia. We believe that we have substantial expertise already in solar and wind, and those resources are incredibly available, able to be scaled up very rapidly and would create quite substantial jobs if we did scale them up, particularly if we did work on supply chain creation, and that we should put our efforts into encouraging our expertise in those areas, whereas we have no domestic nuclear industry, the possibility of it being constructed in any useful time frame is virtually zero and it is the most expensive form of power available.

**Ms BOSLER:** And just further to that, I do not think it was this committee, but another committee of the Victorian Parliament had an inquiry in 2020, I think, Chair, and we made a submission to that. You are welcome to read that submission, Chair.

**Mrs McARTHUR:** Oh, look, I was on that committee inquiry, and it was this committee. Certainly some members of the union movement were very adamant that we should have a nuclear energy program in this country—the AWU, for example—and advocated very strongly for it. But leaving that aside, if we are to transition to renewables, the execution of the distribution is going to be critical. Have you looked at how we could do that better than 85-metre towers crisscrossing the country to get the renewable energy to the grid?

**Dr LONG:** We have not looked at that specifically, but I note that such towers transmit electricity from the Latrobe Valley to the rest of the state and have done so for 70 or 80 years or more and continue to be—

**Mrs McARTHUR:** Just because they have done it for 70 or 80 years, do we still want to embark on that old technology given that the Marinus project or Star of the South project will engage in underground transmission of energy? Are you familiar with those plans and the underground transmission of power in the Murraylink area, which clearly has far greater environmental benefits than above-ground transmission towers? Have you examined the difference between above-ground and underground transmission?

**Dr LONG:** There is a lot to be said for underground transmission lines.

**Mrs McARTHUR:** I am very pleased to hear that. That is a very important statement, and I hope you will prosecute that very strongly if you want the connection of renewables around the country. We are looking at one transmission project at the moment. I understand there are six more potentially in the pipeline. So you will be on the front foot advocating for underground transmission—

**Dr LONG:** No, no. That is not what I said. I said there is a lot to be—it is simply a cost-benefit analysis and a study of what are the circumstances in each case.

**Mrs McARTHUR:** So if we are looking at the generation of power, and you are advocating for renewables, and that is fine, and any other form of energy as well—hydrogen; but if it is going to be green hydrogen, it is going to need renewables not the current brown energy—the environmental impacts of above-ground transmission are very significant if you look at where the transmission towers have to go. Surely you have to take a holistic view. If you are concerned about the environment and the effects of coal-fired power, for example, then you must be concerned about the way we transmit power.

**The CHAIR:** Sorry, Mrs McArthur. I think Dr Long answered that question. He said it is a cost-benefit analysis and it is a case-by-case situation—what is appropriate for the area. I think that was his answer. But if he has got anything further to add, I will let him answer. Otherwise I know there are a couple more people who have got some questions as well. Dr Long, do you have anything further to add about that? We can put questions on notice as well. I am happy to put some further questions to Victorian Trades Hall. I know—

**Ms BOSLER:** Happy to take questions on notice as well, yes.

**The CHAIR:** On notice as well, Mrs McArthur. But I do hear the angle you are seeking. You are saying if we generate renewables, how is it going to be transmitted across the state, and you have concerns about that method.

**Mrs McARTHUR:** I am very concerned about the effects to the environment of overhead transmission towers where it might go through a biolink, the amenity impact in housing areas, in agricultural areas. The proper cost-benefit analysis is never done—it is just an aluminium tower on top of the ground or a tube going under the ground. But given the long-term implications of how you service the above-ground power, the loss of energy that is impacted with above-ground transmission compared to underground transmission, I think if you are going to go down the path of making sure we have renewable energy, then you have to absolutely be engaged in the very thorough debate of what are the total implications of the transmission operation. I will not even start on the distribution of power, because that is also very significant.

**The CHAIR:** Thank you, Mrs McArthur. On that note I might pass over to Ms Shing and then Mr Meddick. Ms Shing to ask a couple more questions, thank you.

**Ms SHING:** Thank you. Given that Mrs McArthur has taken an awful lot of time, I do not want to run the clock down without Mr Meddick having his opportunity, given that we do not have an opportunity for him to share question time. So I am happy to reorder things as you might wish.

**The CHAIR:** Yes, sure. Mr Meddick, over to you.

**Mr MEDDICK:** Thank you, Chair, and thank you, Ms Shing. Welcome again, Dr Long and Ms Bosler. It is great to see you. My questions and concerns in many instances in these situations will always come back to my concern for the workers and their ongoing welfare. You listed a whole host, a swag, of different programs that are either underway or about to be underway in order to ensure a just transition for those workers whether they are retiring from the industry and the workforce completely or whether they are moving into other areas. Look, I want to keep this as simple as I can. Are there any areas that you feel at the moment are not being addressed as adequately as they should be? And what are the steps we need to take to make sure that happens?

**Dr LONG:** Do you mean not adequate to ensure a decent transition, a just transition?

**Mr MEDDICK:** Correct, yes.

**Dr LONG:** Look, I think the key issue for us is lack of certainty for workers and communities, a lack of planning and leaving decisions up to the private owners of the power stations to close when it is no longer profitable for them to operate rather than making long-term plans about what is needed to meet all of those targets and principles that we describe and to make sure that communities and workers are not disadvantaged by the transition and grid stability and that cost is kept down. Without a plan to ensure all of those things occur, it is really hard to convince workers that they have a future that is not one of, you know, who knows—difficulty, unemployment, lack of training. We really need that level of planning, and we need institutional support through the establishment of authorities like the Latrobe Valley Authority at a state and other parts of the region, at those levels, to make sure that all of the interests and all of the planning is done in a sensible way that puts all of those things at the centre. I think that is the pitch.

**Mr MEDDICK:** Great. And do you feel at the moment that that voice at the table is either not there or not being heard to ensure that this planning occurs? Is that something that could change?

**Ms BOSLER:** I cannot speak on behalf of our brothers and sisters down in the valley, but I think this is the most consultative state government I have dealt with in a long time. I feel overwhelmingly unions feel across Victoria that they are having the opportunity to speak up and be heard. Not everything that we put on the table might be wholly adopted. We will continue to advocate for, for example, publicly owned or public investment in renewable energy, but we definitely feel like we are being heard.

**Dr LONG:** A lot of that problem about planning, or lack of planning, comes from the commonwealth. Remember we operate in a national electricity market, and decisions around investment are very difficult to do when you have a complete absence of planning or a deliberate attempt to stifle renewable energy. And I might say in relation to powerlines, the commonwealth could easily pay to do all the sorts of work that Mrs McArthur might want in relation to powerlines, but because the commonwealth has essentially abandoned any responsibility for the national electricity market or the future of renewable energy we are just not getting the sort of rational planning decisions that would benefit communities, and as a result workers are being hung out to dry and communities are insecure.

**Mr MEDDICK:** Great. Thanks very much.

**The CHAIR:** Thank you very much. Ms Shing, you might have a couple follow-up questions from those.

**Ms SHING:** Thank you very much for that, Chair. I would like to pick up on a couple of things that you have both addressed in not just the submission, which is really detailed and really appreciated, but also your evidence here today and also in response to a couple of other questions from our colleagues on the committee. On the one hand we hear calls for, to paraphrase recent debate, ‘Government, just get out of our lives’ and on the other hand we hear calls from the same quarters for organisations, agencies and arms of the state government—which is what the LVA is—to be funded locally and to effect an intervention into private industry, which as we know was the consequence of the SEC being dismantled. Those mixed messages I think contribute significantly to the uncertainty, Dr Long, that you have described as being at the heart of voter licence and of confidence in transition and development. How do we address, to your mind, the inevitability of transition and the need to accept that the world across fossil fuels and across a carbon-driven economy is changing, because that is one of the huge challenges, that within the remit of the three LGAs that the LVA covers and within the centre of the LVA as far as power station and transmission is concerned we have to detach from that overwhelming reliance on what is now becoming a very fluid set of economic drivers within the Latrobe Valley? I am keen to understand your views on dealing with the inevitability of transition, social licence and indeed managing that mixed messaging around the role that governments ought properly play in resourcing, discussing and accepting the importance of transition. Thank you.

**Dr LONG:** Wow. How long have you got?

**Ms SHING:** Yes, there is a fair bit in that. My apologies for being so broad-ranging.

**The CHAIR:** A few minutes maximum, please, because we have already gone a bit over.

**Dr LONG:** All right. I think I would say that we have been trying to deal at a global level and even at an Australian level—we are a laggard, but we have been trying to do stuff—for two to three decades we have been trying to deal with the problem of climate change largely through market mechanisms, and we are not

achieving what we need to achieve at the pace or scale that is required to avert climate disaster. The level of emissions at an international level continues to grow, so clearly free market mechanisms do not work. There can be no argument about that because they have not worked.

Where there have been instances of successful industry transition—say, the German black coal industry—there was a tripartite effort by unions, business and governments to work together to plan industry transition. Now, that is not some sort of heavy-handed government interference, it is just everyone understanding that government has an important role to play because the electricity industry is vital to all people and there must be some form of adjudication and some form of advocacy for the public interest about that, and that can only come from government and the workers represented by their unions and business represented by whoever business wants to be represented by.

It is bringing all of the relevant interests together but noting that government has a very important interest to represent the public interest and to represent people, which business does not do. They should not be expected to, their role is to—in Victoria they run power stations, but they run them in their interests, they do not run them in the public interest or in the interests of the electricity system or in the interests of the climate. So there must be state engagement to ensure that public interest is looked after. And if we are to maximise the benefits of renewable energy and the transition in terms of more jobs, more industry and supply chain creation, then we need industry planning to make sure that happens, because it will not just happen by magic. That requires sensible government direction and planning and intervention.

**Ms SHING:** From all levels, you are saying, Dr Long, of government?

**Dr LONG:** Absolutely.

**Ms SHING:** Thank you very much. That is a very succinct answer to a very, very broad-ranging question.

**The CHAIR:** Thank you very much, Dr Long and Ms Bosler. It has been a pleasure to have both of you appear today. I know a couple of my committee members have already indicated to me that they may have some questions on notice, so if that would be okay for you, at the end of this meeting I will compile some questions and maybe send them over to you in the next week or two. Would you be happy to respond to those questions in due course?

**Dr LONG:** Very.

**The CHAIR:** Excellent. Thank you very much. It has been a pleasure. I wish to thank you and Trades Hall for your submission and time today. It has been a pleasure to have both of you.

**Witnesses withdrew.**