

TRANSCRIPT

LEGISLATIVE COUNCIL ECONOMY AND INFRASTRUCTURE COMMITTEE

Inquiry into the Closure of the Hazelwood and Yallourn Power Stations

Traralgon—Wednesday, 2 March 2022

MEMBERS

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Mr Gordon Rich-Phillips

Ms Harriet Shing

Ms Kaushaliya Vaghela

Ms Sheena Watt

WITNESS

Mr Steve Dodd, Secretary, Gippsland Trades & Labour Council.

The CHAIR: The Economy and Infrastructure Committee public hearing for the Inquiry into the Closure of the Hazelwood and Yallourn Power Stations continues. Please ensure that mobile phones are switched to silent.

I wish to begin by acknowledging the traditional owners of the land, and I pay my respects to their elders past, present and emerging. I wish to welcome members of the public that are here in the gallery.

My name is Enver Erdogan. I am Chair of the committee, and I would like to introduce my fellow committee members that are present here today: Mr Rod Barton and Ms Melina Bath.

To the witness giving evidence: all evidence taken at this hearing is protected by parliamentary privilege as provided by the *Constitution Act* and is also further subject to provisions of the Legislative Council standing orders. Therefore any information you provide is protected by parliamentary privilege; however, any comment repeated outside this 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 transcript following today's hearing. Ultimately transcripts will be put onto the committee website.

We welcome your opening comments but ask that they be kept to a maximum of 5 to 10 minutes to allow time for discussion and questions from the committee. We have Mr Steve Dodd from the Gippsland Trades & Labour Council here today, and I will hand over to Steve to start his presentation.

Mr DODD: Yes, thanks for that, Enver. I would like to pay my respects to the Aboriginal people and past, present and future leaders of this region.

I suppose I had better tell you a bit about myself. I am an AMW organiser for the Gippsland region and have been since 2000. In real terms I have been looking after industries like oil and gas, power industry, paper industry, the dairy industry, plus manufacturing and jobbing shops in this region. I think it was roughly around about 2014, after the unfortunate death of our previous trades and labour council secretary, Mr John Parker, who unfortunately had motor neurone disease—John was a great secretary; I was always his assistant—that I moved into the role of trades and labour council Secretary.

We have a pretty strong trades and labour council, and I think roughly around about 24 unions are affiliated to us. In real terms we cover a whole range of industries, whether it is education, nursing—the whole lot—in this region, but one of the things that we have always prided ourselves on in regard to the trades and labour council is, even though we are an industrial organisation, we are also a community organisation. We have moved more into interacting with the community in this region. That has been going on for a number of years. We have a community project officer now who pretty much liaises with about 40 different community organisations. We have found that has created good results for our members and their families in this region, and we have had some significant projects that we have delivered.

In regard to Hazelwood and the shutdown of Hazelwood, we have a view that that was an ambush on the community by Engie. You know, giving five months notice was a bit of a shock for all of the guys and girls that worked out there. In real terms it did not really give much time to plan transitioning or anything like that. I think in real terms a lot of those people were taken off guard. The community was taken off guard. It was a big hit for this region both in jobs and in money that actually flows out through the region.

In regard to EnergyAustralia, my view is that EnergyAustralia has really done the right thing by the community by giving us that lead time of 2028 that allows us to plan and try and see where we can train up people and obviously look at new industries that we should be trying to develop in this region. You know, it is much more satisfying to see a company basically giving eight years notice more or less as opposed to five months. In my view what Engie did was absolutely outrageous, and—it does not matter who you are—it just does not pass the pub test to be quite honest.

So that is pretty much it, except to say that when Engie Hazelwood shut down we moved into a partnership with the government through the LVA, and during that period of time we have been training workers from Hazelwood—and not only Hazelwood; we have Carter Holt Harvey, a whole range of other places.

I know this is just an inquiry into the power industry, but in real terms, Carter Holt Harvey, ViPlus, ASH—a whole range of people have been trained and gone on to get jobs. I think the stats for the Hazelwood people is that roughly about 80 per cent have moved on to other jobs. I do hear some criticism. Some people say, ‘Oh, well, they’re only casual jobs’. Well, let me tell you, the power industry, besides having permanent workers, has a high load of casual workers. In real terms, how it stacks up, the guys that are actually on site, we call them continuous presence contractors if they are not the generator, and then obviously when outages are on, or high maintenance or whatever, they bring in a fairly high number of casual workers, in some circumstances 600–700 workers to do a project that may take three months, or less sometimes. But in real terms that is a big boost to the economy in this region that workers are able to do that work, and to be quite honest I think some people actually rely on doing those outages in the power industry.

The reality is, I think, in my view Yallourn is 2028. Let us hope we do not get ambushed by any of the other generators around here, like Loy Yang B and Loy Yang A, which is, as you know, AGL and Alinta. To try and mitigate what happens when these power stations are shut down we need to have a decent amount of planning time to try and flesh out other industries. And in regard to that I did do some notes to give to you: there are some developing projects in this region, you know, like coal to hydrogen, Star of the South offshore wind farm, waste to energy at Australian Paper, and we have worked on a project for a number of years with Australian Paper and some of the universities to get some qualifications for biomanufacturing, which we have now got and they are currently being taught up at GippsTAFE at Yallourn, because we believe with the waste to energy that could lead into biomanufacturing. And let me tell you that biomanufacturing would be a boon to this area. And I am talking thousands of jobs if it is handled the right way.

Others are Delburn wind farm and Marinus Link—the establishment. There are a number of batteries being proposed for this region, and the other one, which I think you might have heard Chris Buckingham talking about, is the heating of the Traralgon swimming pool, which is geothermal. I am part of that committee too, and there is a whole range of industry people, government people and unions on that geothermal committee. One of their ideals is, as you know, that is a new industry, which will mean new skills, and one of the proposals, if we move ahead with it, is that we do the training in this region at the university. And it is not just confined to this region. We are looking at it—because geothermal is big all around the world—in that people from other countries can come here and be trained in geothermal. So in real terms there are some exciting projects that people are talking about, and my view is that we are at a crossroads at the moment. When I say ‘a crossroads’, in regard to that we know the brown coal power stations are going to shut down, and what we need to be doing now is looking at new industries and new industry development for this region. And that means all of us, not just unions, not just local government, not just employers, not just the Victorian government, but all of us need to be putting our shoulder to the wheel and trying to stay positive.

I want to say one thing about during the training, and I already knew this: in real terms we have got one of the most highly skilled workforces anywhere in Australia, and I think that sets us up well for the future.

The CHAIR: Thank you for that, Mr Dodd, and the Gippsland Trades & Labour Council. I appreciate you giving us a bit of an explanation of the work that your trades hall council is doing, the collaboration between unions, business and government and trying to create opportunities in the region. That is fantastic.

I might pass over to Ms Bath to ask the first two questions—you have 6 minutes—and then we will go to Mr Barton, and I will take the last couple.

Mr DODD: Okay.

Ms BATH: Thanks very much, Mr Dodd. I am really pleased. When I listen to your conversation, and we had the CFMEU in a couple of weeks before Christmas, there is very much a theme that is coming, and it is because it is real: a highly skilled workforce has worked and generated electricity that has powered our state and our nation—respect for that, and there needs to be that respect. Also there are many tickets that you have been able to acquire over the time, and post Hazelwood as well. My sense is that we want those skilled

workers—we collectively, if I can use that term—to be able to retain a commensurate level of employment. So we do not want people to have to go down and accept a low wage.

Mr DODD: Yes.

Ms BATH: We want skilled workers to be able to go into skilled industry. I think to my mind—and I know it sounds like I am having this conversation, but I am seeking your feedback—you have labelled and mentioned a lot of these different projects. It will not be one silver bullet, Mr Dodd; we will have to do it on a number of fronts. Is that kind of what you have been speaking about?

Mr DODD: Absolutely. I mean, in real terms highly skilled operators in the power stations, in regard to the coal to hydrogen, they will need high-level skills there. In regard to the geothermal, they will need high skills and high-paid jobs. That is my view. I do not think it serves any of us if we have got a highly skilled person pushing trolleys at Aldi or something like that on a lower paid job.

Ms BATH: Sure.

Mr DODD: We want to create new industries, but along with that we want to make sure that they are high-paid jobs, which then feeds into the community.

Ms BATH: Absolutely.

Mr DODD: And when I talk about biomanufacturing, some people roll their eyes and go, ‘What’s he talking about?’. I am not sure that a lot of people have an understanding about it, but biomanufacturing takes place in Europe, and let me tell you, it is a high-skilled industry—very high. To me the waste to energy out of Australian Paper, hopefully it goes ahead, it gets the right settings, and in real terms we develop that biomanufacturing industry, because the reality is we need something to replace the jobs that are currently in the power industry.

Ms BATH: Absolutely. Thank you. I guess what I am sensing is that we need to grow our own base for those new industries and growth. I take the point of SEA Electric, where we were told 500 new jobs, and it never came to fruition, for whatever reason. How do you see positive engagement with local industry to grow these sorts of things that you have listed? How do you see your role in that, and how can industry really play a key role? Sometimes, and I mean this nicely, government can get in the way. It is an important role that government has in investment, but industry also has an important investment.

Mr DODD: Well, we see our role as like the trade union movement in this region actually: engaging with the employers, engaging with government and whoever else and the educational part to try and promote those types of things in this region. Like unions, it is not always about us going down and seeing an employer and trying to belt him up to get an EBA.

Ms BATH: Sure. Absolutely.

Mr DODD: It is actually about industry development.

Ms BATH: It is really important because it is about the people who live in this region.

Mr DODD: Absolutely. It is about our members and their families, and it is about the community here in the Latrobe Valley and the Gippsland region. You know, there are a number of, I suppose you could say, trains coming down the tunnel. One I would say is the power industry, and the other one is it is not a very bright future for the oil and gas industry that we have got, and that is another train that is coming down. We will have to transition people out of that too.

Ms BATH: Or the native timber industry.

Mr DODD: And the timber industry—especially the timber industry. That is one that concerns us big-time in regard to what we do with the people who are working in the sawmills—the little sawmills and the big sawmills—and all those bits and pieces. We have a view and a vision about that, to be quite honest.

Ms BATH: Would you share it with us?

Mr DODD: Well, I will.

Ms BATH: Thank you.

Mr DODD: What you would understand is that we have had some devastating fires here in Victoria. The real thing about the timber industry is that they actually keep all those fire tracks open out in the bush. My view is that some of those people who work in the timber industry should be taken on to be rangers out there and we develop the tourism industry, which is in my view underdeveloped in this region, because it is a beautiful area, Gippsland. But some of those people could be rangers that help keep those fire tracks clear and look after tourists, maybe put up holiday cabins there or whatever. But it is about looking at how we leverage off the experience of those timber workers out there, because it does not matter what I say or anybody else, they know the bush.

Ms BATH: They do.

Mr DODD: They absolutely know the bush.

Ms BATH: And their equipment—their specialised equipment to fight fires.

Mr DODD: Absolutely. Yes. And look, just on the specialised equipment, I know some people talk about compensation and bits and pieces, but some of those guys have got machines out there worth \$3 million or \$4 million.

Ms BATH: Multi millions.

Mr DODD: So it is about how we transition away from that. The challenges in forestry are just as big as they are in the power industry in my view for this region, and we need to start thinking how we can leverage off that experience and how we use the good stuff that those people have been doing, all the forestry workers, to transition to whether it be tourism or whether it be maintaining the fire tracks. You just cannot walk away from that stuff, because it is actually for the safety of people who live in this state that we need those fire tracks open. No matter what anybody says, the forestry people are the ones who do it currently at this point in time. We have real concerns about the forestry or timber industry going forward, especially at the moment with them running out of wood and all those court cases.

Ms BATH: Absolutely—and construction and the flow-on effects for construction—

Mr DODD: Yes, absolutely.

Ms BATH: which then plays into real jobs in the valley and Gippsland in general, Mr Dodd.

Mr DODD: Yes. In real terms they are all linked up. That is it. That is the reality of it. If one of them is going to go down, then we need to see how we can leverage off that to support one another in this region.

Ms BATH: I am going to play—thank you, Chair—one more devil's advocate. If we go back to the conversation that we first started with and respecting it very much, when people come off a reasonable wage to come down to a different level, they are not necessarily wanting to do that. Some of those timber workers and harvesters pull a reasonable wage because they work long hours with their specialisation. The challenge will be if we said to them, 'You'll be able to be a ranger', they may not want that. They want to be able to utilise and respect their qualifications and their experience and skill.

Mr DODD: Yes. Well, I mean, we are about trying to transfer people over to similar wages and conditions, but if it comes to a situation where somebody who is maybe on 300 grand a year is offered a \$100 000-a-year job, my view would be, 'You take it'. Work is work. But if we cannot get that \$300 000-a-year job, unless we start creating high-skilled industries we will never do that.

Ms BATH: Or keep the timber industry open here.

Mr DODD: Well, that has been said too.

The CHAIR: Thank you, Ms Bath. Thank you, Mr Dodd. Mr Barton.

Mr BARTON: Thank you, Chair. Thanks, Steve. It is no secret, my view about insecure work and casualisation of the workforce: I think it is a blight on how we live our lives these days. Could you just kind of open up more about how the casual workers were treated when we shut down Hazelwood? My understanding is they missed out.

Mr DODD: They absolutely did. The in-house people at Hazelwood had a redundancy agreement, I think—and I am probably looking to Mark on this. I think they had about a \$4000 training levy there to get them some training within a six-month period, but in real terms they had a really, really good redundancy agreement. Even the permanent guys, what I call the CPC contractors and the casuals—I mean, we have industries severance funds, and that is all they got. They never got a redundancy. I think one of my guys actually said, because we did bat up a job to a Hazelwood worker and he did not want it, ‘Well, how do you encourage somebody into a job where he’s just got a good payout?’. Do you know what I mean? But in real terms the casuals were sort of left out on a limb. That is where we stepped in and made sure that we could train them, we could get them their qualifications and try and steer them to the next project in the region.

I suppose one of the things that has caused me a little bit of angst when we have had a look at the training over the years is a lot of companies, especially the power industry, the paper industry, oil and gas, do a lot of training, but guess what? When you walk outside that gate and you say, ‘Well, I was a bulldozer driver in the Hazelwood open cut’, they go, ‘Yes, so where’s your ticket?’. If you haven’t got a nationally accredited ticket, it does not mean anything with the next employer. That is why our training has always been focused on nationally accredited tickets for people, so they are transferable, say, from the power industry to the oil and gas industry to the paper industry or the construction industry. But in real terms you are right, Rod: the casuals really did not have much there, mate, in the way of entitlements and that.

Mr BARTON: Just in terms of numbers, though, when Hazelwood was shut what percentage of the workforce were casuals?

Mr DODD: I would say in regard to the Engie workforce none of them, but with Fluor and other contractors that visited the site, I would say at least half of them were casuals—at least half of them, depending. And it actually depended on the activity, like I said. If they had to do some mills or something, they might have 100 or more casuals, but each company in the power industry, rightly or wrongly—one I am talking about, the CPC contractors—always carries a casual crew. That is the reality of it. Some people have been casual for years, but the reality is the only thing that pretty much saves them a little bit is that we have actually negotiated in the EBAs that they get paid a certain amount of severance every week.

Mr BARTON: Okay. Just on the skill sets, certainly from the car manufacturing sector we know—and there is no doubt about this, the highly skilled workers we have here—and certainly from what we have seen before, people will not go and do a trolley job. They will leave the area. They will take their skills elsewhere. Is that a fear for you?

Mr DODD: I would not say a fear so much, but you would be surprised. If you went to any construction site or any project anywhere in Australia, and I am talking prior COVID, you would find Latrobe Valley tradespeople there, doing the FIFO work and so forth. I have found with most of our members that they just love living in this area and they would not think about leaving. There are some that would. Just in regard to the comment about highly skilled, that is not all of the workers that we have been dealing with over the past few years. I mean, you take the Carter Holt Harvey workers, some of those people did not even have literacy skills.

Ms BATH: 150 jobs, was it?

Mr DODD: Yes, roughly about that. But we managed to get them—pretty much nearly 100 per cent of them—re-employed around the region, just doing simple things like getting them forklifting or getting them a truck drivers licence, you know what I mean? And we had to work with the ones who did not have very good literacy skills, you know. But I tell you what, they really appreciated the help that they got from us and our trainers.

The CHAIR: I had a couple of questions that I had written down before your appearance today, but I think you have kind of answered them. One was around the importance of having accredited qualifications when people leave their current job to enter, I guess, the labour market, but I guess you have kind of answered that in your answer to Mr Barton. The other one was about the workers transition service and scheme and the role that

the Gippsland Trades & Labour Council played in that and how important it was. Why is that program still very relevant, very important? You touched on it already, the need for redundancy—

Mr DODD: Well, it is very relevant, and I will put it to you this way. You have got some guys who have worked together for a number of years, and then, bang, they have been made redundant. You would probably look at what the relevance is—you would have to one of our training courses where you will have a dozen guys who previously worked together to actually see how they support one another and how they click together, to be quite honest; that is really important. One of the things we were really concerned about was the mental health of guys, you know, to build them up, to have that confidence to go for the next job. So in real terms I think a lot of workers were comfortable to walk through our door, because our project officer was an ex-shop steward and a pretty down-to-earth guy. I just think it is really important that workers have got the ability to come in, sit down and have a yarn about where they want to go and what types of qualifications they need.

The CHAIR: So the Latrobe Valley Authority partnered with you on that program.

Mr DODD: Absolutely, yes.

The CHAIR: Is that relationship still continuing?

Mr DODD: Absolutely it is. I mean, we have got a number of projects even going on at the moment with CALD workers and young people, you know. That is still happening, and we are going to continue to help workers in this region and make alliances with people to try and see if we can get the best result, because what it is about—I will tell you, one of the good things, besides everything else, is actually seeing a guy pick up a job and come back and say, Thanks, mate, for giving us a chop out. You know, I'm now doing bits and pieces', as opposed to, 'I'm getting on the treadmill of unemployment'.

The CHAIR: Mr Dodd, it has been a pleasure to have you, and I want to thank you and the Gippsland Trades & Labour Council for your submission and presentation today. It has been very informative, especially about the real impact it makes on people and their families in the region. So thank you again on behalf of the committee.

Mr DODD: And I thank you for the invitation to appear. It has been really good.

Witness withdrew.