



# VCOSS Submission to the Inquiry into the retirement of coal fired power stations

November 2016

## Introduction

The Victorian Council of Social Service welcomes this opportunity to inform the Senate Standing Committee on Environment and Communication's Inquiry into the retirement of coal fired power stations.

Given Australia's commitment to the Paris Agreement to keep global warming below 2 degrees Celsius, and the state and expected life span of Australia's coal-fired power plants, the closure of these major industrial assets is inevitable. Proper planning and investment can help minimise the economic, social and community costs that the workers, families and communities impacted by these closures face.

The restructuring and privatisation of the State Electricity Commission in the 1990s led to massive job losses in Morwell and the Latrobe Valley, and contributed to Morwell becoming one of the most disadvantaged towns in Victoria, with persistently high unemployment rates and poor outcomes across a range of social and economic factors.<sup>1</sup> The Latrobe Valley's three other coal-fired power stations Loy Yang A, Loy Yang B, and Yallourn will be decommissioned in the future, although the timing is unknown. Already disadvantaged, the Latrobe valley community now faces a highly uncertain social and economic future.

Following the Hazelwood coal mine fire in the Latrobe Valley in the summer of 2014, VCOSS engaged with the Morwell-based community organisations to monitor the recovery process and advocate for their needs<sup>2,3</sup>. The community sector representatives and individuals consulted expressed deep concern about the physical and psychosocial impacts, particularly around pregnancy and low birth weight babies, respiratory problems, alcohol and drug use, mental health, family violence and the overall wellbeing of the community. The overarching concern was the uncertainty of what the long term health impacts might be.

Engie, the French multi-national energy corporation, recently announced the Hazelwood coal-fired power station's closure. Hazelwood's closure will affect 900 employees, their families and the broader La Trobe valley community. This will have a significant impact in an area that already has an unemployment rate of around 20 per cent. The consequences will include loss of economic demand, and higher financial and emotional stress on individuals and families. These are likely to increase demand on local community services, including emergency relief, financial counselling, employment services, housing and homelessness

<sup>1</sup> Vinson T, *Dropping off the edge: Persistent communal disadvantage in Australia*, Jesuit Social Services / Catholic Social Services Australia 2015

<sup>2</sup> Victorian Council of Social Service, *Submission to the Hazelwood Mine Fire Inquiry*, VCOSS 2014

<sup>3</sup> Victorian Council of Social Service, *One year on Morwell and the 2014 Hazelwood Mine fire*, VCOSS 2015

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services, legal services, mental health and drug and alcohol services, child and family services, and family violence services, among others.

Early transition planning and more certain timing of power station closures can help minimise their economic, social and community costs. Comprehensive social and economic development plans can be developed to manage the health, social, educational and employment needs of affected communities. These can support workers, their families and the broader community during significant economic and social restructuring.

Substantial government and industry investment can help ameliorate negative social consequences and build social capital. Plans can include expanded health and community services, education, training and employment opportunities to help communities transition.

## Take place-based approaches to manage change

Governments can take place-based approaches to manage change in communities experiencing social and economic tumult.

Place-based approaches can bring together community members, community organisations, businesses, governments and public services such as schools and health centres, to solve local problems and build on local strengths. They can empower people to develop and drive innovative community solutions, and successfully integrate them over time. And they can help build stronger communities, better equipped to overcome entrenched poverty and disadvantage.

Members of the community should be engaged in decision-making about their future to engender ownership and a commitment to change. The development of social and economic plans must be based in-place and must include local representation.

People facing disadvantage have less capacity to engage and influence decision-making. This means their interests can be unrepresented.

Governments can involve people experiencing disadvantage and the organisations serving them in early community transition planning. This means decisions incorporate local community knowledge, create community trust, and avoid applying solutions inappropriate in a particular community context.

The Victorian government has adopted a place-based strategy by establishing the [Latrobe Health Assembly](#) to improve the health and well-being of current and future generations living in the Latrobe Valley. The Assembly will be an incorporated association, independent of Government, with a unique governance structure of more than 40 members from diverse cultural backgrounds, community groups, businesses and interests. The Assembly will partner with local health agencies, the Victorian government, business and industry and the community to drive innovative strategies for better service delivery and deliver investment to priority programs. The Victorian Government has also created the [Latrobe Valley Authority](#) following the announcement of the Hazelwood closure, which will partner with the community and businesses to deliver action and drive coordinated action across all levels of government to make a real difference.

VCOSS' recent report, [Communities taking power](#), provides further information and evidence on place-based approaches.

## Health and community services to support communities

Strong and diverse community organisations can support disrupted communities to minimise social and economic dislocation. Numerous services can inform, advise and support people and families affected by closures, including, among others:

- Community health services
- Community development
- Employment and training services
- Emergency relief services
- Financial support services
- Family and relationship services
- Housing and homelessness services
- Information, advice and referral services
- Legal services
- Mental health services

The Victorian Hazelwood Mine Fire Inquiry and Royal Commission into Family Violence recommended a fundamental shift in public, community and social service delivery to better 'join-up' and prevent people falling through the cracks'. They prioritised primary prevention, and empowering individuals and communities to solve complex social problems.

The community sector creates value by amplifying the voice of people facing disadvantage, building relationships with people needing, providing diversity, innovation and collaboration, focusing on prevention and early intervention, and building community cohesion.

## Education, training and jobs

Governments can develop comprehensive workforce plans for communities, identifying local workers' skills and matching them to new opportunities. Potential employment includes decommissioning and rehabilitation work, renewable energy industries, work in energy efficiency upgrades, and in the growing health and social services sector.

Some existing workers' skills may be used in power station decommissioning and mine rehabilitation opportunities. The renewable energy sector also uses some existing workers' skills. One report estimates strong action on clean energy and energy efficiency can create up to a million new Australian jobs.<sup>4</sup>

New, good-quality jobs can be created by household energy efficiency programs. These can use existing expertise, provide retraining opportunities and act as stepping stones to new jobs and industries, including clean energy. They can also improve household energy efficiency, significantly reducing household energy bills, and reducing energy demand.

Significant opportunities are also emerging in the social service sector, with increasing demand for qualified and job-ready workers in response to the National Disability Insurance Scheme (NDIS) rollout, an ageing population, and a trend towards consumer empowerment.

A universally available quality education system can maximise educational and employment opportunities for young people, from early childhood, through primary and secondary school,

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<sup>4</sup> Australian Conservation Foundation and Australian Council of Trade Unions, *Jobs in a clean energy future*.

and at the vocational education level. Young people who achieve in education are more likely to find good jobs.

Young people who are underemployed, leave school early or who don't transition successfully from school to further education or employment are vulnerable to life-long disadvantage. They face increased likelihood financial hardship, physical and mental health problems and justice system contact.

Programs supporting young people disengaged or at risk of disengaging from education, help them attain Year 12 or equivalent qualifications and help them make successful transitions to further education or employment. Transition plans can invest in education re-engagement programs such as the Australian Government's discontinued, but highly successful Youth Connections Program, which intensively case-managed disengaged students back in school, training or employment

Vocational and Educational Training (VET) is an alternative employment pathway and tackles workforce participation barriers, including long-term unemployment, early school leaving, low literacy or numeracy skills, and provides to retraining or up-skilling services. VET caters to Aboriginal students, students from rural and regional areas, and students from culturally diverse backgrounds. Transitional plans can include opportunities for people facing VET access barriers to increase their potential employment pathways.

## Conclusion

Comprehensive social and economic development plans, developed in consultation with local communities, can be developed early for each community affected by closures. Early planning can help address current gaps, build on strengths and ensure the right services mix can support communities adapting to change.

Planning can include investment in health and human services, and incorporate education, training and jobs in energy efficiency, clean energy and social services to support people and families embrace new employment futures.

Planning can include place-based approaches identifying communities' strengths, matching investment to local need, and build community ownership, trust and control during change.