

12 July 2024



The Hon. Courtney Houssos, MLC  
Minister for Natural Resources  
52 Martin Place  
SYDNEY NSW 2000

By email: to [fjia@regional.nsw.gov.au](mailto:fjia@regional.nsw.gov.au)

Dear Minister Houssos,

### **Future Jobs And Investment Authorities**

Council welcomes and supports the NSW Government's commitment to establish future jobs and investment authorities in mining regions.

#### **Lithgow context**

Thermal coal power generation and coal mining constitute approximately 43% of Lithgow's economy by value-added production. Unlike Queensland, the Hunter, the Illawarra, Mid-Western Region, and the NSW North-West, Lithgow does not have the insulating impact of coal-switching (to higher value seaborne export). In this sense, Lithgow has similarities with Collie in Western Australia and Victoria's brown coal belt.

Lithgow will be the first thermal coal community to undergo a substantial transition to net zero in NSW. The issues paper correctly notes that 50% of the coal in the Central West is exported. That statistic, however, masks the fact that, in Lithgow, the figure is closer to 10%. Importantly, there is little capacity to increase total thermal coal tonnages to export in Lithgow because of historical infrastructure alignment to power generation.

Council continues to submit that a standalone Authority for the Lithgow LGA should be established because of the particular nature of its challenges – including urgency. There is very little in common between the thermal coal export industry in Mid-Western Regional Council LGA and the substantially domestic coal production in Lithgow. The two communities face very different futures in the near-term.

#### **Response to date**

In January last year, the NSW Government received the expert findings and recommendations of the Lithgow Emerging Economic Plan (LEEP) which sets out:

- the economic and demographic baseline of the Lithgow Local Government Area (LGA),
- the identification of the LGA's relative advantages and opportunities,
- the identification of areas of focus which will put the LGA in the best position for the future.

The LEEP makes 68 recommendations, 40 of which were due for delivery by the State Government in January this year. None of the actions have been delivered. Most of the initial actions are weighted towards further detailed strategic planning and analysis, as well as building the adaptive capacity of the region's workforce and future workforce.

In March 2023, the NSW Government announced that it intended to deliver on its regional economic transition policy in coal regions by establishing authorities. Leading practice transitions globally have had vastly improved outcomes where all levels of government, the knowledge sector, workforce unions and the private sector have worked collaboratively in a shared responsibility framework that is independent of each of them. We note that the issues paper sets out a governance framework for the authority which includes 'local representation' – including from local government. With respect, that is not collaboration.

In Council's submission, appointments should be ex-officio appointments by the local key transition actors – the knowledge sector, government at all levels, key industry stakeholders and key workforce unions. Only when the tools and levers of each of these key transition actors come together can a leading practice regional transition occur. Key aspects of this include:

- businesses and unions working collaboratively on whole-of-family support and adjustment programs, and worker transfer schemes,
- schools, the VET sector, universities, industry and government collaborating on building the regional workforce's adaptive capacity,
- government, at all levels, supporting new industry growth with well-planned and sequenced infrastructure, and
- industry, knowledge providers and government collaboratively building a region-wide culture of innovation, investment, acceleration, and scaling.

### **Council's response**

The Council has resolved to be a leading actor with other key partners and actors in the regional economic transition by raising and allocating \$1.07m each year (indexed) to economic transition management. This is a significant investment by a small regional Council. It is an indication of the community's genuine concern about the looming economic transition.

The Council has established a Lithgow Jobs and Investment Committee under the provisions of s355(b) of the Local Government Act 1993, to manage the coordination of LEEP implementation efforts until the NSW Government's Authority is operational.

The Council has adopted an Interim LEEP Action Plan which includes several tasks designed to ready the economy for the work of the Future Jobs and Investment Authority, when it is established. Council is working with the Commonwealth Government in delivering a substantial uplift in STEM support into local schools to ensure the adaptive capacity of the future workforce. Council is also working to ready the strategic land-use planning frameworks and land supply for investment attraction. These activities have long lead times and Council again submits that the decision by the NSW Government to hold funding until 2028 is very likely to leave mining communities like Lithgow behind, at a very vulnerable time.

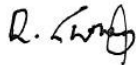
The Council again encourages the NSW Government to expedite its regional economic transitions response. Net Zero is a serious challenge, requiring serious and immediate commitment. Council notes that Collie in Western Australia and the LaTrobe Valley in Victoria have received more than \$300m from their respective state governments to manage net-zero transitions.

### **Submission-in-brief**

The Council welcomes the commitment by the NSW Government to establish a transition authority. Council's preferred position is that its economic transition efforts merge seamlessly with the proposed work of the local Jobs and Investment Authority, when it becomes operational. If this is to occur, considerably more consultation (at the level of collaboration) needs to take place. Key aspects around funding envelopes and timing were absent from the issues paper and ought to have been included in any genuine discussion of proposed governance arrangements.

Council looks forward to working with the NSW Government on delivering a leading practice net zero transition for our region. Please do not hesitate to contact me to discuss any aspect of this submission.

Yours sincerely



**Ross Gurney**  
GENERAL MANAGER