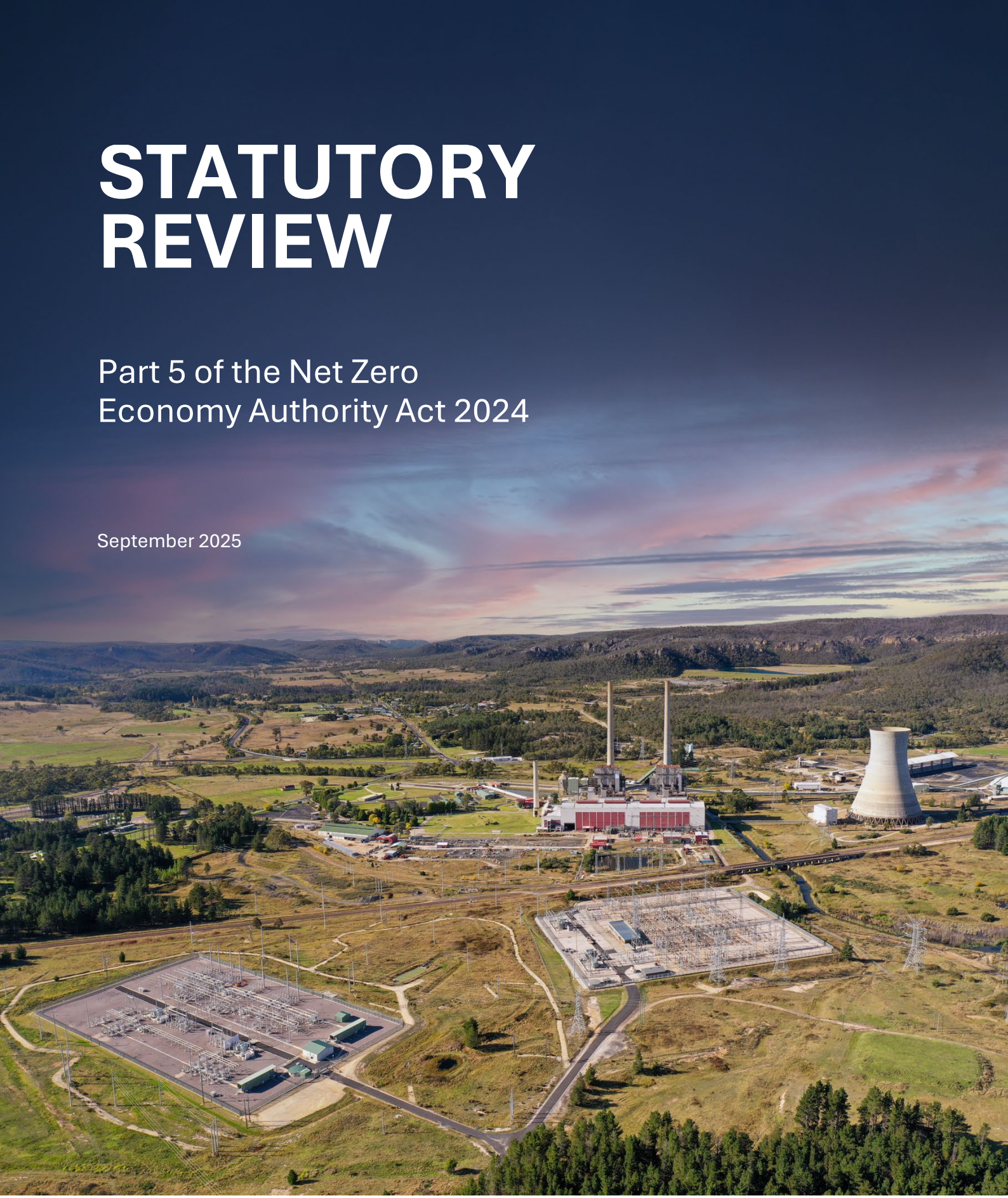
STATUTORY REVIEW

Part 5 of the Net Zero Economy Authority Act 2024

September 2025



SUBMISSION
Lithgow City Council

Lithgow CITY COUNCIL

LEEP | LITHGOW EMERGING ECONOMY PLAN

Acknowledgement of Country

We respectfully acknowledge the Wiradjuri First Nation Peoples and their Elders past and present, who are the First Nations' Traditional Custodians of the lands where we work, learn and live. We are honoured to recognise our connection to the Wiradjuri lands, and their history, culture, and spirituality and we strive to ensure that we operate in a manner that respects their Elders and ancestors. We also acknowledge the other First Nations lands across Australia in our collaborations, travel, and networking.

We recognise the task First Nation Peoples have in the protection and healing of Country throughout the economic transition process and strive to ensure greater First Nation economic inclusion and empowerment as part of Lithgow's emerging economy.

Contents

1.0 Executive summary and consolidated list of recommendations

Lithgow City Council, and the Council's Lithgow Emerging Economy Plan (LEEP) Team, welcome the opportunity to make this submission on behalf of its community and appreciates the work the Commonwealth Government is undertaking to refresh Chapter 5 of its net zero economy authority legislation.

In the preparation of this submission, Council took the opportunity of consulting with Energy Australia, Centennial Coal and workforce unions.

Energy Australia's Mount Piper Power Station (MPPS) will transition 'increasingly' into a 'reserve' role in the early to mid-2030s. In addition to any consequential job losses at the power station (although we model none), the changing role of MPPS in the NEM will have substantial impacts on the local coal mining workforce – 80% of which is integrated into supplying MPPS with coal. There is little capacity for coal export switching. Lithgow is widely regarded as a high risk and priority coal region in New South Wales in terms of economic transition[1] with 43% of its economy derived from coal-fired power generation and associated coal mining.

The definition of 'trigger notice' should be amended to contemplate a greater range of transition pathways and the changing role of coal-fired power stations in the NEM in the lead up to their respective closures. It should also be amended to ensure that the personnel of dependent coal mines get the relief contemplated by the Objects of the Act.

Accordingly, Council makes the four recommendations set out in Table 1. These recommendations will strengthen policy settings and economic outcomes in the Lithgow Region as it transitions to net zero and other communities facing similar challenges across Australia.

Table 1 – Consolidated List of Recommendations

No.	Recommendations
1	The definition of 'trigger notice' should be amended in accordance with section 6.2 of this submission to contemplate a scenario in which a power station 'increasingly' retires into a 'reserve role' but does not 'close' or 'partly close' thereby depriving personnel – including the personnel of dependent coal mining employers – of the relief contemplated by the Act.
2	The definition of 'trigger notice' should be amended in accordance with section 6.2 of this submission to contemplate a scenario in which a power station stockpiles coal in the lead up to an eventual closure or part closure, impacting otherwise dependent coal mining personnel but before a 'trigger notice' can be issued and thereby depriving those persons of the relief contemplated by the Act.
3	Part 5 of the Act should be amended to provide more overt strategic intervention powers to build workforce adaptive capacity in impacted regions well in advance of closures or potential closures in accordance with section 7.3 of this submission.
4	Part 5 of the Act should be amended to include stronger collaborative governance frameworks and resourcing in accordance with sections 8.1 and 8.2 of this submission.

[1] *See, for example, NSW Parliament Budget Estimates: Portfolio Committee No. 1 Premier and Finance: 2 November 2023 – per Houssos – Natural Resources*

2.0 Key terms and abbreviations

Term	Meaning
Act	Net Zero Economy Authority Act, 2024 (Cth)
AEMO	Australian Energy Market Operator
BESS	Battery Energy Storage System
CWFJIA	Central West Future Jobs and Investment Authority
Consultation Paper	*Energy Industry Jobs Plan Statutory Review*: Consultation Paper (August 2025), Net Zero Economy Authority
Council	Lithgow City Council
EIS	Environmental Impact Statement
FTE	Full-time equivalent
LEEP Report	Cass, L., Charlton-Henderson, S., Haro, I., Mooney, J., Drew, C., Hamilton, S., Binney, J., Orton, J. (2023). Lithgow Emerging Economy: Transition Plan. Report for Lithgow City Council and Department of Regional NSW
MPPS	Mount Piper Power Station
Mtpa	Millions of tonnes per annum
NEM	National Energy Market
LGA	Local Government Area and having the same meaning as that term has in the *Local Government Act*, 1993 (NSW)
PHESS	Pumped Hydro Energy Storage System
REDS	Regional economic development strategies developed by DRNSW for a specific functional economic area in New South Wales
Terms of Reference	Undated document titled Terms of Reference – Statutory Review of Part 5 of the *Net Zero Economy Authority Act 2024*, published on the Net Zero Economy Authority website

3.0 Overview of Lithgow's economy and emerging economy

The Lithgow LGA is the gateway from Sydney to the Central West and Orana region of New South Wales. Home to 22,000 people, Lithgow sits about 140km west of Sydney and includes the strategic centre of Lithgow, the towns of Portland and Wallerawang, and large areas of pristine wilderness, including the Wollemi National Park – part of the Greater Blue Mountains World Heritage Area.

3.1 Existing economy substantially centred on coal-fired power generation and associated coal mining

Since the late 1860s, Lithgow has been a centre for coal mining and, subsequently, coal-fired power generation. It has a long and rich history as a centre for industrial innovation and development. Mining and electricity generation remain pivotal to the local economy – around 43% of the economy by value added production.

Figure 1

From the Lithgow LGA is generated the equivalent of 15 percent of New South Wales power supply – although this will move around considerably over the next decade with the closure of other coal-fired power stations on the one hand and the growth of renewable generation and firming on the other. The supply chain associated with the mining and power sectors is an important provider of coal mining expertise and manufactured product.

In total the coal-fired power and associated coal mining industries directly engage a FTE workforce of around 850 employees and 350 contractors.

The LEEP Report authors estimate that closure of the power station and integrated coal mining activity could result in more than 2,000 further job losses in other sectors. Current, proposed and idled coal mining activity is set out in detail in Chapter 5 and is depicted in Figure 1 together with MPPS and the former Wallerawang Coal-fired Power Station.

3.2 Emerging economy

The emerging economy is likely to include substantial renewable energy generation and firming as a consequence of Lithgow's proximity to high voltage electricity transmission infrastructure. Several renewable Major Projects have either been approved or are in the planning assessment process. These are set out in Table 2 and depicted in Figure 2.

Table 2 – Renewable Major Projects in, or partly in, the LGA

Project	Planning approval status
Lake Lyell PHES	Unapproved – preparing EIS
Great Western BESS	Approved
Pinecrest BESS	Unapproved – preparing EIS
Mount Piper BESS	Approved
Wallerawang BESS	Approved
Ben Bullen Wind Farm and BESS	Unapproved – preparing EIS
Mount Lambie Wind Farm and BESS	Unapproved – preparing EIS
Sunny Corner Wind Farm and BESS	Unapproved – preparing EIS

Figure 2

OUR EMERGING ECONOMY

Potential assets

APPROVED

1 **Great Western BESS**
500MW

2 **Mt Piper BESS**
500MW

3 **Wallerawang BESS**
500MW

UNAPPROVED

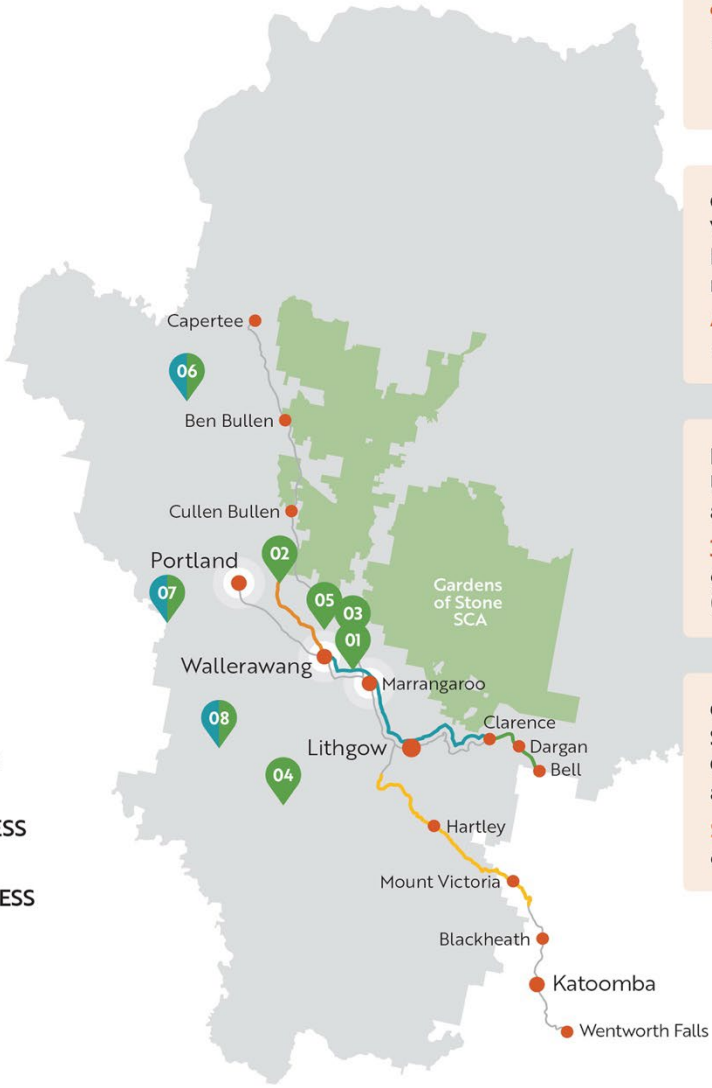
4 **Lake Lyell PHES**
335MW

5 **Pinecrest BESS**
500MW

6 **Ben Bullen Wind Farm and BESS**
500MW

7 **Sunny Corner Wind Farm and BESS**
500MW

8 **Mount Lambie Wind Farm and BESS**
200MW



Portland Foundations
9ha
redevelopment

Old Wallerawang Power Station redevelopment
449ha
redevelopment

Marrangaroo Urban release area
340ha
development (growth)

Gardens of Stone State Conservation area
$50M
development

Infrastructure

- **Great Western Highway Upgrade**
- **Bells Line of Road Upgrade**
- **New 330kV Transmission Line**
  Linking the Mount Piper substation to the Wallerawang substation
- **Clarence to Wallerawang Pipeline**
  Connecting Clarence Colliery to a new WTP at Wallerawang

3.3 The workforce

The local coal mining and coal-fired power generation sectors provide well-paid jobs and the flow-on spending derived from the employment supports many more jobs across the local community.

MPPS currently employs around 200 FTE staff, including apprentices, in trades, engineering, administrative, operator, production and professional roles together with supporting around 80 FTE contractor roles.

The Airly and Springvale coal mines are almost entirely integrated with MPPS with little capacity for export switching – this is discussed in some detail in Chapter Five.

The mining industry employs a little over 650 FTE direct personnel and supports around 150 FTE contractor roles. It is constituted primarily of electrical trades, mechanical trades, labourers, office staff, and professional staff with expertise in areas such as geology, engineering and the environment. There are also many qualified deputies (underground team leaders), a small number of technicians, and apprentices in electrical and mechanical trades. 25% of this workforce are women.

4.0 Coal-fired power generation

4.1 Mount Piper Power Station

MPPS is owned by Energy Australia. It was built in the 1980s, then stored in a near fully assembled state, before being commissioned in 1992 and 1993 (Units 2 and 1 respectively). While initially constructed as 660MW machines, both were upgraded to 700MW in 2009, with Unit 1 upgraded in 2023 to 730MW, using modern turbine technology, bringing the station total to a capacity rating of 1430MW. At full capacity these units can generate enough energy to meet the needs of some 1.2 million homes in New South Wales every year and provide around 200 permanent local jobs.

The Mount Piper Power Station is the newest of the coal-fired power stations in New South Wales and its turbines were built with flexibility from the start. Originally able to be taken down to 320MW, the turbines' minimum operating level reached 150MW two years ago[2].

Moreover, Energy Australia has successfully trialled technology permitting a turbine to shutdown altogether for up to twelve hours, with the boiler kept warm and ready to fuel the turbine when it comes back on. That process, traditionally known as "two-shifting", came from plants in the UK and the US needing to supply energy to a very different daily demand cycle[3].

Energy Australia has reportedly also been using a chemical treatment to enable the generator to handle much longer periods of inactivity if required. Essentially permitting a unit to shut down and stored wet for up to 30 days without resulting in the sort of corrosion that would occur when surfaces are exposed to the atmosphere[4].

4.2 Mount Piper Power Station's future role in the NEM

In 2021, Energy Australia announced the accelerated closure of the Yallourn power station by mid-2028, providing seven years' notice to AEMO, its workforce and the community in which it operates. In 2023, Energy Australia, through its Climate Transition Action Plan announced its intention to transition the role of MPPS in the NEM from supplying a baseload, to a firming and then back-up role noting:

> *[Energy Australia] is preparing [MPPS] for a reserve role in the early to mid-2030s to support system stability, with retirement by 2040. The way in which we run Mount Piper will significantly impact our decarbonisation pathway and influence the way in which our gas assets are operated to provide cost-effective backup*[5].

and

> *The extent to which Mount Piper will be required to operate and provide essential generation and system services during the 2030s remains uncertain and is dependent on the availability of renewables and assets to firm renewables in the NEM, allowing Mount*

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[2] *Australian Financial Review, 17 December 2024, Angela McDonald-Smith*

[3] *Australian Financial Review, 17 December 2024, Angela McDonald-Smith*

[4] *Australian Financial Review, 17 December 2024, Angela McDonald-Smith*

[5] *Energy Australia (2023) Climate Transition Action Plan at p. 3*

Piper to increasingly play a reserve role. This uncertainty impacts the forecast of our portfolio emissions[6].

Because of that uncertainty, Energy Australia has presented four scenarios all of which are overwhelmingly influenced by the speed at which MPPS is retired into "an increasingly"[7] "reserve role".

Whilst precise dates are not disclosed in Energy Australia's Climate Transition Action Plan, it is possible to derive those dates for each scenario by excluding Yallourn Power Station from the generation of corporate emissions from 2029 and modelling against the disclosed residual corporate emissions and corporate emissions intensity to derive corporate generation by generator. Helpfully, Energy Australia also discloses that its modelling allows for capacity for firming for renewables (gas-fired generation, PHESS and BESS) and up to 3GW of renewable energy entering its portfolio.

In its reserve role, MPPS appears to operate at just 15% of its present generation based upon Energy Australia's forward emissions estimates (once an allowance is made for its other fossil fuel generators). The retirement of MPPS into a reserve may have significant consequences for its workforce – although we model no such impact on the basis that Energy Australia continues to commit to keeping its workforce at existing numbers through to 2040. As the local thermal coal industry is overwhelmingly integrated into domestic coal supply to MPPS with little capacity for export switching, however, the mining workforce, which is four times the size of the energy generation workforce, is likely to be substantially impacted. There will also be wider economic impacts and job losses throughout the Lithgow economy as a consequence of the loss of regional product.

The fourth scenario has MPPS being 'retired' into a 'reserve' role as early as 2031 – 33, – within the seven years' notice provided by Energy Australia for the closure of its Yallourn Power Station.

The timing of MPPS transitioning to a 'reserve role' is set out in the Table 3 with estimated thermal coal consumption requirements for each scenario set out in Table 4 and Table 5[8].

Table 3 – Scenario dates at which MPPS 'retires' into a 'reserve role'

Scenario	Date
1	2040 – into full closure
2 ('most probable')	2035 – 2036
3	2035 – 2036
4	2031 – 2032

[6] *Energy Australia (2023) Climate Transition Action Plan at p. 20*

[7] *Energy Australia (2023) Climate Transition Action Plan at p. 19*

[8] *Derived from actual supply data from Centennial Coal and comparative analysis with the similar Bayswater Power Station adjusted for estimated generation*

Table 4 – Scenario estimated coal consumption by year to 2033

Scenario	2026	2027	2028	2029	2030	3031	3032	2033
1	3.2Mtpa	3.2Mtpa	3.2Mtpa	3.2Mtpa	3.2Mtpa	3.2Mtpa	3.2Mtpa	3.2Mtpa
2	3.2Mtpa	3.1Mtpa	3.0Mtpa	3.0Mtpa	2.9Mtpa	2.8Mtpa	2.7Mtpa	2.6Mtpa
3	3.2Mtpa	3.1Mtpa	3.0Mtpa	3.0Mtpa	2.9Mtpa	2.8Mtpa	2.7Mtpa	2.6Mtpa
4	3.2Mtpa	3.4Mtpa	3.1Mtpa	3.1Mtpa	3.1Mtpa	2.6Mtpa	2.0Mtpa	1.0Mtpa

Table 5 – Scenario estimated coal consumption by year 2034 to 2041

Scenario	2034	2035	2036	2037	2038	3039	2040	2041
1	3.2Mtpa	3.2Mtpa	3.2Mtpa	3.2Mtpa	3.2Mtpa	3.2Mtpa	3.2Mtpa	NIL
2	2.6Mtpa	2.6Mtpa	1.8Mtpa	0.8Mtpa	0.8Mtpa	0.6Mtpa	NIL	NIL
3	2.6Mtpa	2.6Mtpa	1.8Mtpa	0.8Mtpa	0.8Mtpa	0.6Mtpa	NIL	NIL
4	1.0Mtpa	1.0Mtpa	0..8Mtpa	0.8Mtpa	0.8Mtpa	0.8Mtpa	NIL	NIL

5.0 Coal Mining

Centennial Coal's Lithgow operations, currently employ about 650 FTE workers together with approximately 150 FTE contractor positions. Centennial's internal analysis estimates the contribution of direct jobs to the regional economy to range from $5.0 million to $7.2 million per year, supporting an estimated 1,910 to 2,468 residents in the region.

The LEEP Report authors note that the contribution of the mining sector is even larger when consideration is given to the supply chain companies of its producing sites (Airly, Clarence and Springvale) which trade with an average of 73 (local), 92 (regional) and 387 (NSW) supplier companies each year. The LEEP Report authors suggest that over the last three years, the combined operations of the active mines are estimated to have contributed about $63.4 million, $69.4 million and $458.5 million on average to the local, regional and State economy, respectively.

5.1 Airly Colliery

Airly Mine commenced operations in 1998 and is owned by a subsidiary of Centennial Coal. The mine presently operates under a modification (Mod 2) to State Significant Development consent SSD 5581 which was approved on 15 December 2016. The mine commenced operation under that consent on 31 January 2017. It is permitted to mine up to 1.8 million tonnes of ROM coal from the site in any calendar year until 30 January 2037 – although it produced 0.9Mtpa in the 2024 calendar year[9].

It employs or contracts approximately 150 FTE personnel.

The mine supplies almost exclusively to MPPS. Although it is permitted to export coal by rail. The logistics, however, in exporting by rail are understood to be economically prohibitive.

In discussions with Centennial Coal, it was noted that the mine was likely to exhaust its economic resource by approximately 2035.

5.2 Springvale Colliery

Springvale Mine is operated by Springvale Coal, which exists as a joint venture company owned in equal share by a subsidiary of Centennial Coal and Boulder Mining Pty Limited. The mine presently operates under two development consents; DA11/92 granted in 1992 and a modification (Mod 4) to SSD-5594 granted in 2015. It is permitted to mine up to 5.5 million tonnes of ROM coal from the site in any calendar year until 31 December 2028 – although it produced 2.81Mtpa in the 2024 calendar year[10].

It employs or contracts approximately 400 FTE personnel.

The mine supplies almost exclusively to MPPS although it is permitted to supply up to 50,000 tonnes per year by road to domestic customers. It has an overland conveyor to the Western Coal Services Site and MPPS.

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[9] *Airly Colliery Annual Rehabilitation Report 2024, NSW Resources Regulator*

[10] *Springvale Colliery Annual Rehabilitation Report 2024, NSW Resources Regulator*

In discussions with Centennial Coal, it was noted that the mine was likely to have a residual economic resource of approximately 12Mt at the end of its existing consent life. It is understood that an extension of approximately ten years with extraction rates of approximately 1.2Mtpa would be pursued from approximately 2028 to 2040. This would broadly align (together with thermal coal production from a proposed Angus Place West re-opening) with MPPS's thermal coal consumption from 2030 to 2040. A scoping report for that extension is anticipated to be submitted by October 2025 with the planning approval application lodged sometime in the fourth quarter of 2026.

5.3 Clarence Colliery

Clarence Mine is owned by a subsidiary of Centennial Coal and commenced operations in 1979. The mine presently operates under a modification (Mod 10) to DA 504-00 granted in 2005. It is permitted to mine up to 3.0 million tonnes of ROM coal from the site in any calendar year until 31 December 2026 – although it produced 0.82Mtpa in the 2024 calendar year[11].

It employs or contracts approximately 250 FTE personnel.

The mine is predominantly focused on export by rail to Port Kembla or Newcastle (approximately 93% in the 2024/25 financial year) but is permitted to transport up to 300,000 tonnes of coal by road each calendar year (in total), including:

- up to 200,000 tonnes of coal by road each calendar year to MPPS or to the Lidsdale Siding, and
- up to 200,000 tonnes of coal by road per calendar year to locations north of Sydney or Eastern NSW, using specified haulage routes.

In discussions with Centennial Coal, it was noted that the mine was likely to have a residual economic resource of up to 25 years at its present production rate. It proposes to seek an extension of its operation initially to 31 December 2031 and, subsequently, a further application for up to 25 years. A scoping report for the second extension is anticipated to be submitted by October 2025 with the planning approval application lodged sometime in the third quarter of 2027.

5.4 Angus Place West Colliery

Angus Place Mine is owned by a subsidiary of Centennial Coal and commenced operations almost 80 years ago. In 2015 the mine was placed into care and maintenance.

Centennial Coal proposes to seek approval for an Angus Place West Project to mine approximately 8Mt of thermal at a maximum production rate of approximately 1.2Mtpa from approximately 2028 to 2040. This would broadly align (together with thermal coal production from a proposed Springvale Mine extension) with MPPS's thermal coal consumption from 2030 to 2040. A scoping report for that extension is anticipated to be submitted by October 2025 with the planning approval application lodged sometime in the second quarter of 2026.

[11] *Clarence Colliery Annual Rehabilitation Report 2024, NSW Resources Regulator*

5.5 Cullen Valley Colliery

The Cullen Valley Mine is owned by a subsidiary of the Manildra Group.

Underground mining commenced at Cullen Valley Mine formerly Tyldesley Colliery around 1904 and continued up until the 1960s when the workings were abandoned. Open cut operations were conducted on the site between 1948 and 1953. Modern open cut operations began at the mine in May 2000. Mining of the approved economic resource was completed in early December 2012, and the mine was placed in care and maintenance. Except for a brief period in 2022, the mine has remained in care and maintenance ever since.

In August this year, the mine was granted development consent to modify (Mod 5) DA 200-5-2003 essentially to produce and supply up 1Mtpa of saleable coal to MPPS and other domestic markets until 19 August 2030. Supply to domestic markets other than MPPS is limited to 250,000t each year. The nature of its operation and its consent limits it to domestic supply. Should the mine go into operation, it is expected to employ approximately 70 FTE employees and contractors through to 2030.

5.6 Invincible Colliery

The Invincible Mine is owned by a subsidiary of the Manildra Group. The site had a long history of mining operations commencing in 1901. Open cut mining has been carried out at Invincible Colliery at various times since the 1940s through to 2013 when operations were placed in care and maintenance. The mine reopened in 2023 supplying a modest tonnage of nut coal for Manildra. Except for a brief period in early 2023, it is understood that the mine remains in care and maintenance with a July 2023 to December 2023 Annual Report to the Report to the NSW Resources Regulator disclosing no production of coal.

The Mine owner is seeking a modification (Mod 6) to MP07_0127 essentially to produce and supply up 1.2Mtpa of product coal to MPPS and other domestic markets including the Shoalhaven Starches Plant until 31 December 2030. The nature of its proposed operation and consent limits it to domestic supply. Should the mine go into operation, it is expected to employ approximately 50 FTE employees and contractors through to 2030.

5.7 Other collieries in ‘care and maintenance’

Other mines in care and maintenance include Baal Bone Colliery, Pine Dale Colliery and Ivanhoe Colliery. These are expected to remain in ‘care and maintenance’ for the foreseeable future.

5.8 Consequential job losses as the Mount Piper Power Station transitions to a 'reserve role'

The extent to which job losses occur in the thermal coal industry upon the 'increasing' retirement of MPPS into a 'reserve role' is largely dependent upon the ability for local mining activity to switch to export. A modest amount of switching to alternative domestic markets is also possible.

Mining in Lithgow is typically older, underground, and operating at a much smaller scale than competing regions and is therefore substantially more marginal. Structural rigidities – such as practical constraints on supplying MPPS from Hunter coal mines have had an insulating impact on Lithgow's mining industry.

The then Department of Planning and Environment noted in its 2014 assessment of the Invincible Colliery and Cullen Valley Mine, for example:

> *The nearby Mount Piper and Wallerawang coal fired power stations owned by Energy Australia, are located approximately 4 km and 10 km (respectively) south of the project site. These power stations represent around 14% of NSW's installed electricity generation capacity and rely solely on coal supplied from coal mines in the immediate vicinity. There is limited opportunity to economically supply coal to the power stations from other coalfields due to competition from coal exports and the high cost of constructing the necessary infrastructure that would be required to transport coal to the area. This has created an important strategic inter-dependence between coal mining and electricity generation in the area over many decades*[12].

Centennial remains the main supplier of coal to MPPS, with over 80% of coal being supplied from Centennial's Springvale Mine. Historic disruptions to supply from Springvale Mine have resulted in a requirement, from time to time, to truck coal from Clarence Colliery to maintain supply to the power station[13].

It is not known whether Energy Australia's Climate Transition Action Plan insofar as it relates to MPPS is economically viable. Energy Australia is reported to have noted, for example:

> *[w]e see [MPPS's] role as bridging the technology gap until multi-day and seasonal storage is commercially available.*

and

> *appropriate market and policy settings will need to be in place to support the approach and "ensure its economic viability*[14]

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[12] *Coalpac Modifications: Secretary's Assessment Report –Invincible Colliery (07_0127 MOD 4) Cullen Valley Mine (200-5-2003 MOD 2) Modifications, Department of Planning and Environment, 2014 at p.6*

[13] *Clarence Colliery Modification 10 and Lisdale Coal Loader Modification 5: Continue Increased Trucking of Coal: State Significant Development Modification Assessment Report (DA 504-00 Mod 10 & 08_0223 Mod 5), Department of Planning, Housing and Infrastructure, April 2024*

[14] *On both points see: Energy Australia won't retire Mt Piper coal before 2040, but may run it like a battery: Renew Economy, Sophie Vorrath, 21 August 2023.*

In assessing potential coal mining related job losses resulting from the 'increasing retirement' of MPPS into a 'reserve role' we make the following assumptions:

- there is little to no economic potential to switch to export at the Cullen Valley, Invincible, Springvale or proposed Angus Place West collieries and less than 10% from Airly Colliery,
- except for a relatively small amount of 'nut coal' from Cullen Valley Colliery and approximately 10% of coal produced at Airly Colliery until its closure, the total production of these mines is limited to the demand by MPPS for coal set out in Table 3 and Table 4,
- Clarence Valley will continue to operate at its historical output rather than at its consented output,
- a productivity factor of 0.5% is applied,
- mining approvals sought are approved, and
- any subsidy required to ensure the economic viability of MPPS is provided.

The consequential impacts on the mining workforce of MPPS 'retiring' to a 'reserve role' – but not closing, is set out in the Table 6 and Table 7 for each of the scenarios set out by Energy Australia in its Climate Transition Action Plan.

Table 6 – Estimated impact on the mining workforce of MPPS 'retiring' to a 'reserve role' – to 2033

	LGA mining FTE jobs (employee and contractor)							
Scenario	**2026**	**2027**	**2028**	**2029**	**2030**	**3031**	**3032**	**2033**
1	800	795	791	787	783	779	775	771
2	800	791	777	773	762	752	739	728
3	800	791	777	773	762	752	739	728
4	800	816	794	786	780	681	461	302

Table 7 – Estimated impact on the mining workforce of MPPS 'retiring' to a 'reserve role' – to 2041

	LGA mining FTE jobs (employee and contractor)							
Scenario	2034	2035	2036	2037	2038	3039	3040	2041
1	768	764	760	756	752	749	745	234
2	722	713	431	323	319	314	256	234
3	722	713	431	323	319	314	256	234
4	284	275	265	262	260	257	255	234

6.0 Meaning of closure

6.1 Existing definition of 'closing employer' and 'trigger notice'

Central to the Object of the Act and the intended relief provided for workers and communities bearing the substantial cost of the transition to net-zero, is the definition of 'closing employer'. That definition (s6 of the Act) essentially hangs on the definition of 'trigger notice' which is defined in s9(1) and s9(2) of the Act as follows:

> **9 Trigger notice**
>
> 1. The CEO may, by notifiable instrument, specify a kind of notice for the purposes of paragraph (a) of the definition of trigger notice in section 5. The CEO must be satisfied that the kind of notice relates to the closure of the whole, or a part, of a coal fired power station or a gas fired power station.
> 2. The CEO may, by notifiable instrument, specify a particular notice for the purposes of paragraph (b) of the definition of trigger notice in section 5. The CEO must be satisfied that the particular notice relates to the closure of the whole, or a part, of a coal fired power station or a gas fired power station.

The difficulty for Council and the Lithgow LGA is that, on one view, MPPS's owner, Energy Australia, doesn't become a 'closing employer' until five years out from its final closure – 2035. By that time, much of the workforce impacts (mining and generation) may already have occurred. In Council's submission, the definition of 'closing employer' is not sufficiently qualitative. Under scenario 4, for example, approximately 2/3rds of the coal mining workforce will have lost their jobs by 2033.

A second problem arises, in Council's submission, if coal is stockpiled in advance of a 'closure', 'part closure', or a substantial change in the business operation of a coal-fired power station or a gas-fired power station. It is conceivable, for example, that coal mining activity associated with integrated supply to a coal-fired power station ceases well in advance of the provision of a trigger notice. In that circumstance the coal mining workforce may be left without the relief intended by the Act. This scenario is entirely conceivable in circumstances where a power station has been 'retired' to a 'reserve role' but not 'closed' or 'partly closed'.

6.2 Definition of 'trigger notice' should be amended

Council recommends that the definition of 'trigger notice' be amended to better reflect the different possible scenarios in the lead up to power station closures. Council also recommends the definition be amended to contemplate a scenario where an otherwise 'dependent employer' (i.e. and integrated coal mine) substantially ceases well in advance of the eventual closure of the coal-fired power station.

9 Trigger notice

1. The CEO may, by notifiable instrument, specify a kind of notice for the purposes of paragraph (a) of the definition of trigger notice in section 5. The CEO must be satisfied that the kind of notice relates to:

   (a) the closure of the whole, or a part, of a coal fired power station or a gas fired power station, or

   (b) a substantial change in the operation of a coal-fired power station or a gas-fired power station as a result of the eventual closure of that power station, that is likely to have a detrimental impact on the employees of that power station or on the employees of a dependant employer or both, or

   (c) a substantial cessation or likely substantial cessation of the operation of a dependent employer as a result of the eventual closure of a coal-fired power station or a gas-fired power station.

The CEO may, by notifiable instrument, specify a particular notice for the purposes of paragraph (b) of the definition of trigger notice in section 5. The CEO must be satisfied that the particular notice relates to:

(a) the closure of the whole, or a part, of a coal fired power station or a gas fired power station, or

(b) a substantial change in the operation of a coal-fired power station or a gas-fired power station as a result of the eventual closure of that power station, that is likely to have a detrimental impact on the employees of that power station or on the employees of a dependant employer or both, or

(c) a substantial cessation or likely substantial cessation of the operation of a dependent employer as a result of the eventual closure of a coal-fired power station or a gas-fired power station.

As has been pointed out in Council's transition workforce planning:

Currently, a lack of clarity about future investment in the region, and uncertainty about the timeline of the mine and power station closures, is contributing to inaction. Many people, including employers, workers and community leaders, are aware that transition is coming, but without a clear picture of the future, are struggling to engage in planning or upskilling for the longer-term. It is important that transition planning starts now, despite these uncertainties, so that Lithgow can both take advantage of the potentially long lead times to closures and prepare for earlier or more sudden closures driven by market forces[15].

[15] *See Dinmore, H. Houghton, K. Beer, A. and Horne, S. 2025 Planning for labour market change and energy transition in Lithgow. Report for Lithgow City Council, University of South Australia, 20 June at p.4.*

7.0 Building regional adaptive capacity

7.1 What is 'adaptive capacity'

Adaptive capacity is a system's ability to adjust to changes and challenges, particularly in the face of climate change or other environmental stressors. It encompasses both the potential to adapt and the resources available to do so, including financial, human, institutional, and natural resources[16].

7.2 Why is adaptive capacity important

Whilst the jobs, investment and other strategic interventions in regional economic development are important, so too are workforce investments. Workforce considerations have not had the prominence that they previously enjoyed. It is worth remembering that people are the economy's most important economic asset.

As Roberta Ryan of the University of Newcastle noted in the context of the Hunter Region of New South Wales:

> *Historically, the approach to regional development and planning has been framed by developing sector-specialisations based around physical resources or assets … but that … in an environment where new opportunities emerge quickly and existing markets can decline with little warning, the [Hunter] region needs to prioritise building a workforce with transferable skills across sectors and developing human capital that is nimble, adaptable and resilient to change*[17].

The focus on a region's adaptive capacity is also a strong focus of the findings of the Australian Productivity Commission[18]. A significant – perhaps the most significant – factor shaping the relative adaptive capacity for each region relates to people-related factors (including educational achievement, employment rates, skill levels, personal incomes and community cohesion)[19].

One concrete, evidence-based response within the control of regional leaders and communities is investment in accessible STEAM-focused technical education. Creating opportunities for young people to learn formal STEAM skills – and related creative, problem solving, critical thinking, teamwork, and communication skills – is a practical investment in meeting employer needs, increasing attractiveness as a place to do business, and guiding young people to rewarding careers.

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[16] *Dinmore, H. Houghton, K. Beer, A. and Horne, S. 2025 Planning for labour market change and energy transition in Lithgow. Report for Lithgow City Council, University of South Australia, 20 June at p. 11.*

[17] *See statement accompanying release of The Hunter Insight Series: The Geography of Jobs accessed at https://www.newcastle.edu.au/newsroom/featured/rethink-needed-on-hunters-economic-development-priorities.*

[18] *Australian Productivity Commission: "Transitioning Regional Economies: Study Report" (2017).*

[19] *Australian Productivity Commission: "Transitioning Regional Economies: Study Report" (2017, see finding 4.3 at p. 34.*

7.3 Part 5 – Energy Industry Jobs Plan should have broader application

If the aim of the Commonwealth Government is 'to leave no community behind' in the transition to net-zero, Council recommends Part 5 of the Act be amended to provide more overt strategic intervention powers to build workforce adaptive capacity in impacted regions well in advance of closures or potential closures.

Particularly, Council recommends the Commonwealth Government work with the New South Wales Government to establish centres of science, technology, engineering, arts and mathematics in conjunction with existing school cluster networks across impacted regions. The facilities are expensive and are optimally delivered as a shared-access resource providing equal opportunity of access across a region's education 'catchment' regardless of a school's funding profile. The Victorian Government's regional 'tech schools' have led to a demonstrable improvement in workforce adaptive capacity in Victorian regions. They have done so, by ensuring that students in rural Victoria have similar access to STEAM learning facilities enjoyed by students in metropolitan Melbourne. Other Commonwealth Government objectives, such as improving results for the participation of women and Aboriginal and Torres Strait Islander peoples in STEAM education can also be achieved. This also builds on the ambitions of the Commonwealth Government's regional development framework: "no one held back, and no one left behind'.

8.0 The NZEA, CWFJIA, and the resourcing of a successful transition to net zero

8.1 Collaboration and early intervention

Leading practice for responding to regional economic disruption has considerably developed over the last twenty years with much more focus on collaboration between multiple key actors, early intervention, and building regional adaptive capacity.

Transitions management and structural adjustment reach beyond the responsibilities of any one level of government or of the private sector:

- 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.

Whilst Council has been supportive of the New South Wales Government's commitment to jobs and investment authorities, the implementation has been slow, lacked genuine collaboration, and may have come too late to avoid the worst aspects of the transition to net-zero. Similarly, there has been no NZEA instigated interactions between it and the Lithgow region despite the Lithgow region being the highest risk region in the transitions to net-zero in New South Wales. As Minister Houssos has noted:

> *There is no doubt that we have a lot of work to do in the Central West because, specifically in relation to their mines, you would be aware that they have no access to export ports, as we discussed before. There is a particular challenge in terms of the local employment needs for that particular region. Our future jobs and investment authority for the Central West will be clearly focused around those challenges*[20].

8.2 Resourcing

It is noted that research undertaken by the Hunter Jobs Alliance, Muswellbrook Shire Council, and the Grattan Institute point to a scale of local response being many times greater than the relatively modest funding the NSW Government has presently allowed for regional economic transition in coal regions. Council takes the opportunity of again encouraging the Commonwealth and New South Wales governments to improve their response to net-zero transition in Australia's coal regions.

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[20] *NSW Parliament Budget Estimates: Portfolio Committee No. 1 Premier and Finance: 2 November 2023 – per Houssos Natural Resources*

LITHGOW EMERGING ECONOMY PLAN

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