

Submitted online: <https://consult.dcceew.gov.au/national-energy-workforce-strategy>

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National Energy Workforce Strategy

The Australian Energy Council ('AEC') welcomes the opportunity to make a submission in response to the Department of Climate Change, Energy, the Environment and Waters ('DCCEEW') *National Energy Workforce Strategy* ('NEWS') Consultation Paper.

The AEC is the peak industry body for electricity and downstream natural gas businesses operating in the competitive wholesale and retail energy markets. AEC members generate and sell energy to over 10 million homes and businesses and are major investors in renewable energy generation. The AEC supports reaching net-zero by 2050 as well as a 55 per cent emissions reduction target by 2035 and is committed to delivering the energy transition for the benefit of consumers.

The energy transition is an industry-wide transformation that will involve significant changes and challenges to the way the sector operates. While this transition will create many new economic employment opportunities, the move will likewise have an impact on those workers presently involved with large-scale fossil fuel generation.

The AEC is supportive of a fair and just transition, and as highlighted in a report we published in 2022, there is no-silver bullet approach to this. Rather, there is a need for a whole-of-society effort tailored to the particular circumstances of each community. The energy sector has not remained idle, with the industry taking proactive measures to support their workers through the transition.

In a recent EnergyInsider article¹, we highlighted some of the transition programs currently undertaken by industry in collaboration with state governments.

- Energy Australia's "Power your future" Program has been put in place to transition support to their workers once Yallourn Power Station closes in mid-2028.
- Origin Energy's Future Directions Program supports Eraring employees with individual support plans prioritizing flexibility of employee choice.
- AGL has supported their workers following the closure of Liddell, providing employees with new work opportunities or guiding them through retirement.²
- Synergy's Workforce Transition Program provides tailored support, services, and resources to support employees for the anticipated closure of Muja and Collie power stations.

¹ AEC, Just Transition: Case Studies Highlight Work Underway, May 2024:

https://www.energycouncil.com.au/analysis/just-transition-case-studies-highlight-work-underway/#_edn1

² AGL, 'AGL's Liddell Power Station Closes After 52 Years of Operation', April 2023:

<https://www.agl.com.au/about-agl/media-centre/asx-and-media-releases/2023/april/agls-liddell-power-station-closes-after-52-years-of-operation#:~:text=AGL%20will%20today%20retire%20the, scale%20battery%20at%20the%20site.>

- Workers at Queensland’s coal-fired generators owned by Stanwell and CS Energy are receiving government-backed support through the Jobs Security Guarantee. CS Energy is launching their Amplify Program for employees to build and develop skills in renewable technology.

The recent passage of legislation for the creation of a Net Zero Economy Authority is a positive step towards a whole-of-society focus that can be tailored to the particular circumstances of each community. The AEC also highlights the need for a conducive policy environment that continues to invest in new industries and jobs while supporting private investor confidence.

The AEC notes that there is already a shortage of skilled workers within the energy sector, with demand for skilled labour anticipated to only grow as the energy transition continues. Indeed, several issues are complicating existing efforts to attract greater workforce participation within the energy sector, including educational and vocational barriers, international competition as well as values-based decision-making barriers.

The AEC responds to some of the key themes of the consultation paper below:

Attracting and Attaining Workers

Domestic Challenges

There are several barriers to workforce growth domestically, many of these outside the scope of this paper. However, in particular there is a lack of clarity around the career opportunities that exist within the energy sector, what they involve, and the pathways needed to enter them. There is a need for more people with a wider array of skills, particularly specific and high-level technical skills. Graduates and those changing their career, therefore, need a solid training plan environment to understand the skills and knowledge required to undertake a climate career.

At present, several educational and vocational barriers are impacting pathways towards a career in energy. Electricians and engineers often undertake multi-year study for jurisdictionally licensed qualifications, limiting the availability of qualified workers where they may be needed. Likewise, Australia’s educational institutions can lag when it comes to the advancement of renewable energy and green technologies, with a limited number of specialised courses in new and emerging areas in energy. Moreover, they can often lack the funding required to ensure for updated equipment, specialized instructors, and new course development. Often, there is a resulting disconnect between industry needs and education available, contributing to skill mismatches. Energy businesses do collaborate with schools and universities, however there is scope to do this as an industry sector with cross-sectoral support.

There is no single panacea to these issues. Any solution needs to be multi-faceted with strong collaboration between industry and government. Here, more can be achieved in both in the promotion of the energy sector work, particularly towards younger workers, and those of a diverse and unrepresented background. This needs to go hand in hand with creating the opportunities for people to gain the skills necessary to join this field.

The AEC suggests the following:

- The establishment of regional training centres to create opportunities for regional students.
- Creating multiple career pathways into STEM, such as opportunities for school leavers of different backgrounds, adult workforce participants seeking a career change, or remote workers learn STEM principals and skills.
- Collaboration with industry on existing, graduate, apprenticeship and leadership programs to recruit and develop women and diverse groups into the industry.

International Challenges

Australia is one of many countries pursuing net zero emissions and faces fierce competition when it comes to attracting international talent. While there is need to skill, upskill and reskill the domestic population to meet Australia's present and future workforce needs within the energy sector, addressing skill gaps might require more effective migration settings.

Indeed, a 2023 Migration Review indicated that Australia's current migration program is unfit for purpose and is unable to attract the skilled workers we need for the energy transition. It noted that 'fundamental reform is needed to ensure the system targets the skills the nation needs.'³

The AEC notes, however, that there are significant barriers to attracting such workers, not only due to international competition but also because of cost, issues with certificate recognition, visa complexity as well as administrative time and effort. According to a research report published by Engineers Australia, there can be a 'lack of recognition of international experience.'⁴ Given these barriers, the AEC recognises that attracting skilled international workers should not be wholly relied upon in the current environment. However, a fit for purpose skilled migration program can aid in filling any gaps in the pool of domestic workers.

Workforce Data and Information

The AEC believes that any focus on data by DCCEEW should be around measuring the success of other policies and formulating the incentives needed to overcome present barriers in developing the necessary energy workforce. We note that the Jobs and Skills Council (JSC), created under the Department of Employment and Workplace Relations (DEWR) has already sought similar data for its *Powering Skills Australia* report and care should be taken not to duplicate this. The report does state that NEWS will seek to complement strategy and planning undertaken by the Net Zero Economy Agency (NZE) and Department of Workplace Relations (DEWR), but it is currently unclear how DCCEEW might be interacting with both to develop this strategy.

Irrespective, it is difficult to ascertain the workforce and skills needed for the transition to clean energy because it depends somewhat on how quickly investment occurs and what technologies are used. The Australian Industry Energy Transitions Initiative Report published in February 2023

³ Department of Home Affairs, 'Review of the Migration System', 2023, <https://www.homeaffairs.gov.au/reports-and-pubs/files/review-migration-system-final-report.pdf>

⁴ Engineers Australia, 'Barriers to employment for migrant engineers', 2021, <https://www.engineersaustralia.org.au/sites/default/files/2022-06/barriers-employment-migrant-engineers.pdf>

estimates that an additional 85,000 workers are needed to support the construction, operation, and maintenance of renewable energy infrastructure by 2030. 51 per cent of those are presently national shortage occupations, examples being electricians, engineers and plant operators. A further 39 per cent of the additional workers are those in high skilled operations, needing formal education and training at tertiary institutions.

The AEC believes that a central focus of the strategy should be to remove the barriers that exist in growing Australia's energy workforce while providing the policy settings needed to provide market confidence in the long-term.

Improving Coordination

We are uncertain as to how this workforce strategy fits in with others previously outlined, or why clean energy jobs have been segregated from other sectors. The AEC agrees with the paper that over-complexity can be a barrier to action and is concerned that this strategy could add to that. There is a need for clear and effective coordination of initiatives and actions at the national level that avoids duplication. We have long advocated for the need for a whole-of-society effort tailored to the particular circumstances of each community.

Some of the areas we suggest NEWS can help coordination could be:

- Formulating a Nationally aligned licencing framework to increase the availability of existing trades.
- Government-led national advertisement campaign or communication strategy, promoting awareness and the need around the energy transition, as well as outlining the roles available within the sector and their benefits.

Any questions about this submission should be addressed by email to braeden.keen@energycouncil.com.au or by telephone on 04 227 92 557.

Yours sincerely,

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