



**WA.gov.au**

# Collie's Just Transition Plan



December 2020





Produced and published by

**The Department of the  
Premier and Cabinet**

**Principal address:**

Dumas House  
2 Havelock Street  
West Perth WA 6005

**Postal address:**

Locked Bag 3001  
West Perth WA 6872

Telephone: (08) 6552 5000

Fax: (08) 6552 5001

Email: [admin@dpc.wa.gov.au](mailto:admin@dpc.wa.gov.au)

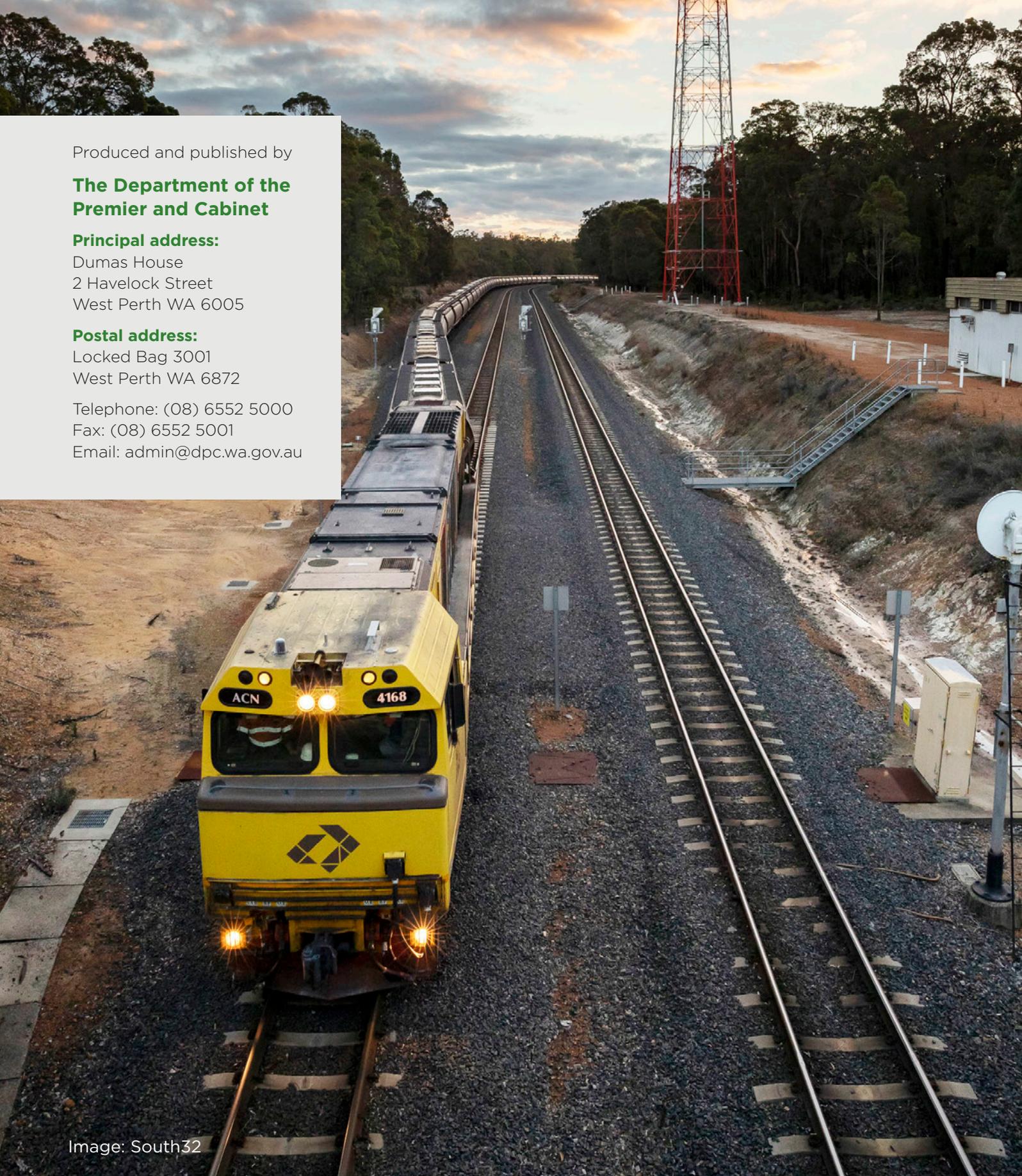


Image: South32

## **Acknowledgement of Country**

The Government of Western Australia acknowledges the traditional custodians throughout Western Australia and their continuing connection to the land, waters and community. We pay our respects to all members of the Aboriginal communities and their cultures; and to Elders both past, present and emerging.

## Contents

<b>Premier’s Foreword</b> .....	<b>6</b>
<b>Executive Summary</b> .....	<b>8</b>
<b>Economic History of Collie and the Impact of Transition</b> .....	<b>10</b>
Economic History of Collie .....	10
Collie Now .....	12
Impact of Transition .....	13
Pathway to a Just Transition .....	14
<b>Collie’s Just Transition Plan</b> .....	<b>16</b>
Strategic Focus Areas .....	17
Maximising Opportunities for Affected Workers .....	18
Diversifying the Local Economy .....	20
Celebrating Collie’s History and Promoting its Future .....	22
Committing to a Just Transition .....	23
<b>Collie’s Just Transition Implementation</b> .....	<b>24</b>
Governance .....	25



# Premier's Foreword

Since the discovery of coal in 1893, Collie has been integral to the State's economy and energy landscape. The town has become the hub of the South-West Interconnected System (SWIS), producing all the State's coal and providing much of the power capacity on the SWIS.

Collie's economic prosperity has historically been tied to the fate of the coal and energy industries. WA's energy system is shifting from traditional generation to increased reliance on new large and small-scale renewable energy and storage, and the industry is moving away from a dependence on coal. This is not an isolated phenomenon. All around the world, economies are shifting towards new energy sources, changing the economic and employment landscape of communities that have previously sustained the energy sectors.

Just Transition is an internationally endorsed framework that recognises that energy transitions are about people: the ones who make the decisions and the ones affected by those decisions. A Just Transition approach ensures that the affected people are considered by those making decisions and that early action on a Just Transition can minimise the negative impacts and maximise positive opportunities. The Paris Agreement on climate change includes Just Transition as an important principle. Just Transition is not a fixed set of rules, but a vision and a process based on dialogue and an agenda shared by workers, industry, and governments that needs to be negotiated and implemented, taking into consideration each community's own unique contexts.



Image: [www.colliehub.com.au](http://www.colliehub.com.au)

In 2018, Collie took the early steps to bring together industry, community, unions and government to commence a dialogue on a Just Transition. The group identified a pressing need to begin the transition work to ensure success for the workers and community. Subsequently, the Just Transition Working Group (JTWG) was formed, and the group has worked together to develop a Just Transition Plan as the foundation for what is recognised will be a 10-15 year transition process for Collie.

The effort, pragmatism and goodwill that will be required to collectively deliver a Just Transition for Collie is not insignificant. The membership of the group by those representing the employers, employees, unions and community is a reflection of the priority and commitment that the individuals and organisations being represented

give to this work. This commitment has been evident in the efforts and energy shown so far and will be an important part of the work into the future.

The WA Government commends the Collie community for taking these steps and is committed to working with the community, industry and unions to deliver a Just Transition for Collie and to create a strong future as it shifts away from a dependence on coal and coal-fired energy production.



**Premier Mark McGowan**

# Executive Summary

For over 100 years, Collie has been WA's only productive coalfield and its contribution to the economic and energy landscape of the State is both unique and significant. However, the Collie coal and energy industries now face competition from increasingly cheaper energy options as well as the global push to move away from coal-fired generation to achieve emissions reductions targets.

Change is already happening in Collie with the announcement of the staged retirement of two of four operating units at Synergy's Muja Power Station from October 2022. The launch of the Whole of System Plan for the South West Interconnected System (SWIS) suggests renewable generation is expected to at least triple by 2040, with a strong uptake in wind power and continued displacement of traditional forms of generation by rooftop solar. To ensure those affected by changes in Collie are provided with new opportunities, the WA Government has committed to developing a Just Transition Plan.

The concept of a Just Transition is based on international evidence that working together at a regional level can improve overall outcomes for

affected communities. Whilst individual companies retain responsibility for supporting workers, there is a role for the WA Government in supporting the broader community and local economy by coordinating regional opportunities.

Collie's Just Transition Plan is a key deliverable of the Economic Development Action Plan for the Collie and Bunbury Regions 2020-2026 and builds on the significant suite of initiatives and projects supported by the WA Government since 2017 for the economic transformation and diversification of Collie.

To support a Just Transition for Collie, representatives from the Collie community, employers, unions, and State and local governments have come together to form a Just Transition Working Group (JTWG).

The Just Transition Plan has been developed by the JTWG and represents the first phase of a collective commitment to achieving a Just Transition. The Plan will focus on a five-year period from 2021-2025, with the primary goal of supporting affected workers and communities in the transition from emissions-intensive industries in a coordinated way.



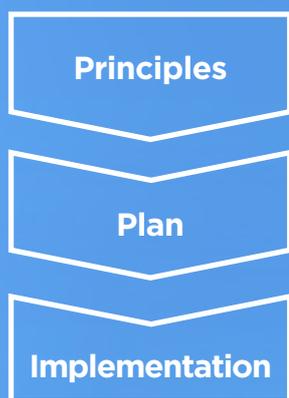
The Just Transition Plan has been designed to be broad enough to remain relevant despite the rapid transformation in energy production and use impacting coal-fired generation and mining.

Based on principles developed by the JTWG to guide their efforts over the life of the transition, the Plan covers four key focus areas: maximising opportunities for affected workers; diversifying the local economy; celebrating Collie's history and promoting its future; and committing to a Just Transition. Attached to these focus areas are 12 themes to guide action.

An Action Register has been developed for use by the JTWG to support the Plan. The Register contains a set of actions

determined and led by the JTWG to focus on achievable outcomes over the short-term aligned to the Plan's objectives. These actions will be reviewed and updated through the life of the Plan.

The JTWG's commitment to the Just Transition is for the long term. The transition will be worked through in partnership with energy and coal workers and other stakeholders over the next 10 to 15 years when most structural changes are expected to occur. The Just Transition Plan will ensure that workers and communities are supported through each stage of the transition.



Sets out what the Just Transition process will seek to achieve, and the basis for delivering across the whole-of-transition.

Focus on priorities for the coming five years, outlining what needs to be achieved, and how the process will be governed.

An Action Register with a detailed list of commitments and actions will guide the work of the JTWG to achieve the objectives of the Plan over the coming 1-2 years and be reviewed annually.



# Economic History of Collie and the Impact of Transition

## Economic History of Collie

Collie is located in the Wilman region that is home to the Ganeang, Pinjarup and Wilman people<sup>1</sup> of the Noongar Nation. The people of this land have a strong connection to local areas such as the Collie River, Minninup Pool, Collie Spring, Brunswick River and the Preston River.<sup>2</sup>

Collie has had a storied history as a contributor to Western Australia's economy - from humble beginnings in 1897, the town has become the hub of the SWIS, producing all the State's coal and providing much of the power capacity on the SWIS through three major power stations.

Collie's economic prosperity has historically been tied to the fate of the coal and energy industries. Booming power demand in the 1950s resulted in the town's population to grow to almost 9,000 by 1954. Conversely, historic downturns for the Collie coal industry in the 1960s and 1990s led to unemployment, falling population, and local recession.<sup>3</sup>

Present-day Collie is an economic hub of the South West region, contributing 11 per cent to the region's Gross Regional Product,<sup>4</sup> with exports from the Collie region valued at \$3.46 billion as at March 2020, which is 29.9 per cent of the South West region's exports of \$11.5 billion. Of this \$3.46 billion, \$1.44 billion was from mining, \$1.22 billion was from manufacturing, and \$0.6 billion was from electricity, gas, water and waste services (utilities).<sup>5</sup>



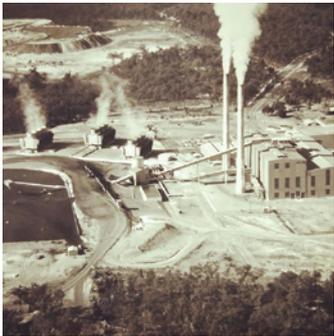
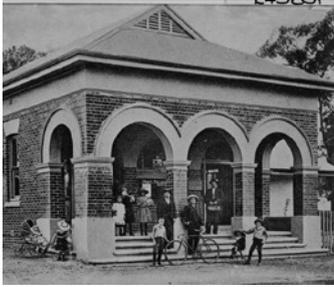
<sup>1</sup> [www.noongarculture.org.au/gnaala-karla-booja/](http://www.noongarculture.org.au/gnaala-karla-booja/)

<sup>2</sup> [www.water.wa.gov.au/\\_\\_data/assets/pdf\\_file/0016/5443/91172.pdf](http://www.water.wa.gov.au/__data/assets/pdf_file/0016/5443/91172.pdf)

<sup>3</sup> Collie Municipal Heritage Inventory 1995 (<https://www.collie.wa.gov.au/wp-content/uploads/2017/04/Collie-Municipal-Heritage-Inventory-1995-Introduction.pdf>)

<sup>4</sup> Collie Economic Development Task Force Report 2017

<sup>5</sup> REMPLAN, Economy dataset - Collie, March 2020 update, courtesy of the Department of Primary Industries and Regional Development.



Images from [colliemail.com.au](http://colliemail.com.au), [www.facebook.com/collielibrary](http://www.facebook.com/collielibrary) and [exhibitions.slwa.wa.gov.au](http://exhibitions.slwa.wa.gov.au).

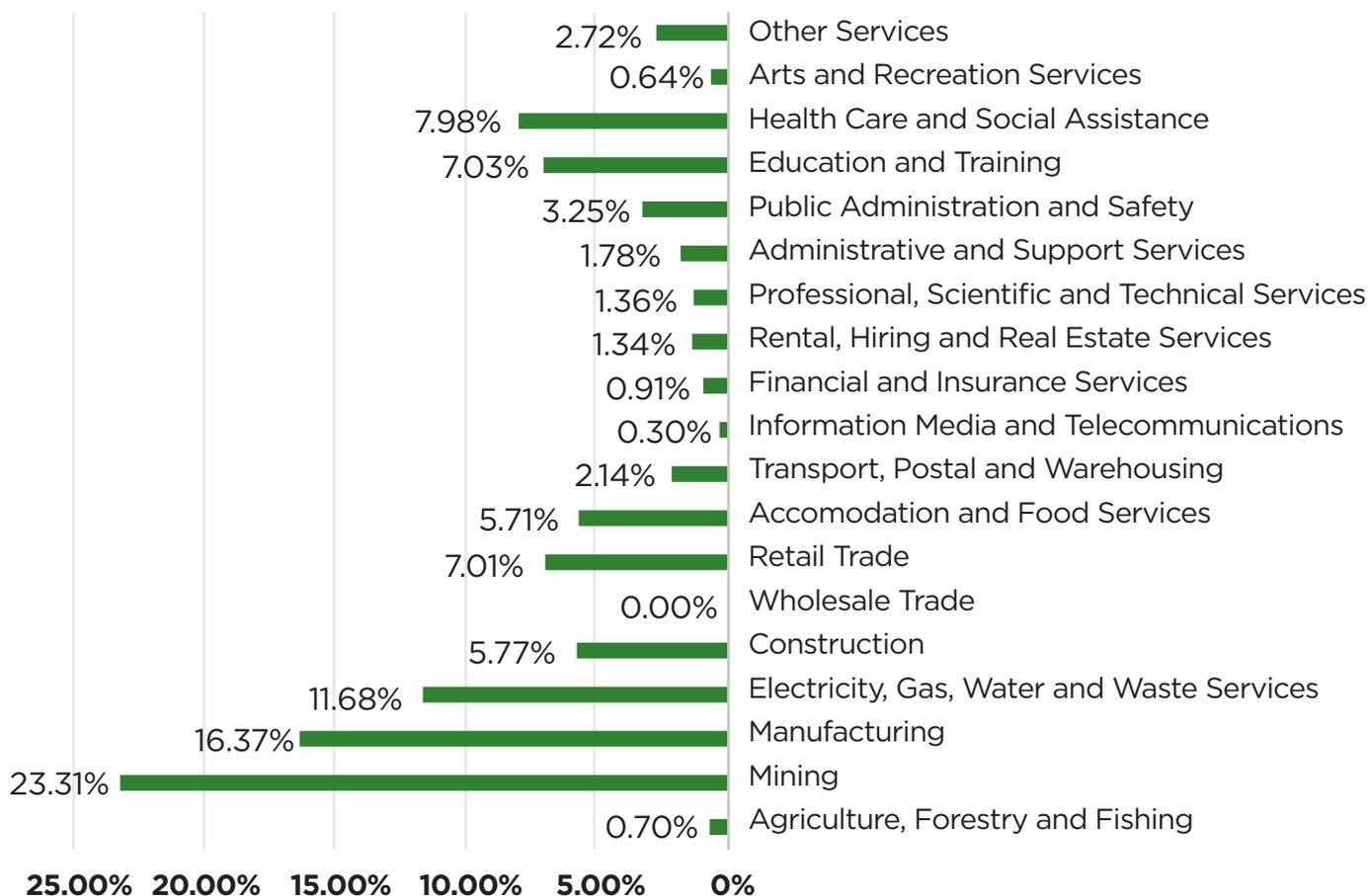
- 1883** Coal accidentally discovered in Collie basin when fire pit stones catch alight
- 1897/98** Collie declared a townsite; rail connection established
- 1903** Coal transforms Collie to a town of 1,500 people, producing 140,000 tonnes of coal each year
- 1931** First coal-fired power station built in Collie
- 1954** Post-war power demand leads to the growth of Collie to 8,667 people
- 1960** Closure of Amalgamated Collieries leads to loss of 700 coal mining jobs
- 1966** Coal-fired Muja power station opened in Shire of Collie
- 1984** Worsley Alumina Refinery opened near Collie to take advantage of coal power
- 1994** Closure of last underground coal mine leads to job losses
- 1999** Collie Power Station opened
- 2009** Bluewaters Power Station completed
- 2010** Worsley Alumina expansion includes co-generation
- 2017** Muja A and B retired
- 2019** Announcement of the staged retirement of Muja C by 2024

## Collie Now

Collie's population is currently ~8,700 but has been declining since 2013.<sup>6</sup> This is in contrast to population growth more generally across the South West over the same period. Collie's population and employment is highly reliant on the coal mining and energy industries: Data for 2019 shows that of 4,710 people that work in Collie, 23.3 per cent were employed in mining, 16.4 per cent in manufacturing and 11.7 per cent in electricity, gas, and water and waste services. Coal mining specifically is Collie's top employer.<sup>7</sup> A survey of Collie coal and energy employees from July 2020 revealed that 52 per cent of respondents have worked in the coal industry for over 10 years, highlighting the need to support the transition to other industries.<sup>8</sup>

While Collie's current workforce is strongly shaped by the coal and energy sectors, Collie has strengths to be leveraged to create a future diverse economy. These include: a range of town services and community and recreational facilities; an established industry hub with key linkages to the Bunbury port; a skilled technical workforce; proximity to rich natural resources beyond coal including productive agricultural and timber production land, and mineral resource deposits in the wider South West region; natural attractions in forests, rivers, and lakes; and transmission infrastructure connections.

### Collie Employment by Industry (2019)<sup>9</sup>



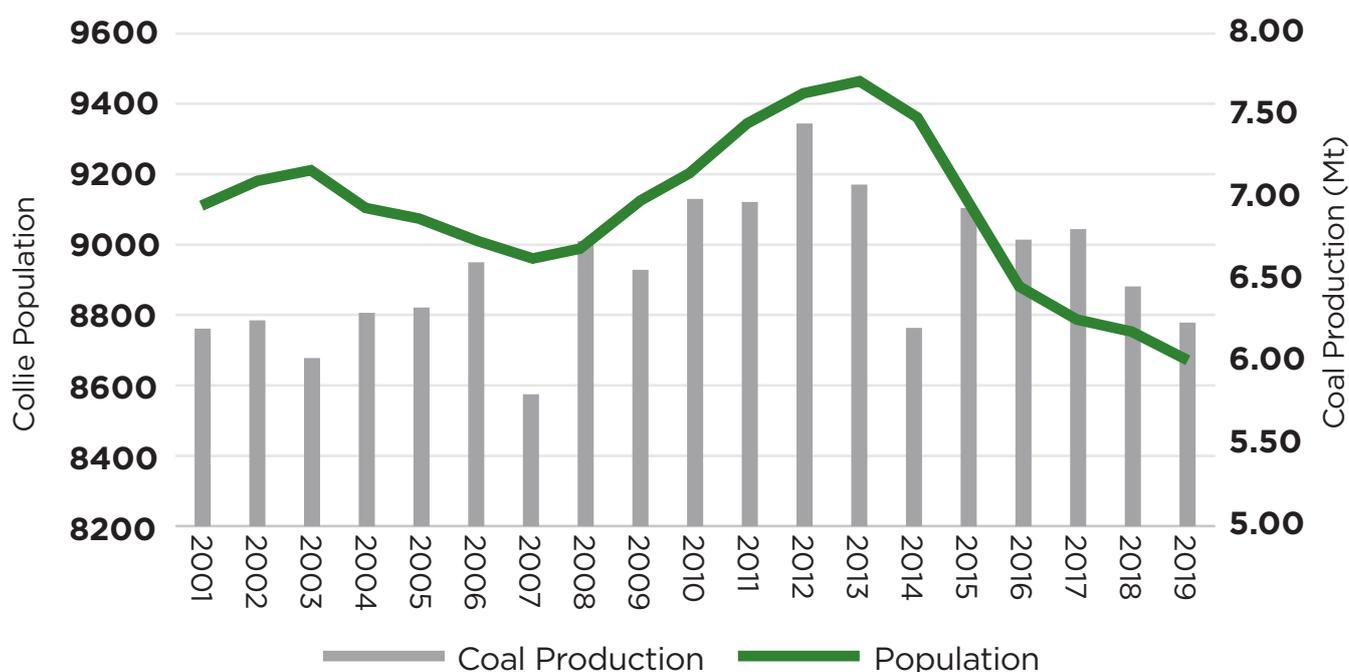
<sup>6</sup> Collie population data from ABS.stat; [https://quickstats.censusdata.abs.gov.au/census\\_services/getproduct/census/2016/quickstat/SSC50309](https://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/SSC50309)

<sup>7</sup> REMPLAN, Economy dataset - Collie, March 2020 update, courtesy of the Department of Primary Industries and Regional Development.

<sup>8</sup> Just Transition Collie Workers Survey

<sup>9</sup> REMPLAN, Economy dataset - Collie, March 2020 update, courtesy of the Department of Primary Industries and Regional Development.

## Collie Population and Coal Production by Year <sup>10</sup>



### Impact of Transition

Western Australia’s energy sector is transforming with new renewable energy developments and rapid uptake of rooftop solar panels. One in three households currently has rooftop solar and this is expected to increase to 50 per cent of households by 2030.

In light of the changing energy landscape, in October 2020 the WA Government released the inaugural Whole of System Plan (WOSP) developed by the independently chaired ‘Energy Transformation Taskforce’.

The WOSP is a modelling and analysis exercise to identify what the lowest cost mix of generation and storage might be over the next 20 years under four possible economic and electricity demand scenarios.

The WOSP was developed to inform energy policy development and opportunities for investment in the SWIS over the coming decades. The WOSP is not a prediction of the future and it does not make any decisions in relation to investment or retirement of any generation plant, including coal plant in Collie. It provides useful insights to ensure WA Government and the Collie community are best prepared for any future.

Across all scenarios modelled, it is clear that coal will continue to play an important

role in the future generation mix beyond this decade. However, it will become less economic over time due to displacement by lower cost technologies, in particular rooftop solar and wind. Large-scale renewables will at least triple by 2040, with a strong uptake of wind power.

In August 2019, the WA Government announced the staged retirement of Synergy’s oldest operating power station, with Muja G5 to retire in October 2022 and Muja G6 in October 2024. This will see a reduction in coal-fired capacity in the SWIS from 1,568 MW in 2020 to 1,178 MW in 2024.

Under the WOSP’s high demand scenarios, Collie’s remaining coal plant would continue to be in the lowest cost to supply mix. In contrast, if demand proves to be lower, coal plant may be placed under greater economic pressure and up to 500 MW might no longer feature in the lowest cost mix.

The WA Government has learned from the fraught experiences on the east coast, and requires all power station operators to provide at least three years notice for any future retirement decisions ensuring there is time to plan for a Just Transition for workers.

<sup>10</sup> Collie population data from ABS.stat; coal production data from WA Department of Mines, Industry Regulation and Safety (<https://www.dmp.wa.gov.au/Documents/Investors/2019-20-Major-commodities.xlsx>)

## Pathway to a Just Transition

Since 2017 the McGowan Government has worked tirelessly to deliver a Just Transition for Collie. In November 2017 the Government established a Ministerial Steering Committee for the Economic Development Plan for the Collie Bunbury Regions, chaired by the Minister for Regional Development to oversee the delivery of the Economic Development Action Plan for the Collie and Bunbury Regions 2020-2026.

The Action Plan includes a series of grants programs, projects and initiatives designed to strengthen and drive the diversification and transformation of the Collie economy with a focus on economic development, job creation, investment attraction, infrastructure growth and sustainability to support the economic transition of the region.

To date over \$47 million of a total budget of \$80 million has been allocated to projects through a number of programs, the Collie Industry Attraction and Development Fund and Collie Futures Fund (Collie Futures Small Grants Program and Collie Futures Industry Development Fund).

Some of the projects funded include: support for the establishment of the WesTrac Technology Training Centre; the Koolinup Emergency Services and Incident Control Centre and Emergency Driver Training School; support for an emergency vehicle manufacturing facility; the Department of Mines, Industry Regulation and Safety, Licensing Centre; remediation works to get the Collie Roundhouse to lease-ready state; the Collie Adventure Trail



project; the development of Lake Kepwari as a world class recreation facility; and the Collie Mural Trail project with the mega mural at Wellington Dam as its centrepiece.

Further, funding has been provided to a range of feasibility studies including: soluble protein manufacturing using lupins; a hemp processing facility; and a water filtration research project. To coordinate delivery of Government's commitments to Collie, the WA Government has established the Collie Delivery Unit for an initial period of 5 years.

In 2018, the State Government set out the framework for the establishment of the Just Transition Working Group in collaboration with State agencies, local government, industry, worker representative groups and key community stakeholders.

This collaborative approach has resulted in the development of Collie's Just Transition Plan.



# Collie's Just Transition Plan

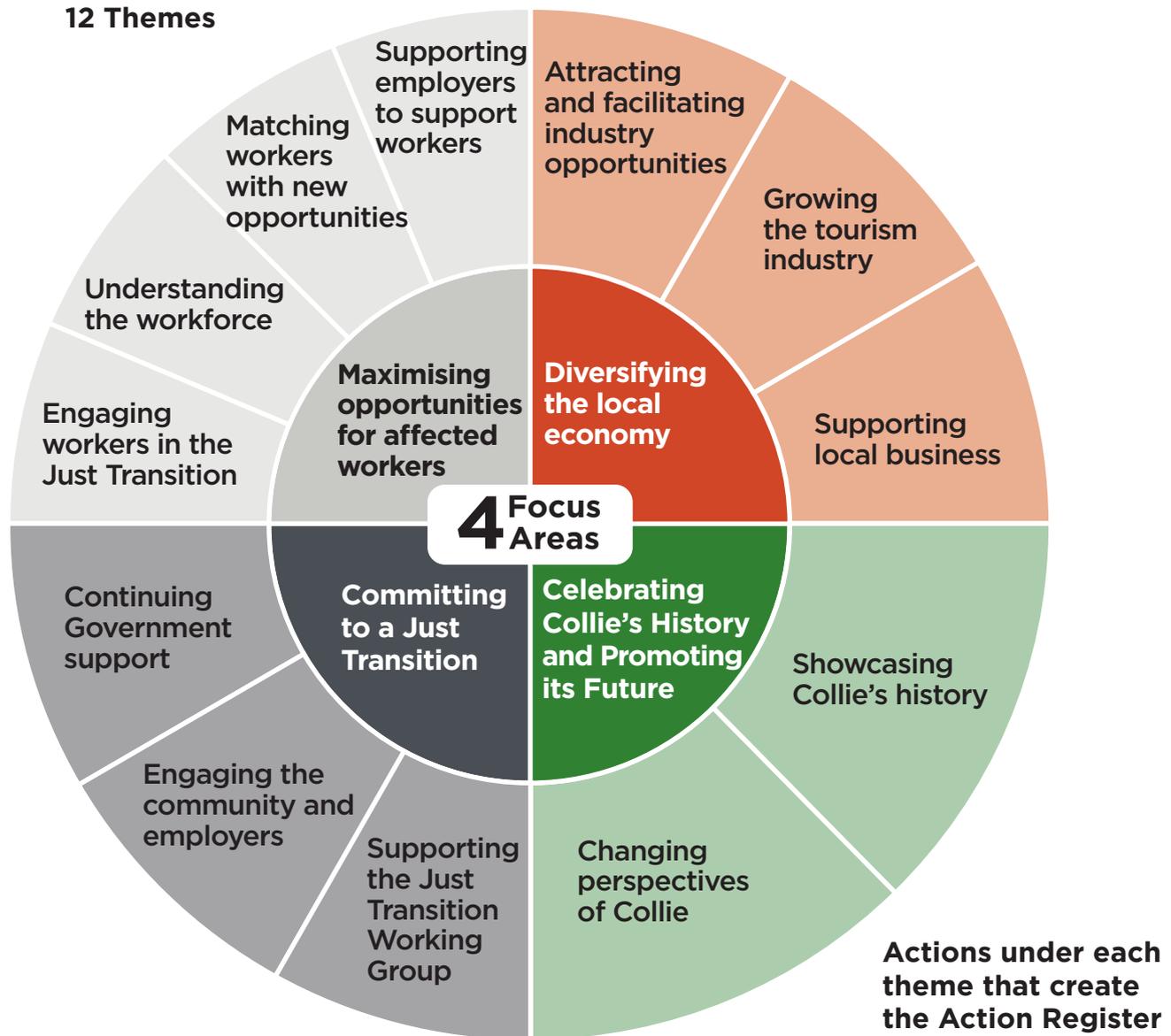
To anchor the work of the JTWG, a set of principles was developed by the Group and endorsed by the WA Government as a means of guiding the whole-of-transition efforts:

- 1.** Encourage sound investments in low-emission and job-rich sectors and technologies that attract and maintain local employment opportunities.
- 2.** Recognise, promote and celebrate the history, cultural heritage and invaluable contribution the town of Collie and associated coal and power generation industries have made and continue to make to the State of Western Australia.
- 3.** Respect the rights of those affected by transition to be treated with justice and dignity.
- 4.** Ensure all consultation and negotiations are honest, open and transparent and work towards achieving consensus on goals, timelines and pathways.
- 5.** Recognise that “we’re all in this together”, and thus share the challenges and opportunities transition brings. The objective is to see that no-one is left behind.
- 6.** Strive to ensure that all those affected by transition are given comprehensive information, opportunity and choice to retrain, reskill/upskill or take an alternative pathway within a reasonable timeframe.
- 7.** Organise local, long-term economic diversification plans that support worthwhile occupations and foster continuous improvement in local living standards for current and future generations.
- 8.** Provide policy, social support and linkages to community and government services for the benefit of all those affected by transition.

The principles are intentionally broad enough to support the longer-term view of transition. While the transition of the Collie economy and employment landscape is expected to occur over the next 10-15 years, both the economic environment and priorities will change significantly over this period. As such, in order to place a focus on tangible actions, a decision was made to develop a Just Transition Plan that supports the first five years and focusses on preparation and stabilisation activities ahead of major economic impacts.

Sitting beneath the Just Transition Plan, the Action Register defines the actions that will bring the Plan to life, translating five year objectives into shorter term (12 - 18 months) goals and actions that can be reviewed and refreshed across the life of the Plan. It includes action details, including ownership, timelines and implementation, and will be used by the JTWG to manage and drive activity.

## Strategic focus areas



The Just Transition principles have been used to develop four key focus areas within the Plan:

- Maximising opportunities for affected workers;
- Diversifying the local economy;
- Celebrating Collie's history and promoting its future; and
- Committing to a Just Transition.

These focus areas define the work being undertaken as part of the Just Transition effort, link directly to the outcomes being sought, and are supported by actions under each theme.

## Maximising opportunities for affected workers



The importance of empowering workers to control their own future is a key element of the work towards a Just Transition. The Plan aims to provide

opportunities for impacted workers to access new jobs and places an emphasis on the importance of ensuring cooperation between employers and the workforce.

Synergy began early and transparent conversations with unions and its workforce to ensure alignment on key principles to give workers and businesses the ability to plan for the future. Key elements of the support package for impacted Synergy workers include: skill assessments, personal planning support, redeployment, upskilling, financial planning support, assistance with job search, training programs, funding for approved training programs and preparation for retirement. The assistance offering included a series of workshops and information sessions for Muja employees and their families to guide



them through transition and help them make informed choices in planning their futures.

Following the Muja C retirement decision, Synergy engaged a dedicated Workforce Transition Manager to develop individualised and tailored plans for impacted workers, helping them to make planned decisions to ensure certainty. More broadly, the Department of Training and Workforce Development has already undertaken a training capability review with the intent of identifying areas of opportunity for upskilling and job matching. A workforce survey was also undertaken by the JTWG to better understand the profile and career priorities of the workforce and inform the work being undertaken.

In this first phase, the priority areas of focus to maximise opportunities for affected workers are:

- Engaging workers in the Just Transition;
- Understanding the workforce;
- Matching workers with new opportunities; and
- Supporting employers to support workers.

The key goals of these priorities are to increase participation and take-up by workers of Just Transition efforts; to understand workers' skills and experience in order to identify training and reskilling opportunities to maximise benefit from new jobs and opportunities; and to ensure that individual employees are supported to identify solutions that meet their own individual and family needs.

## Diversifying the local economy



‘Diversifying the local economy’ has a five year objective to develop and implement strategies to increase economic diversification and attract industry to Collie, including those identified in the Economic Development Action Plan for the Collie and Bunbury Regions 2020-2026.

There has been significant work to date in this area, including: tourism infrastructure investment; Lake Kepwari; adventure trails and business readiness assistance. A total of \$80 million in funding has also been allocated to the future of Collie, through the Industry Attraction and Development Fund (\$60 million) and Collie Futures Fund (\$20 million) to fund



projects that will promote economic diversity and jobs in Collie in industries as diverse as: Energy; Tourism, Creative Industries; Mining and Mining Equipment, Technology and Services; Advanced Manufacturing and Primary Industries.

The JTWG has identified a suite of shorter-term actions to further support this objective, which can be summarised across three themes.

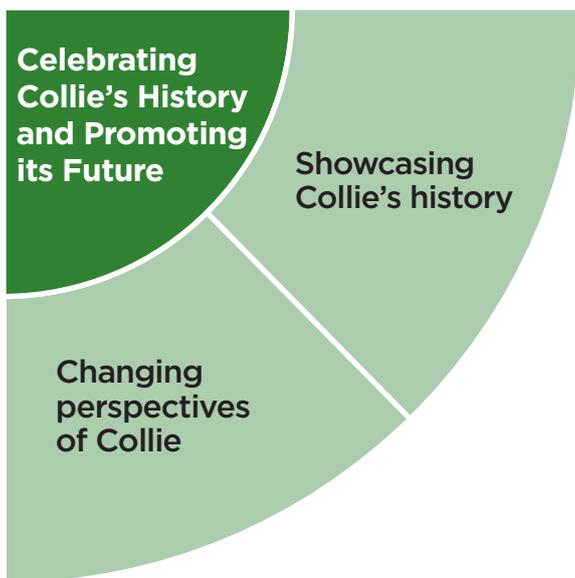
- Attracting and facilitating industry opportunities;
- Growing the tourism economy; and
- Supporting local business.

The purpose of these actions is to grow existing and develop new industry sectors based on the region's comparative advantage; build on the existing economic diversification efforts to create a sustainable tourism economy that will bring external investment and expenditure into the town; and maximise opportunities for local small to medium enterprises, including Aboriginal business, through existing and new investment.

Achieving these objectives will ensure that Collie is well-placed to develop an economy that is sustainable and able to withstand shocks to a single industry.



## Celebrating Collie's History and Promoting its Future



The JTWG and other stakeholders have stressed the importance of both celebrating Collie's history and contribution to the State, and ensuring it is future ready. To that end, the focus area 'Celebrating Collie's History and Promoting its Future' has the dual objectives of ensuring that the invaluable contribution Collie has made to the State of Western Australia is captured and shared; and ensuring that the public perception of Collie reflects and supports a positive economic and social future.



The Shire of Collie and Collie-based companies have started work in this area through initiatives such as development of a heritage trail that recognises and celebrates Collie's working history. The JTWG has also identified a suite of shorter-term actions to support this objective, which can be summarised across two themes.

- Showcasing Collie's history; and
- Changing perspectives of Collie.

By highlighting Collie's contribution to the State and encouraging locals and visitors to understand Collie's rich history, recognition is built for Collie workers and their families who have been an important part of the State's economic history. Promoting Collie's diverse and unique offerings offers a way forward that celebrates the past and builds on the town's future potential.

## Committing to a Just Transition

The success of this Plan hinges on ensuring ongoing Government and stakeholder support for the Just Transition. This focus area, 'Committing to a Just Transition', has a five year objective to ensure a level of commitment that will set the Group up for the next stage of transition and create momentum that can withstand changes in Government, governance, and the employment landscape.

In addition to grants and projects listed previously, the WA Government has already demonstrated commitment to Collie's Just Transition by:



- Establishing the Collie Delivery Unit within the Department of the Premier and Cabinet for an initial term of five years to oversee and support whole-of-Government delivery on the Government's commitments to Collie.
- Agreeing to work in partnership with the JTWG to develop and deliver a Just Transition Plan for Collie.

Additionally, the JTWG has identified a suite of shorter-term actions to support this objective, which can be summarised across three themes.

Continuing Government support;

- Engaging the community and employers; and
- Supporting the Just Transition Working Group.

Ensuring ongoing commitment from State and local governments throughout the Just Transition Plan is fundamental and includes the requirement that government effort is coordinated. The WA Government must also continue to seek opportunities to work with the Commonwealth Government to ensure that any federal investment is well considered and supports the plans already in place.

In addition, the commitment to a Just Transition must be owned by the workers, employers, and community that it impacts. A Just Transition must happen with those impacted, and not to them. The JTWG is an important mechanism to provide a forum for all voices to be heard. To ensure that it remains action oriented and fit for purpose, there needs to be clear and transparent governance and a mechanism for review at regular intervals as the environment and requirements of the Group change.

# Collie's Just Transition Implementation

The commitment to implementation of a Just Transition will need to be long-term and sustained throughout the evolution of the process. The JTWG will be the main mechanism to bring together State and local governments, unions, employers, and the community to work collaboratively in the long term to support the delivery of the Just Transition Plan.

Four sub-groups aligned to focus areas have been created to drive actions in the Just Transition Action Register that will support the delivery of the Plan. The sub-groups' role will be to report on these actions to the JTWG to ensure they are achieving the Plan's outcomes. On an annual basis, the JTWG will review the effectiveness of the sub-groups and set new actions.



## Governance

The JTWG will continue to oversee the implementation of the Just Transition Plan. Current JTWG members (2020):

- Department of the Premier and Cabinet
- Department of Jobs, Tourism, Science and Innovation
- Department of Training and Workforce Development
- South Regional TAFE
- Energy Policy WA
- South West Development Commission
- CFMEU Mining and Energy Division WA
- Australian Manufacturing Workers' Union
- Electrical Trade Union WA
- Australian Services Union
- Shire of Collie
- Collie Futures Economic Advisory Group
- Collie Chamber of Commerce and Industry
- Bluewaters
- Premier Coal
- Griffin Coal
- Synergy
- South32 Worsley Alumina
- Worley



**WA.gov.au**



**Collie's Just Transition Plan**