



**muswellbrook  
shire council**

**Muswellbrook Shire Council**

# **ORDINARY COUNCIL MEETING**

## **SUPPLEMENTARY BUSINESS PAPER**

### **25 MAY 2021**



# Order of Business

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8.2	LIDDELL POWER STATION CLOSURE - MEMORANDUM OF UNDERSTANDING	3

## 8 GENERAL BUSINESS

### 8.2 LIDDELL POWER STATION CLOSURE - MEMORANDUM OF UNDERSTANDING

Attachments:	A. Memorandum of Understanding - AGL VPA
Responsible Officer:	Derek Finnigan - Deputy General Manager
Author:	Aleksandar Mitreski - Policy Analyst Economic Transition & Innovation
Community Plan Issue:	<i>Support Job Growth</i>
Community Plan Goal:	<i>Facilitate the expansion of and establishment of new industries and business.</i>
Community Plan Strategy:	<i>Provide advice in relation to strategic land use planning and development control and assessment to support the work of the Economic Development and Innovation function.</i>

#### PURPOSE

To consider a Memorandum of Understanding with AGL Macquarie Pty Ltd concerning contributions for socio-economic adjustments during the Liddell Power Station closure.

#### OFFICER'S RECOMMENDATION

**Council resolves to execute the attached Memorandum of Understanding with AGL Macquarie Pty Ltd and authorises the General Manager to sign the document on its behalf.**

Moved: \_\_\_\_\_ Seconded: \_\_\_\_\_

#### BACKGROUND

As Councillors are aware AGL have announced its intention to close three units of its Liddell Power Station next year and the last unit in 2023.

In May 2020, Council received a report from the University of South Australia titled "Identifying measures of success for a global best-practice thermal coal mine and thermal coal-fired power station closure".

Council commissioned further report and on 29 April 2021 received a draft which has been distributed separately.

A co-ordinated mix of government and industry contributions will be required to ensure leading practice transition.

#### CONSULTATION

General Manager

Policy Analyst Economic Transition and Innovation

#### CONSULTATION WITH COUNCILLOR SPOKESPERSON

Council spokesperson for Innovation and Industry

**REPORT**

In September 2019, Council invited AGL to participate in the work of the Liddell Power Station Advisory Committee, now called Standing Committee on Industrial Closures.

At that time, Council stated that it does not have any confidence that AGL is showing the sort of progress that will be necessary to ensure a just transition for workers and the community. Council also asked for firm and detailed plan to be provided by end of 2019. It is noted that AGL did not submit a satisfactory plan with deadlines, milestones and committed funding.

For almost a year, the AGL representatives on the Committee have shared significant amount of information, related plans and presentations. AGL joined the La Trobe fact-finding tour and were supporters of the Identifying Measures of Success study, which set out a list of measures for a successful transition after closure of a power station/coal mine. It's important to note that AGL, as well as Muswellbrook Coal Company (MCC), accepted the findings of the Measures of Success study.

On 29 April 2021, Council received a more detailed draft report titled "Social and Economic Adjustment in the Upper Hunter", which has been separately distributed.

On 10 May 2021, AGL reached out with an offer of a Memorandum of Understanding committing to contributions of \$3.35 million with potential total contributions of \$4.85 million over four years. Whilst it is assessed that the contributions are at the lower end of the industry contributions that are required, AGL makes the valid point that its power station closures are only a portion of the broader thermal-coal transition which is underway. Council staff officers believe that the offer in the MoU is a reasonable first step and will set a strong precedent for other industry actors to follow across the Shire. Additionally, the State Government is showing increasing willingness to engage in the Upper Hunter's socio-economic transition.

**OPTIONS**

Council can accept the MoU or choose to decide something else.

**CONCLUSION**

The proposed MoU is a reasonable first step and will set a strong precedent for other industry actors to follow across the Shire.

**SOCIAL IMPLICATIONS**

The Electricity sector contributes 836 jobs (8.3%) to total employment, with most employees working at the local power stations. The Liddell closure will be significant for the regional economy and goes well beyond those directly employed by the power station.

**FINANCIAL IMPLICATIONS**

Contribution of \$3.35 million with potential total contributions of \$4.85 million over four years. Provision is also made for a \$200,000 more comprehensive report.

**POLICY IMPLICATIONS**

Nil

**STATUTORY IMPLICATIONS**

The making of a Voluntary Planning Agreement is regulated by the NSW planning legislation. Council will not be the consent authority for the AGL closure SSD.

**LEGAL IMPLICATIONS**

Parts of the proposed MoU are legally binding.

**OPERATIONAL PLAN IMPLICATIONS**

This report is consistent with Council's commitment to economic diversification and resilience in its strategic documents.

**RISK MANAGEMENT IMPLICATIONS**

The proposed motion will assist Council in managing risks to the local community and economy posed by the Liddell Power Station closure.

**COMMUNITY CONSULTATION/MEDIA IMPLICATIONS**

A communications plan will be developed following Council's resolution.

19 May 2021

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AGL Macquarie Pty Ltd

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Muswellbrook Shire Council

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# Memorandum of Understanding on Provision for Socio- Economic Impacts of Closure of Liddell Power Station

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Ref: CLC/AM AGLM29096-9162549 3476-8889-4484v7

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## Date

## Parties

**AGL Macquarie Pty Ltd** ACN 167 859 494 of Level 24, 200 George Street Sydney NSW 2000 (**AGL**)

**Muswellbrook Shire Council** ABN 86 864 180 944 of PO Box 152, Muswellbrook NSW 2333 (**Council**)

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## Background

- A The Liddell Power Station has operated on the Land since 1971 as part of the integrated power generation complex located between the townships of Muswellbrook and Singleton. AGL owns land which comprises the Bayswater and Liddell Power Stations and spans across the local government areas of Muswellbrook Shire and Singleton. AGL acquired this land in 2014.
- B Parts of the Liddell Power Station operations are the subject of various development consents granted by Council.
- C On 17 April 2015, AGL announced the intended closure of the Liddell Power Station via statements in its Greenhouse Gas Policy that it did not intend to extend the operating life of any of its existing coal-fired power stations and that those existing coal-fired power stations would be closed by 2050. This was further recommitted in the AGL Climate Statement and Commitments released on 30 June 2020.
- D It is anticipated that the Liddell Closure will commence progressively with the closure of the first unit to occur in April 2022 and the remaining three units to close in April 2023, with the intention of supporting system reliability throughout the 2022-23 summer months.
- E AGL is concerned to ensure the Community is appropriately and reasonably supported from the foreseeable adverse socio-economic consequences of the Liddell Closure. Consequently, AGL is already making and has agreed to make a number of financial and other contributions including through programs to the Community, to ameliorate these potential impacts. These committed Current Contributions are described more fully in **Annexure A**. AGL anticipates that it will be making further contributions in addition to the Current Contributions described in **Annexure A**.
- F Council is also concerned about the socio-economic impacts of the prospective Liddell Closure on the Community, in circumstances where a number of mines and other employment-generating businesses located in the Muswellbrook local government area, and the Hunter Region more broadly, are scheduled for closure in coming years.
- G To inform itself regarding these potential consequences of the Liddell Closure, Council procured the UniSA Report. Council's stated intention was, in reliance on the recommendations of the UniSA Report, to consider imposing a special

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- rate levied on either thermal coal generation rateable land singularly or thermal coal generation and thermal coal mining rateable land more generally being land which contributes or will contribute to the need for social and economic works, services facilities or activities under the LG Act.
- H AGL asserts that the UniSA Report does not appropriately assess the potential socio-economic impacts of the Liddell Closure. The recommendations of the UniSA Report are not supported by AGL.
- I AGL has engaged an appropriately-qualified consultant to consider the socio-economic impacts of the Liddell Closure and inform AGL in its discussions with Council about proportionate and evidence-based contributions to be made by AGL and others to support the Community through the Liddell Closure.
- J Council and AGL agree that a detailed SEIA:
- a. for the entire Hunter Region is desirable to assess the socio-economic impacts of the prospective closure of not just the Liddell Power Station, but also the many other businesses which are likely to close in the next decade, in response to the region's transition to a carbon neutral future; and
  - b. would enable the parties to better assess the potential socio-economic impacts of the Liddell Closure itself and how best to target and direct the attendant financial and other contributions which should reasonably be made by AGL to manage those impacts.
- K AGL intends to lodge the SSD2 Application with DPIE to seek approval for the physical aspects of the Liddell Closure, including the rehabilitation of the Liddell Power Station site.
- L Melt Hunter Valley Operations Pty Limited established the UHEDC in response to a Council tender for provision of economic and social transition services as a single centre of coordination for such services.
- M Council wishes to ensure there is a mechanism by which AGL is obliged to make a monetary contribution to the Council to support the Community to adapt to the impacts of the Liddell Closure.
- N AGL and Council agree that a VPA between Council and AGL is a more appropriate mechanism than imposition of a Rate as means of ensuring a properly informed and targeted contribution to the Community by AGL towards the anticipated socio-economic impacts of the Liddell Closure.
- O This MOU sets out the pathway towards entry into a VPA between the parties to make such a financial provision.
- P Capitalised terms in this document have the meaning given to them in **clause 9**, unless otherwise defined.
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## Agreed terms

### 1 Status of this MOU

The parties agree that this MOU is not intended to be, and is not, legally binding, other than **clauses 3.1, 3.4(a), 3.4(b), 4, 5, 7 and 8**, which are binding on the parties on and from the Commencing Date.

### 2 Objectives

#### 2.1 Council's objectives

The Council's objectives in entering this MOU are to:

- (a) ensure that AGL is obliged, via a VPA, to provide adequate contributions to manage and mitigate the socio-economic impacts on the Community from the Liddell Closure;
- (b) be consulted as a key stakeholder throughout the process of preparation of a detailed SEIA for the Hunter Region relating to the socio-economic impacts of the transition of the region to a carbon neutral future over the next decade; and
- (c) ensure that, as much as possible, the economic and social response to the transition in the Muswellbrook Shire and Upper Hunter Region is overseen by a single centre of coordination between industry, government and knowledge providers. To this end, with AGL's agreement, Council intends to provide to the UHEDC all monetary contributions delivered by AGL under the proposed VPA.

#### 2.2 AGL's objectives

AGL's objectives in entering this MOU are:

- (a) to make an appropriate, fair and reasonable contributions to the Community to manage and mitigate the socio-economic impacts on the Community from the Liddell Closure;
- (b) to ensure that the socio-economic impacts of the Liddell Closure are managed and mitigated as part of a regional response to the prospective impacts of the closure of mines and other businesses in the Hunter Region over the next decade;
- (c) that the socio-economic impacts of the Liddell Closure are properly assessed as part of a SEIA relating to the Hunter Region;
- (d) that the contribution that AGL agrees to make via a VPA, is appropriately targeted and directed to meet the identified impacts on and needs of the Community specifically in response to the Liddell Closure;
- (e) to ensure that the Current Contributions set out in **Annexure A** are appropriately recognised in the context of a proposed VPA; and

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- (f) to indicate AGL's intention to establish a community reference group to guide and advise on the detailed SEIA, socio-economic impact mitigation measures, programs, and where funds are to be directed. Representatives from Muswellbrook Shire, Singleton and Upper Hunter Shire Councils will also be invited to participate in the community reference group, as well as representatives from the Federal and State Governments, as appropriate.

### 3 Intention to enter into VPA

#### 3.1 Up-front contribution

As a sign of AGL's commitment to contributing to the mitigation of the socio-economic impacts of the Liddell Closure and good faith in entering into this MOU, AGL agrees to:

- (a) pay a sum of \$1.35 million to Council within 60 days of the Commencement Date; and
- (b) until such time as the SEIA has been finalised and a VPA agreed between AGL and Council in accordance with **clauses 3.3** and **3.4**, pay up to four (4) annual contributions of \$500,000 to Council, payable within 10 Business Days from the end of each financial year;

on the condition that any such monies are:

- (c) following transfer from Council to the UHEDC, expended by the UHEDC as agreed by Council and AGL and other relevant stakeholders (via a process to be agreed) on programs and initiatives that support the following priorities:
  - (i) regional economic diversification;
  - (ii) new job creation, skills and training;
  - (iii) sustainability and innovation; and
  - (iv) research and development; and
- (d) are credited as public benefit contributions in any subsequent VPA agreed between AGL and Council in accordance with **clauses 3.3** and **3.4**.

#### 3.2 Procuring the SEIA

The parties acknowledge and agree that the SEIA:

- (a) is an essential resource and precondition to determining appropriate contributions to be delivered by AGL in connection with the Liddell Closure;
- (b) will be used by the parties to inform the nature and quantum of contributions to be delivered by AGL under a VPA;

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- (c) will be funded by AGL, up to a total cost of between \$180,000 and \$200,000;
- (d) will be based on the preliminary scope identified in **Annexure B**, which is to be reviewed by the community reference group referred to in **clause 2.2(f)** and informed by discussions with the representatives of that group;
- (e) will be procured by AGL and prepared by an appropriately-qualified consultant of AGL's choosing;
- (f) will be prepared in a number of phases (AGL currently anticipates that there will be four phases), with a workshop to be held at the conclusion of each phase with the community reference group referred to in **clause 2.2(f)**, to:
  - (i) present the findings of the work undertaken in the correlating phase; and
  - (ii) receive feedback from the community reference group referred to in **clause 2.2(f)**; and
- (g) once finalised, will be made available to the members of the community reference group referred to in **clause 2.2(f)**.

### 3.3 Terms of the VPA

The parties acknowledge their intention to enter into a VPA to be made in accordance with **clause 3.4** and on the basis that the VPA will:

- (a) incorporate all the mandatory elements of a VPA under the EP&A Act;
- (b) acknowledge the public benefit contributions already made by AGL in accordance with **clauses 3.1** and **3.2(c)** as if they had been made under the VPA;
- (c) make provision for AGL to deliver additional contributions to assist the Community to adapt to the Liddell Closure, with such contributions to be informed by the findings of the SEIA report, once prepared. Provided that, in any financial year, the value of any such additional contributions will not exceed \$1 million above the Baseline Amount having also taken into account any other Rate or other special contribution imposed by Council on AGL or in relation to AGL's rateable land comprising the Liddell and Bayswater Power Stations.
- (d) given the parties' agreement that a VPA is the appropriate mechanism to fund programs to mitigate any socio-economic impacts resulting from the Liddell Closure, include a commitment by Council to release AGL from liability for any additional contributions above the amounts stipulated in the VPA (whether through the imposition of Rates or other special contribution imposed by Council) in connection with the Liddell Closure;
- (e) include a commitment by Council that Council ensure that the UHEDC administers any monetary contributions delivered by AGL under the VPA to support the following priorities:

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- (i) regional economic diversification;
  - (ii) new job creation, skills and training;
  - (iii) sustainability and innovation; and
  - (iv) research and development;
- (f) include a mechanism for AGL and other relevant stakeholders to be consulted in Council's selection of projects and programs that will be funded by monetary contributions delivered under the VPA;
- (g) include a requirement for Council itself and for the Council to procure that the UHEDC to regularly accounts to AGL for the expenditure of the monetary contributions delivered by AGL under the VPA; and
- (h) include an acknowledgement that any contributions made under the VPA would be separate and additional to AGL's community and employee support programs, which AGL intends to continue in relation to its assets in the Hunter Region.

#### **3.4 Reasonable endeavours to enter into VPA**

- (a) The parties agree to negotiate in good faith and use reasonable endeavours to enter into the VPA within 4 months following completion and Council's receipt of the final SEIA in accordance with **clause 3.2(g)**.
- (b) Each Party will make available sufficient appropriately authorised, skilled and experienced resources to expeditiously progress negotiations on the terms of the VPA and comply with its other obligations under this MOU.
- (c) The VPA is intended to reflect the matters and principles outlined in this MOU.

#### **4 No fetter**

Nothing in this MOU shall be construed as:

- (a) requiring Council to do anything that would cause Council to breach any of its obligations at Law; or
- (b) limiting or fettering in any way the discretion of Council in exercising any of its statutory functions, powers, authorities or duties.

#### **5 Dispute resolution**

If a dispute arises in relation to this MOU, the parties will endeavour to resolve it in good faith. If any dispute is not resolved within 20 Business Days by the parties' representatives, the matter will be escalated to the parties' senior management for resolution or dealt with as otherwise agreed between the parties.

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If matters remain unresolved following a minimum of two meetings held between Council's General Manager and AGL's senior management, either Party may refer the matter for independent mediation.

## **6 Notices**

### **6.1 General**

A notice, demand, certification, process or other communication relating to this document must be in writing in English and may be given by an agent of the sender.

### **6.2 How to give a communication**

In addition to any other lawful means, a communication may be given by being:

- (a) personally delivered;
- (b) left at the party's current delivery address for notices;
- (c) sent to the party's current postal address for notices by pre-paid ordinary mail; or
- (d) sent by email to the party's current email address for notices.

### **6.3 Particulars for delivery of notices**

- (a) The particulars for delivery of notices are initially:

#### **AGL**

Delivery address: Level 24, 200 George Street, Sydney NSW 2000  
Postal address: same as delivery address  
Email: [SRose3@agl.com.au](mailto:SRose3@agl.com.au)  
Attention: Susan Rose

#### **Council**

Delivery address: Campbell's Corner 60-82 Bridge St, Muswellbrook NSW 2333  
Postal address: PO Box 122, Muswellbrook NSW 2333  
Email: [Fiona.Plesman@muswellbrook.nsw.gov.au](mailto:Fiona.Plesman@muswellbrook.nsw.gov.au)  
Attention: Fiona Plesman

- (b) Each party may change its particulars for delivery of notices by notice to each other party.

### **6.4 Communications by post**

Subject to **clause 6.6**, a communication is given if posted:

- (a) within Australia to an Australian postal address, three Business Days after posting; or

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- (b) outside of Australia to an Australian postal address or within Australia to an address outside of Australia, ten Business Days after posting.

#### 6.5 Communications by email

Subject to **clause 6.6**, a communication is given if sent by email, at the time the email containing the notice left the sender's email system, unless the sender receives notification that the email containing the notice was not received by the recipient.

#### 6.6 After hours communications

If a communication is given:

- (a) after 5.00 pm in the place of receipt; or
- (b) on a day which is a Saturday, Sunday or bank or public holiday in the place of receipt,

it is taken as having been given at 9.00 am on the next day which is not a Saturday, Sunday or bank or public holiday in that place.

#### 6.7 Process service

Any process or other document relating to litigation, administrative or arbitral proceedings relating to this document may be served by any method contemplated by this **clause 6** or in accordance with any applicable law.

### 7 GST

#### 7.1 Construction

In this **clause 7**:

- (a) unless there is a contrary indication, words and expressions which are not defined in this MOU but which have a defined meaning in the GST Law have the same meaning as in the GST Law;
- (b) **GST Law** has the same meaning given to that expression in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) or, if that Act does not exist for any reason, means any Act imposing or relating to the imposition or administration of a goods and services tax in Australia and any regulation made under that Act; and
- (c) references to GST payable and input tax credit entitlements include:
  - (i) notional GST payable by, and notional input tax credit entitlements of the Commonwealth, a State or a Territory (including a government, government body, authority, agency or instrumentality of the Commonwealth, a State or a Territory); and
  - (ii) GST payable by, and the input tax credit entitlements of, the representative member of a GST group of which the entity is a member.



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## 7.2 Consideration GST exclusive

Unless otherwise expressly stated, all consideration, whether monetary or non-monetary, payable or to be provided under or in connection with this MOU is exclusive of GST (**GST-exclusive consideration**).

## 7.3 Payment of GST

If GST is payable on any supply made by:

- (a) a party; or
- (b) an entity that is taken under the GST Law to make the supply by reason of the capacity in which a party acts,

(**Supplier**) under or in connection with this MOU, the recipient of the supply, or the party providing the consideration for the supply, must pay to the Supplier an amount equal to the GST payable on the supply.

## 7.4 Timing of GST payment

The amount referred to in **clause 7.3** must be paid in addition to and at the same time and in the same manner (without any set-off or deduction) that the GST-exclusive consideration for the supply is payable or to be provided.

## 7.5 Tax invoice

The Supplier must deliver a tax invoice or an adjustment note to the recipient of a taxable supply before the Supplier is entitled to payment of an amount under **clause 7.3**.

## 7.6 Adjustment event

If an adjustment event arises in respect of a supply made by a Supplier under or in connection with this MOU, any amount that is payable under **clause 7.3** will be calculated or recalculated to reflect the adjustment event and a payment will be made by the recipient to the Supplier or by the Supplier to the recipient as the case requires.

## 7.7 Reimbursements

- (a) Where a party is required under or in connection with this document to pay for, reimburse or contribute to any expense, loss, liability or outgoing suffered or incurred by another party or indemnify another party in relation to such an expense, loss, liability or outgoing (**Reimbursable Expense**), the amount required to be paid, reimbursed or contributed by the first party will be reduced by the amount of any input tax credits to which the other party is entitled in respect of the Reimbursable Expense.
- (b) This **clause 7.7** does not limit the application of **clause 7.3**, if appropriate, to the Reimbursable Expense as reduced in accordance with **clause 7.7(a)**.

## 7.8 No merger

This **clause 7** does not merge on the completion, rescission or other termination of this document or on the transfer of any property supplied under this MOU.

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## **8 General**

### **8.1 Legal costs**

- (a) Except as expressly stated otherwise in this document, each party must pay its own legal and other costs and expenses of performing its obligations under this document.
- (b) AGL will pay the reasonable legal costs of the Council in drafting, negotiating and executing the VPA.
- (c) Each party will pay its own legal and other costs and expenses of drafting, negotiating and executing this MOU.

### **8.2 Amendment**

This document may only be varied or replaced by a document executed by the parties.

### **8.3 Waiver and exercise of rights**

- (a) A single or partial exercise or waiver by a party of a right relating to this document does not prevent any other exercise of that right or the exercise of any other right.
- (b) A party is not liable for any loss, cost or expense of any other party caused or contributed to by the waiver, exercise, attempted exercise, failure to exercise or delay in the exercise of a right.

### **8.4 Consents**

Except as expressly stated otherwise in this document, a party may conditionally or unconditionally give or withhold any consent to be given under this document and is not obliged to give its reasons for doing so.

### **8.5 Further steps**

Each party must promptly do whatever any other party reasonably requires of it to give effect to this document and to perform its obligations under it.

### **8.6 Governing law and jurisdiction**

- (a) This document is governed by and is to be construed in accordance with the laws applicable in New South Wales.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in New South Wales and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

### **8.7 Assignment**

- (a) A party must not assign or deal with any right under this document without the prior written consent of the other parties.
- (b) Any purported dealing in breach of this clause is of no effect.

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#### **8.8 Liability**

An obligation of two or more persons binds them separately and together.

#### **8.9 Counterparts**

This document may consist of a number of counterparts and, if so, the counterparts taken together constitute one document.

#### **8.10 Entire understanding**

- (a) This document contains the entire understanding between the parties as to the subject matter of this document.
- (b) All previous negotiations, understandings, representations, warranties, memoranda or commitments concerning the subject matter of this document are merged in and superseded by this document and are of no effect. No party is liable to any other party in respect of those matters.
- (c) No oral explanation or information provided by any party to another:
  - (i) affects the meaning or interpretation of this document; or
  - (ii) constitutes any collateral agreement, warranty or understanding between any of the parties.

#### **8.11 Relationship of parties**

This document is not intended to create a partnership, joint venture or agency relationship between the parties.

#### **8.12 Construction**

Unless expressed to the contrary, in this document:

- (a) words in the singular include the plural and vice versa;
- (b) any gender includes the other genders;
- (c) if a word or phrase is defined its other grammatical forms have corresponding meanings;
- (d) 'includes' means includes without limitation;
- (e) no rule of construction will apply to a clause to the disadvantage of a party merely because that party put forward the clause or would otherwise benefit from it; and
- (f) a reference to:
  - (i) a person includes a partnership, joint venture, unincorporated association, corporation and a government or statutory body or authority;
  - (ii) a person includes the person's legal personal representatives, successors, assigns and persons substituted by novation;
  - (iii) any legislation includes subordinate legislation under it and includes that legislation and subordinate legislation as modified or replaced; and

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- (iv) an obligation includes a warranty or representation and a reference to a failure to comply with an obligation includes a breach of warranty or representation.

## 9 Definitions

In this document these terms have the following meanings:

<b>Baseline Amount</b>	The sum of all Rates imposed on AGL by the Council in relation to AGL's rateable land associated with the Liddell and Bayswater Power Stations (being assessment numbers 103473 and 103440) in the 2020/21 financial year (adjusted in accordance with any order made by the Minister under s 506 of the LG Act).
<b>Business Day</b>	A day which is not a Saturday, Sunday or bank or public holiday in Sydney.
<b>Community</b>	The regional community in the vicinity of the Liddell Power Station, including the residents of and businesses operating in the Muswellbrook Shire, Singleton and Upper Hunter Shire local government areas.
<b>Commencing Date</b>	The date that this document is executed by all parties.
<b>Current Contributions</b>	Monetary and other contributions, provisions and programs that AGL is making and has agreed to make to support the Community in response to the Liddell Closure, which are set out in <b>Annexure A</b> .
<b>DPIE</b>	The NSW Department of Planning, Industry and Environment.
<b>EP&amp;A Act</b>	<i>Environmental Planning and Assessment Act 1979</i> (NSW), as amended from time to time.
<b>Hunter Region</b>	The local government areas of Muswellbrook Shire, Upper Hunter Shire, Singleton, Dungog Shire, Cessnock, Port Stephens, Maitland, Newcastle and Lake Macquarie.
<b>Land</b>	The land owned by AGL upon which the Liddell Power Station is situated.
<b>Law</b>	Any statute, regulation, rule, proclamation, order, ordinance or by-law whether present or future and whether Commonwealth, State, territorial or local and the common law.
<b>LG Act</b>	<i>Local Government Act 1993</i> (NSW).

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<b>Liddell Closure</b>	Closure and rehabilitation of the Liddell Power Station, the Liddell Ash Dam and surrounding buffer lands.
<b>Liddell Power Station</b>	The power station located on the Land which is operated by AGL as part of the integrated power generation complex located between Muswellbrook and Singleton.
<b>MOU</b>	This document.
<b>Rate</b>	All ordinary, special or other rates charges or levies imposed under the LG Act.
<b>SEIA</b>	A Socio-Economic Impact Assessment and report.
<b>SSD2 Application</b>	A State significant development application under Division 4.7 of the EP&A Act to be made by AGL in relation to the Liddell Closure, to decommission and demolish the Liddell Power Station and associated infrastructure and rehabilitate the site in preparation for future redevelopment or other beneficial uses, for which a request for Secretary's Environmental Assessment Requirements is expected to be lodged in the first quarter of the financial year commencing 1 July 2021.
<b>UHEDC</b>	The Upper Hunter Economic Development Corporation Limited (ACN 646 607 285) established by Melt Hunter Valley Operations Proprietary Limited (ABN 75 646 764 070).
<b>UniSA Report</b>	The "Funding Structural Change Report" dated <insert date> May 2021, prepared by University of South Australia and RMIT University for Council.
<b>VPA</b>	A planning agreement within the meaning of section 7.4 of the EP&A Act wherein AGL would make development contributions to Council in connection with the anticipated socio-economic impacts of the Liddell Closure.

## Execution

Executed by **AGL Macquarie Pty Ltd** )  
)

.....  
Name of Director (print)

.....  
Address

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## Annexure A

### Current Contributions

#### 1 Current Contributions by reference to the UniSA Report

Note: The table below identifies, for Council's benefit, the Current Contributions that AGL is making and intends to make and are relevant to the "target items" identified in the UniSA Report. **[Corrs Note: AGL to consider whether it needs to update this table in light of the draft UniSA Report.]**

Target Item	Current Contributions
<b>Domain A – Managing the Closure</b>	
<i>These are all internal costs to be determined by AGL in its closure planning with involvement of relevant internal stakeholders.</i>	
Social activities in the last two years	AGL hosts several events annually and is currently planning its Liddell 50 <sup>th</sup> Years of Service celebration scheduled for 21 May 2021.
Personal counselling services	Personal counselling services are included as per AGL's EAP support. Counselling services will be available over the phone and will also be integrated into the Future U Hub service offering.
Government services information sessions	In line with AGL's commitment to no forced redundancies, government services have not been seen in high demand.
Financial advice	Some initiatives are already included in AGL's existing EAP services offering. Most Enterprise Agreement employees will need specialist financial advice via the (defined benefits) superannuation fund. If employees require further detailed financial advice, that would be at their own cost.  Other outplacement, support programs are currently being funded by State and Commonwealth Governments. These will be integrated into the Future U Hub.
Final day celebrations	AGL will plan an event to mark the Liddell Closure. As noted above, AGL is already marking Liddell's 50 <sup>th</sup> year in May 2021 with a celebration for employees. Whilst

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	the 50 <sup>th</sup> anniversary is the current focus, a 'closure' event is also being considered.
Media relations	AGL has a dedicated media team and will manage media relations internally.
<b>Domain B – Redeploying the labour force</b>  AGL has made the following commitments to its employees at the Liddell and Bayswater Power Stations: <ul style="list-style-type: none"> <li>- No forced redundancies as a result of the Liddell Closure;</li> <li>- Transferring impacted employees, at their current classification and rate of pay, to Bayswater following the Liddell Closure;</li> <li>- No forced transfer of employees to other AGL business locations outside of the Hunter Region as a result of the Liddell Closure; and</li> <li>- Employees provided the opportunity to undertake relevant training, if required, to enable them to continue in their role of undertake other suitable roles.</li> </ul>	
Employment pathway funding	<p>AGL remains committed to no forced redundancies and is currently looking to maximise redeployment opportunities internally before assessing other options.</p> <p>As part of AGL's planning and ongoing engagement, we understand our workforces' primary preference is to continue AGL employment at Bayswater or within the Hunter Region.</p> <p>Relevant training will be provided to employees with redeployment pathways. It is also intended that AGL will use internal resources and training courses available. Change readiness and leadership is being rolled out on site from April 2021.</p> <p>Further AGL has finalised an EOI for external services to provide job search, resume and interview skills. We are currently working to obtain government funding and partnering with Forsythes Training.</p> <p>AGL spends approx. \$100m on labour at the Liddell and Bayswater Power Stations annually.</p>
Pre-closure advice centre	<p>AGL has recently opened the Future U Hub. P&amp;C support and additional information is now available to employees to support their Liddell Closure planning. The Future U Hub is expected to cost \$305,000 over 4 years.</p> <p>AGL funded training programs and recognition of prior learning accreditation will be provided to employees when redeployment pathways are clear.</p> <p>Government-funded outplacement, training and support services will also become available in the near-term.</p> <p>AGL engages closely with the Federal Department of Education, Skills &amp; Employment, the Federally-funded and Training Services NSW (a division of NSW Department of Education). Through these partnerships,</p>
Post-closure advice services	
Training coordinator	



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	opportunities such as subsidised training and career pathway support are identified and leveraged.
Upgrade TAFE training infrastructure	<p>The funding and resourcing of TAFE and its associated infrastructure is solely a matter for the NSW Government.</p> <p>AGL has highlighted the need for a coordinated regional focus on skills and training pathways to support workforce development, identify skills gaps and align with the priority industries as identified in Regional NSW Upper Hunter Futures project.</p> <p>Training infrastructure to support workforce development for Upper Hunter industry and businesses should be a priority for NSW Government, with consultation and support from industry, local councils and business chambers.</p>
Individual training courses	<p>The need for retraining and support programs would be determined by existing skills/qualifications of the workforce, and further exploration of their preferences for employment post closure. P&amp;C will shortly be commencing individual people/career planning sessions to clarify redeployment pathways for each employee at Liddell and Bayswater.</p> <p>Required retraining and pre-accreditation courses will be provided (either by AGL or through government funded programs if available) to employees when redeployment pathways are clear.</p> <p>Government funded outplacement, training and support services will also become available in the near-term.</p> <p>AGL will manage personnel gaps as part of BAU operations by rostering or contingent support.</p> <p>AGL already provides a range of EAP Counselling, financial, personal and family counselling services to employees.</p>
Replacement personnel	
Pre-accreditation courses	
Group vocational retraining services	
Financial counselling and budgeting	
Personal and family counselling	
Infrastructure for personal support	It is appropriate that the respective government bears the cost of funding capacity.
<b>Domain C – Redeveloping the local economy</b>	
Upper Hunter Innovation and Investment Fund	<p>The funds proposed in the UniSA Report are regional in their focus and are traditionally the responsibility of State Government. AGL is engaged, at various levels, in a number of cross-industry and government collaborative groups, that seek to progress key regional strategic growth priorities, attract business and encourage innovation and growth.</p> <p>AGL is developing plans to support the regional economy and community through a range of pathways via its Liddell Transition Community Investment</p>
Upper Hunter Supply Chain Diversification Fund	
Upper Hunter Regional Jobs and Infrastructure Fund	
Upper Hunter Business Support Project	

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Next Generation Energy Investment Project	Strategy. It is proposed the Community Investment Fund will support education, training, small business resilience, social and economic capacity building, diversification, and innovation.
Infrastructure for Older People	
Community and Sporting Club Revitalisation Fund	
K-12 School Redevelopment including Early Learning Centre	Public schooling and public early childhood education costs are appropriately borne solely by the NSW Government with contribution from the Commonwealth Government.  As part of AGL's social impact approach, many local schools' benefit from targeted community support sponsorship and donations. It is anticipated that this support would continue as part of business-as-usual operations at Bayswater post the Liddell Closure.
<b>Domain D – Coordinating Change</b>	There are a number of regional development groups that involve the collaborative involvement of industry, government and community partners. This is a duplication of efforts with similar objectives.
<b>Domain E – Maintaining social cohesion</b>	AGL has already commissioned a Liddell 50 Year History book which will be published in line with the celebrations in May 2021.  AGL will also seek other appropriate opportunities to respectfully honour Liddell's history.  AGL also actively engages with Traditional Owner groups, including the Wonnarua Nation Aboriginal Corporation ( <b>WNAC</b> ) and are working on opportunities that align the objectives of WNAC with the proposed redevelopment of the Liddell Power Station site.

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## 2 Apprenticeships, Graduates & Scholarship Commitments

In addition to the Current Contributions identified in the table above, which responds specifically to the UniSA Report, AGL also makes the following Current Contributions.

**Apprenticeships** – Planned intake is five (5) new apprentices per year FY22-FY26.

Apprentice FTE	BAY	LID	Total
FY21	21	22	43
FY22	14	13	27
FY23	16	8	24
FY24	20	-	20
FY25	20	-	20

Indicative wage band for apprentices:

	Weekly	Annual
1st	\$1,116	\$58,255.2
4th	\$1,620	\$84,564

**Graduates** – Eight (8) graduates employed at a time, approx. 3-year program.

Cost ~\$80k per year per graduate.

**Scholarships** – supporting career pathways and contributing to the skilling in the community's where AGL's operational assets are located. The AGL scholarship program proposes the following:

- A one off payment per student (~\$5,000) to assist with their further education expenses;
- Between 10 and 12 week's paid work experience (~\$20,000 per Scholar). Scholars will present their project achievements to leaders at the conclusion the paid work experience assignment.
- Priority consideration for further paid work experience each year for the duration of their studies.

In addition, at the conclusion of their tertiary studies, scholars are strongly encouraged to apply for Graduate and other employment opportunities within the business.

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## Annexure B

### Preliminary scope of SEIA

#### ***Indicative Structure and Activities for Liddell (Hunter Regional) Socio-Economic Impact Assessment and Report***

Phase	Activity
Phase 1	Project Direction, Management & Planning Stakeholder engagement kick-off workshop including scope definition and finalisation Knowledge Scan and Documentary Review Stakeholder Mapping and Consultation Planning Phase 1 Report and Phase 2 Plan including required socioeconomic data analysis and reporting
Phase 2	AGL & Stakeholder Phase 2 kick-off workshop Identify socioeconomic connectivity and dependency Scoping of stakeholder issues associated with closure (stakeholder engagement) Phase 2 Report and Phase 3 Plan
Phase 3	AGL & Stakeholder Phase 3 kick-off workshop Impact assessment and prediction (including skills audit, economic impact assessment, impact significance and prediction, strategy development and reporting)
Phase 4	AGL and Stakeholder Review and Engagement Closure workshop Final Report & Recommendations