

NAVIGATING ECONOMIC TRANSITION: THE HUNTER JOBS ALLIANCE

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The shift to renewable energy generation presents both challenges and opportunities for the Hunter Valley region in NSW. A region historically dependent on coal must transition to a more sustainable economic base, but there are important questions about *who* should be the drivers of change and *what* should be the nature of the changes. In the Hunter Valley, the energy transition is currently being led by undemocratic structures of private ownership that control the energy sector, supported by the capitalist state which acts in the interest of private capital accumulation.

The Hunter Jobs Alliance (HJA) has developed as a counter to these undemocratic features, seeking to mobilise workers, communities and environment groups to press for economic democracy within the Hunter Valley. The organisation is conflicted, however, between strategies that support capital accumulation and those that promote the principles of economic democracy. This article explores this tension. It begins by providing a brief description of the Hunter Valley region and its current political economic challenges. Then comes a section on the origins and development of the HJA, exploring its potential role in challenging capitalist social relations within the energy sector and empowering workers and communities during a green energy transition. The following sections discuss the principles and practice of economic democracy that could be applied for this purpose and two case studies from which lessons can be learned. The article concludes by advocating stronger focus by the HJA on economic democracy as a means of improving the wellbeing of workers and communities.

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Political economy of the Hunter Valley region

The Hunter Valley in New South Wales (NSW) is located adjacent to the city of Newcastle. It stretches inland, covering a total area of 21,859 km², and has a population of 294,878 (Department of Regional NSW 2023). It has a rich history of coal mining that has been the lifeblood for the economy. Coal mining, manufacturing, electricity supply and agriculture have been the principal industries in the region, providing the lion's share of its \$25 billion annual output in 2022. The coal mining industry directly employs 7.1% of the workforce, a stark contrast to the national average of 0.4% (Australian Bureau of Statistics [ABS] 2021). Electricity generation also plays a vital role, contributing \$269 million to the Gross Value Added (GVA) in 2020 (Department of Regional NSW 2023). Approximately 40% of Australia's domestic electricity supply is generated in the Hunter Valley. This abundant and affordable electricity has created strong local manufacturing industries, including steel making, shipbuilding, aluminium, smelting and metal processing in the Hunter region (Evans 2008). However, concerns surrounding climate change and the impact of CO² emissions now require a shift from coal production toward more sustainable energy infrastructure.

Not surprisingly, the growth of the coal mining industry is steadily declining. The Port of Newcastle is one of the world's largest coal export ports – exporting a record 165 million tonnes in 2014. However, coal exports have been flatting and are predicted to fall by 2030 (Denniss et al. 2021). The coal mining sector in the Hunter Valley contributed 40% of the region's GVA, with an average growth rate of 5.5% from 2011 to 2020 (Department of Regional NSW 2023). Despite this, the percentage of total jobs in the region that are in mining has been falling - down from 9.2% in 2011 to 8.2% in 2021 (ABS, 2021). A combination of reduced coal demand in NSW and overseas has resulted in much slower growth than anticipated. Mining corporations in the region have not acknowledged this decline, however, choosing instead to highlight the increases in coal revenues caused by Russia's invasion of Ukraine (Saunders & Campbell, 2022).

Other economic challenges that face the region relate to general, nationwide changes in political economic conditions and policies. The economic crisis of the 1970s and early 1980s led to the partial dismantling the post-war Keynesian welfare state; and the shifts in statecraft which accompanied that process led to the privatisation of many government-owned assets. The severe recession that began in 1989 cemented

neoliberalism and free market thinking into Australian economic policy and economic debates, providing the bases for sweeping micro-economic reforms that ensured the marketisation of public services (Quiggin 2013). Privatisation in Australia comprised the second largest sell-off of government-assets among the countries in the OECD (Chester 2015). Electricity privatisation has been a particularly strong focus, pushed by both major political parties during the 1980s and 1990s, and having substantial implications for the Hunter region because of its role in energy production.

Contrary to the ‘free market’ rhetoric that often accompanies neoliberal policies, the capitalist state played a crucial role in the construction and maintenance of this economic restructuring (Stilwell 2000). During the 1990s, important state-owned institutions, such as financial services, communications, electricity and transport, were corporatised (Chester 2015). The development of the National Competition Policy and the Productivity Commission in the early 1990s, operating in tandem with the Council of Australian Governments (now called National Cabinet), facilitated the marketisation of government owned assets. Lobbying from the Business Council of Australia (BCA) and corporate funded right-wing think tanks also began to infiltrate the political discourse (Beder and Cahill 2020). This led the way for the Victorian and South Australian governments to begin fully privatising their electricity assets in the early 1990s, followed by New South Wales (NSW) in the late 1990s and Queensland in the early 2000s.

Now that the shift to renewable energy has become necessary, the Hunter region’s heavy economic focus on coal mining and coal-fired electricity-generation puts it prominently in the firing line. The region’s economic and social future depends on a managed transition process in which the state and private capitalist interests are the key entities, State-led capital accumulation is evidently the dominant paradigm for addressing this challenge, with the main focus on private investment and profits while the state provides necessary infrastructure, institutional support and coordination. This implies continuity with the neoliberal era, with no direct voice in policy formulation and decision-making for the workers and local communities.

The Hunter Jobs Alliance

The HJA was established on 5 November 2020 in response to the growing concern about the energy sector and looming economic transition (Crawford 2020). It is a coalition of thirteen local and statewide unions and environmental groups in the Hunter Valley. It advocates for greater consideration of local communities, workers and the environment through the energy transition, presenting a compelling narrative that counters common misconceptions of ‘jobs versus environment’. The HJA recognises that economic change is necessary and imminent because governments, both nationally and internationally, are legislating an eventual phasing out of fossil fuels. The HJA acknowledges and supports this green economic transition to reduce global greenhouse emissions; but it is also keenly aware that communities in regions like the Hunter that been economically reliant on production of fossil fuels risk being left behind in the energy transition.

The HJA combines various worker, community and environmental concerns with the capacity to challenge private capital accumulation by embracing economic democracy. However, the latter feature has not yet been prominent. Rather, the HJA’s emphasis to date has mainly focused on attracting private investment and the role of the state in facilitating private capital accumulation. These tensions are explored in what follows by looking at the HJA’s stance on the private energy sector, the state, and economic democracy.

The HJA and the private energy sector

In 2022, the HJA released a report into investment practice for the Hunter Valley, titled *Just Transition Investment and the Hunter Valley: Establishing a Model Region* (Hunter Jobs Alliance 2022). Its focus is on ensuring that workers and communities are included in the economic transition. It recommends various measures that are aimed at utilising both private and public investment to address the socio-economic challenges associated with the economic transition. For example, it cites the need for investors and the government to consult with unions and community representatives through ‘worker participation in decision making on transition issues’ (Hunter Jobs Alliance 2022:4). This recommendation bears similar ideas to the concepts of economic democracy, although the

precise model for worker participation and decision making remains unclear. While worker participation in the transition debate is important and would improve outcomes for workers, HJA's proposals are not specific enough to be described as economically democratic.

The report puts emphasis on the role of government in aiding private investment as a means of leading the transition, highlighting the intent to attract global investment from private sector interests as a means of supporting the energy sector in the Hunter Valley. It states that: 'given the highly competitive nature of the global energy sector, the Hunter cannot afford to leave any stone unturned in how we stay competitive' (Hunter Jobs Alliance 2022:6). The HJA advocates for the state to facilitate a competitive private investment environment.

The private property relationship is also maintained in the report, with no consideration of alternative, collective forms of ownership. HJA demonstrates this commitment to private property relations within the energy sector through its focus on private investment attraction and job creation in the region as a means of supporting workers in the energy transition. The section in the report on *policy and partnership proposals* advocates for government led, region-specific investment vehicles to support capital and encourage private investment (Hunter Jobs Alliance 2022:8). The stated aim to 'attract investment, create jobs, and diversify the economy' in the renewable energy transition aligns with the NSW state government's policy focus on private capital driving energy transition (Hunter Jobs Alliance 2022:9).

The HJA aims to reform the private sector, through 'clear expectations of companies transitioning from climate-risk affected assets or investing in clean energy and decarbonised assets' and for 'investors to establish just transition aligned closures that best support workers' (Hunter Jobs Alliance 2022:9). However, the owners of capital still dictate the outcomes for workers. This is consistent with the general feature of capitalism in which the collective rights of workers and community are considered less valuable than the private property rights of capitalists (Cumbers 2020). It is this prioritising of private wealth acquisition by a small minority over the collective many that is the source of unequal impacts on communities during economic transition (Atteridge and Strambo 2021). The HJA recent support of private investment highlights its continued acceptance of the private sector's influence of energy transition.

The wage relationship also remains unchanged under the HJA conceptualisation of the energy transition. The HJA advocates for public investment by the state to support private industry and ‘attract employment and business activity’ (Hunter Jobs Alliance 2021c:10), but the language around employment and wage relations demonstrates a corporatised and business attitude that maintains employee/employer relationship. The HJA’s support for local workers in the energy transition focuses around making local workers more attractive for private industry. For example, it states that ‘skilled human capital is required for emerging business, therefore workforce planning and training is an important area for reform and attention’ (Hunter Jobs Alliance 2022:11). While improving educational standards, particularly in regional areas, is critical, the fact remains that workers impacted by the transition need to up-skill in order to promote continued capital accumulation, or risk unemployment. Without workers’ and community ownership, the wage relationship between worker and owner will persist.

The HJA’s 2021 report advocates for a Hunter Valley Authority to oversee a process where employers must follow legislated guidelines that support workers impacted by the energy transition through a ‘worker support service’ (Hunter Jobs Alliance 2021c:13). This worker support service is to be financed by using revenues from the private sector and the state, providing high quality support navigating the labour market, retraining and referrals to similar industries, as well as financial advice. This is a significant advance on leaving workers to cope with whatever is the fallout from the operation of market forces. However, the HJA’s position does not advocate workers’ having a direct role in decision-making processes: rather, the emphasis is on protecting workers from the free market by advocating for the private sectors and the state to play an active role in supporting workers and their communities through the energy transition.

The HJA and the state

The HJA indicates the importance of the state in supporting the economic transition in the interest of the Hunter Valley region. Its 2021 report states that ‘it is a widely recognised policy principle that governments have a role to assist regions undergoing significant economic shifts, particularly where there are significant risks or persistent socioeconomic harm’ (Hunter Jobs Alliance 2021c:4). The HJA advocates for the state to play

an active role in supporting communities and workers that are impacted by the green energy transition, through ‘planning, attracting investment and supporting workers’ (Hunter Jobs Alliance 2021c:9). Furthermore, it argues that governments must play a central role in regional economic change through ‘problem-recognition and intervention’ (Hunter Jobs Alliance 2021a:5). Although this emphasises the crucial role of the state in economic transitions and aiding communities and workers, it falls short of challenging private ownership and the interest of capital.

To highlight this point, it is useful to consider James O’Connor’s (2002) political economic understanding of the state’s fundamental role in creating or maintaining the conditions for profitable capital accumulation. In O’Connor’s reasoning, the state’s further role is ‘legitimation’ which requires ensuring ongoing acceptance of capitalism’s social relations. These two roles are in recurrent tension because the drive for capital accumulation and freer markets is in direct conflict with the conditions of ‘social harmony’, as one class of people (the owners of capital) is supported at the expense of other classes. The existing structures prioritise the profits flow through into high remuneration for corporate executives rather than the social condition of the workers and communities where the production is situated. Furthermore, while capitalist economies formally separate economic and political power, a complex network of informal relations exists between the state and owners of private capital (O’Connor 2002). The state supports (through financial and legislative means) private industry that generates capital accumulation over the interests of individuals and communities without access to capital. The result is state-supported capital accumulation.

Recent reports by the HJA (Hunter Jobs Alliance 2021b, 2023c, 2022) accept this approach to capital accumulation through advocacy of state-supported private investment. The HJA views rapid and substantial investments as the solution to the inevitable energy transition occurring in the Hunter. This position is clear in the HJA’s most recent report, stating:

Addressing risks associated with climate and carbon exposure, and realising the opportunities of clean energy and decarbonisation, are key priorities for many investors. The key priorities in this task are aligning ESG (environmental and social governance) risk criteria and investor expectations with high value activities that are functionally effective in addressing transition on the ground, in affected places. There are significant opportunities to drive beneficiary value while making real and tangible contributions in regions (Hunter Jobs Alliance 2022:20).

There is much evidence indicating commonality between the HJA and the state in the supporting private investor capital driven transition. While the HJA advocates for investment conditions and regional coordination, these policies demonstrate a continuation of investor decision-making, dictating the outcome of the energy transition in the Hunter. Furthermore, there is little evidence in the policy recommendations of any concern with economic democracy, indicating acceptance of a continuation of decision-making led by the owners of capital and the state bureaucracy, rather than the local workers and community itself.

Whilst the active involvement of the government in the energy transition is essential, the HJA falls short in recognising or confronting the state's inclination to act in alignment with the interests of private capital. This is particularly relevant in the energy sector due to decades of privatisation of formerly government owned energy assets, as noted earlier in this article. Furthermore, the HJA reports rely heavily on the government leadership to drive change, while simultaneously ignoring the neoliberal economic policy framework that creates the conditions for an unjust transition. Without challenging the state's support of private capital, through local and cooperative ownership models, the energy transition will predominantly benefit the owners of capital.

In previous reports issued by the HJA, mention was made of policies that advocated community ownership of energy production (Hunter Jobs Alliance 2021a). However, the more recent reports have focused on encouraging private investment as a means of stimulating the economic transition. The HJA highlights the tendency of capital investment to move out of communities once profit accumulation is no longer attainable: for example, as coal demand decreases, investors withdraw capital from coal production (Denniss *et al.* 2021). The result is that regional communities highly dependent on coal carry the economic burden of change. To deal with this, the HJA argues that the state must support new investment opportunities to direct capital back into the impacted communities. It argues for a 'substantial funding pool, led by government which includes company and investor contributions' as well as 'a coherent program of worker support, investment attraction and job creation and rolled out well in advance of large structural, investment and closure shifts' (Hunter Jobs Alliance 2022:3-4). However, the HJAs focus on private investment strategies downplays how private capital itself can facilitate negative impacts upon workers, communities and the environment, notwithstanding

evidence within the Hunter Valley of interest in alternative forms of community energy ownership.

The HJA and economic democracy

In 2021, the HJA commissioned a report titled *Future-proofing the Hunter: Voices from our community*, aimed at understanding the community's perceptions of the changing economic landscape of the area (Hunter Jobs Alliance 2021a). This report surveyed a wide variety of stakeholders, including workers in the coal industry, professionals in fields such as social service, healthcare, education, individuals engaged community organising, and a diverse array of people from different socio-economic backgrounds with a broad spectrum of life experiences. There were 314 participants from 10 local government areas within the Hunter Valley, the majority of whom resided in Lake Macquarie, Newcastle, Maitland, Cessnock, Muswellbrook and Singleton. These participants were asked what concerned them about the region's future, and to discuss and rank the policy recommendations by the HJA to transition the Hunter.

This survey presented ten policies developed by the HJA, aimed at supporting workers and communities through the energy transition (Hunter Jobs Alliance 2021a). The results showed broad support for the HJA's policies (Table 1). The top reported response was for a *local authority to coordinate and fund job creation and community support*, with 17% of participants ranking this first. The next four top ranks were to *fund flagship projects that create jobs in new industries* (14.9%), *expand TAFE and vocational education* (13.9%), *market the Hunter to attract investment* (8.4%) and *create community-owned energy networks* (8.4%).

The survey reveals only modest support for community ownership of energy production, as shown in Table 1 on the following page. The top four policy recommendations uphold contemporary capitalist arrangements that maintain private property, market imperatives and employment relations. These policies of attracting private investment, developing new industries and up-skilling the local workforce imply continuation of capital accumulation in the private sector. Yet there is evidence of some willingness of the community to consider principles of economic democracy (Hunter Jobs Alliance 2021a). This alternative needs careful consideration, both in theory and practice.

Table 1: Results from a survey of 314 Hunter Valley residents asked to rank the recommendations from the HJA and Hunter Renewal for transition of the Hunter region

Cumulative Priority Ranking	Policy Recommendation	Respondents Ranking As Top Priority (%)
1	A local authority to coordinate and fund job creation and community support	17
2	Fund flagship projects that create jobs in new industries	14.9
3	Expand TAFE and vocational education	13.9
4	Market the Hunter to attract investment	8.4
5	Start Community-Owned energy networks	8.4
6	Build pilot projects for new industries	8.1
7	Create rules for mining and power companies to protect workers	7.9
8	Free training courses for mine and power station workers moving into new roles	7.5
9	A long term fund for land and water management after mine rehabilitation.	7.2
10	Grants and training for local businesses to diversity	6.7

Source: Hunter Jobs Alliance (2021a).

Note: The report is unclear on the sampling method (e.g. whether participants were randomly sampled, or if participants were affiliated with the HJA).

Towards a stronger role for economic democracy

Economic democracy is limited by the social relations of production under capitalism. Under capitalism, workers sell their labour to an employer in

exchange for a wage. Although workers 'voluntarily' sell their labour, the employer effectively has ownership and control of their labour. In effect, the worker, through an employment contract, becomes the private property of the employer. Conversely, under economic democracy, self-governance within the workforce may eliminate capitalist ownership over the products of labour. For example, the role of cooperative ownership can transcend exploitative capitalist wage relations, by ensuring workers have influence over the means of production. Such concerns have been to the forefront of discussions of economic democracy, centered in the workplace to distribute decision making power between employers and workers (Solimano 2022). Historically, they emerged as a response to the challenges posed by the Industrial Revolution, which created widespread alienation of workers due to the inception of the factory system and the division of labour, although it was not until the 1920s that the term *economic democracy* was used to describe an alternative workplace practice (Cole 2017; Douglas 1920).

During the last half century, key contributions to analysis of economic democracy have included those by Dahl (1985) and Cumbers (2012, 2020). Dahl's *Preface to Economic Democracy* outlines the benefits of ownership and control of economic enterprises as a way of reducing political inequality, arguing that both corporate capitalism and bureaucratic socialism violate the principles and practice of democracy, resulting in political inequality. For Dahl (1985:61), economic enterprises should be owned and democratically governed by people that work in them because the democratic governance of the workplace is regarded as an 'inalienable right of people to govern themselves by means of the democratic process'. Dahl (1985:140) outlines three different types of ownership within self-governing firms: *individual ownership by members of an enterprise; cooperative ownership of an enterprise by all its employees; and state ownership.*

Broadening Dahl's focus on democratic governance within the workplace, the more recent contribution by Cumbers (2012, 2020) develops a fuller understanding of community, worker and environment relations and the diverse forms that collective ownership of production may take (Cumbers 2020). His writings present economic democracy as a necessary step to intervene in the *three pillars of capitalism*, namely, wage/employment relations, private property and the market. For the first pillar, worker-owned firms could reduce the prevalence of an important source of exploitation under capitalism: the wage relationship (Cumbers 2012).

Although workers still work for a wage, the collective ownership over the means of production subverts the wage relationship between owner and producers. Moreover, workers have a direct control over how the revenues are utilised through collective democratic decision-making over production (Cumbers 2020). Decentralised democratic decision-making by workers in the firms gives workers access to the means of production. In a cooperative enterprise, the workforce and the community have a say in the production process, undermining the owner/worker relations and thereby subverting the wage relationship.

For private property – the second pillar of capitalism identified by Cumbers – economic democracy offers an alternative through diverse forms of collective ownership of production (Cumbers 2020). As detailed above, the wage relationship under capitalism subverts the workers' agency and autonomy through employment contracts. Conversely, Cumbers conception of economic democracy empowers the workforce and diminishes capitalist control over the fruits of labour. Through cooperative ownership models, Cumbers demonstrates how collective decision making can surpass the exploitative capitalist wage dynamics by granting workers ownership over the productive process. Economic democracy does not necessarily imply the abolition of private property, however, but the development of a shared democratic ownership over the means of production.

Regarding the market – Cumbers' third pillar of capitalism – the effect of economic democracy is also significant. Although the market may continue to operate for the allocation of consumer and capital goods (Cumbers 2020), the major difference with economic democracy is profit structures. Under capitalism, profits go to the capitalist class as workers are considered as a cost in the productive process; whereas, under economic democracy, the workers retain the revenues after non-labour costs are deducted. Economic democracy maintains the market relationship in relation to the price mechanism of supply and demand, as central planning has a historical record of being 'both inefficient and conducive to an authoritarian concentration of power' (Schweickart 2011:51).

Thus, in rethinking the contemporary competitive and profit-driven ethos of the market, Cumbers effectively suggests a form of market socialism that develops new forms of social organisation to eliminate exploitative social relations within the workplace. These new organisations include

cooperatives and worker-owned firms that sell goods and services on the market. Through democratic decision-making, workers and the communities take control over aspects of the market and reduce social and economic impacts not considered by the market.

It is important to recognise, however, that tensions may arise between cooperative ownership and trade unions. The wage relationship differs under cooperative ownership, as workers gain agency over the means of production. Conversely, the role of a trade union is largely to bargain for better wages and conditions across the whole sector of the workforce it represents. Tensions may arise if, for example, a cooperative decides to set wages below the award wage level, making the relationship with industry unions problematic. Mobilising workers to gain control of the means of production requires a conceptual shift of attitudes and ideology. Therefore, the elimination of capitalist ownership over the products of labour requires the backing of union groups advocating in the interests of workers. This raises questions of how economic democracy can transcend exploitative capitalist wage relations, while also conceptually shifting the workers' attitudes of union bargaining arrangements.

It is the practice, as well theoretical underpinnings, that is decisive in shifting perceptions of what economic arrangements are feasible and desirable. In considering what role economic democracy can play in an energy transition in the Hunter Valley, it is therefore useful to review evidence from practical experience elsewhere. For that purpose, two case studies of transition to renewable energy can be taken as illustrative, one from Denmark and the other, more locally, in Goulburn, NSW.

Case Study 1: transition to Renewable Energy in Denmark

An international example illustrating the practical relevance of the principles of economic democracy is Denmark's provision of renewable energy. The Danish renewable energy sector was built upon cooperative principles, creating a decentralised form of public ownership. Due to a long-standing tradition of localism in Danish society and effective state media campaigning, wind-power generation gained popular support in the mid-1970s, advocating for clean and sovereign energy (Cumbers and McMaster 2012). By 1975, Denmark began developing wind-powered energy technology and, by the early 1980s, wind-powered energy became the national strategy (Cumbers 2012). The Danish state played an

important role in establishing this technology, decentralising the decision-making process during the 1980s and 1990s. The first key element of its national renewable energy strategy was that 30% of all investment in new wind turbines would come from the state over the decade, before being reduced to 10% in 2000. This provided the industry with support in its infancy, allowing for the development of wind-power technology and infrastructure. Secondly, the Danish state legislated that electricity distribution companies would purchase energy from renewable energy producers. This resulted in continued and stable investment within the industry, enabling its ongoing expansion and development. Furthermore, it encouraged large-scale wind turbine development and the expansion of wind turbine manufacturing, resulting in Denmark encompassing 50% of global wind energy technology and employing 20,000 employees.

The third and most important element of the Danish wind-power industry was the focus on local and collective ownership of wind turbines. A series of laws required the ownership of wind turbines by those residing in the areas where the turbines were situated. This creation of these 'residency criteria' or distance regulation laws, along with 'consumption criteria' laws that limited shareholding of individuals based on consumption levels in the mid-1980s, resulted in many small-scale forms of cooperative ownership and private partnerships between neighbours. By the late 1990s, cooperatives and local ownership accounted for 80% of wind farm ownership. This model, with the support of the state, developed collective ownership of wind-power energy around the country, creating a decentralised renewable energy sector.

The growth in this form of cooperative ownership resulted in hundreds of local cooperatives and mutual forms of ownership. The creation of organisations, such as the Danish Wind Turbine Owners Association, allowed for the members' perspectives to be heard by the state. These democratically elected bodies continue to exert considerable influence in national energy policy debates, providing a voice for communities and locals in the policy deliberation process. Consumer and producer-led decision-making is further supported through democratically elected representative local boards allowing for cooperatives to maintain the interest of communities, whilst having influence over the policy discussions that affect them. Spreading ownership and decision-making authority beyond a limited group of stakeholders to encompass the entire community allows diverse perspectives, representation and deliberation of diverse viewpoints to shape economic policy (Cumbers 2012).

The state's investment in the renewable sector and the compulsion of repurchasing arrangements protected the industry from the vagaries of the market. Support for cooperative ownership over energy production led to the rapid expansion of renewable energy infrastructure implemented by these communities on their own terms. The national strategy of the Danish government to invest in local wind power facilities owned by the community subverted the market and generated the growth in cooperative ownership, making the nation a world leader in renewable energy technology and energy production.

The Danish model demonstrates that government investment into community-based renewable energy generation can facilitate scalable electricity production without the need for privately owned energy corporations. This model shows the effectiveness of collective and local ownership and of community-based democratic decision-making about investment, resource allocation and environmental impacts. The Danish model offers clear lessons for the Hunter Valley. Perhaps most obviously, success in replicating the Danish model will require collaboration of all levels of government. This will entail implementing scalable electricity production designed with the community at the local-level; funding of cooperative energy production as a means of reducing domestic fossil fuel consumption at the state-level; and federal-level investment in the manufacturing and exportation of clean energy technologies.

Case Study 2: the Goulburn Community Energy Cooperative

Closer to home, another community ownership initiative is also relevant to the energy transition in the Hunter region. The Goulburn Community Energy Cooperative (GCEC) was established by the local Goulburn community in 2020, and has built 2.2 hectares of solar farms on industrial land, consisting of 4,000 panels that generate 1.8Mw – enough to power around 500 homes (Goulburn Community Energy Cooperative 2020). The project's initial support came from local investors who raised \$2 million, which was then matched by the NSW State Government. The community project is financed by a percentage of the solar farm's annual profits that is retained in a 'Community Fund' prior to distribution to shareholders (Goulburn Community Energy Cooperative 2020). Furthermore, the entire Community Fund is distributed back to the community of Goulburn, with a percentage distributed to residents living in energy poverty. This includes

educating disadvantaged households in the efficient use of energy and providing the means of lowering energy consumption by conducting home energy audits.

Importantly, the GCEC operates as a cooperative, in which each member has one vote on decisions that concern the project, regardless of the size of their investment (Huntsdale and Fernandez 2023). This ensures that community members get an equal say in decisions affecting them. All investors must become members of the cooperative and purchase a minimum of 400 shares valued at \$1 each (equal to the value of one solar panel), up to a maximum of 400,000 shares. An estimated 5% annual return on investment is expected, the revenue coming from the energy generated being sold into the grid. In this model, only the community can invest in the first round, followed by outside investors. The cooperative defines the ‘community’ as, ‘local residents, community organisations and entities such as schools, the local council and businesses, located within the Goulburn Mulwaree local government area (LGA)’, while ‘outside investors’ are defined as ‘outside the Goulburn LGA’ (Goulburn Community Energy Cooperative 2020:para. 2). An estimated 300 Goulburn residents have bought \$2.5 million worth of shares (Huntsdale and Fernandez 2023).

This cooperative demonstrates an expression of economic democracy by maintaining the wealth and income generated within the communities in which it is situated (Cumbers 2020). The GCEC’s democratic decision-making within the cooperative, and the collective ownership over the revenues generated and sold back into the grid, allows for the community to determine how the distribution of revenues occurs and to directly control how the cooperative will affect them. By collectively controlling the means of production, residents can express self-determination over the direction and outcomes of the solar farm in their community. This latter point is crucial because, concurrently, large multinational private energy companies have also seen the potential of renewable energy in the Goulburn area. British energy giant BP plans to build a solar farm with 740,000 panels across 700 hectares in the Gundry Plains (Huntsdale and Fernandez 2023). However, interviews conducted by Huntsdale and Fernandez have revealed the local farms are not included in the decision-making process. Although smaller in scale, collective ownership brings the community to the decision-making table through democratic voting per community investor and direct ownership over energy production.

Although the GCEC is currently not using a worker cooperative model, it is challenging the concept of private ownership of production. A community owned cooperative presents an alternative vision of deliberative and democratic decision-making over economic production. The source of capitalist exploitation, according to Burczak (2006), is not private ownership but the capacity of the owner of the means of production to lay claim to the entirety of the output produced by wage labourers. While community-owned cooperatives still operate with a market system of exchange, the collective forms of democratic ownership over the energy sector reduces exploitation of community and workers through the direct ownership of the energy sold back to the grid. This energy cooperative thereby challenges the market system by altering employment relationships to give workers more power over the decision-making process, including business strategy and how profits are shared with workers and the community. Importantly, within the framework of a cooperative, the sale of energy production on the market is not about furthering personal gain, but rather it is about the workers within the cooperative and the community in which production is generated. The structures of the cooperative model promote economic democracy by challenging employment relations, private property and the market under capitalism.

Notwithstanding these positive features, some significant limitations of the GCEC should also be noted. While a model based on the GCEC project promotes community ownership over energy production, the reliance on private capital investment leaves the project vulnerable to prioritising capital accumulation over the social good. This model of community ownership maintains the decision-making structures with the owners of capital over the broader community. Cooperatives that fail to incorporate the principles of economic democracy – namely, shifting the benefits of production from the owners of capital and towards the workers and community in which surplus is being produced – will ultimately marginalise groups outside of the cooperative industry. The GCEC through its community investment model may reinforce divisions between the owners of capital and those without. While this community investment model allows members of the community to democratically vote on issues concerning the cooperative, it is still limited by one's access to capital. Without any access to capital (such as the \$400 minimum investment for membership of the GCEC), people will be excluded from economic decision-making structure, maintaining an economic divide. Although the

GCEC does address this by supporting people on low incomes who are living in energy poverty within the community, the financing mechanism risks incentivising the investors to prioritise capital accumulation over the needs of the community.

Conclusion

An energy transition led by private interests introduces uncertainty regarding the social and economic impacts. Much of this uncertainty is due to workers and communities having little say or ownership over production. This is a general feature of capitalist economies, of course, because economic decision-making is an undemocratic process, controlled by the owners of the means of production. The currently dominant model of state-supported capital accumulation retains this primacy of private investment, with the state contributing the necessary accompanying infrastructure and some degree of coordination. For a region like the Hunter, it is crucial for its workers, community groups and environmentalists to consider the implications of continuing to accept this as the sole basis for dealing with the transition of the region to a more sustainable future. It is in this context that the role of the HJA has been framed in this article.

The HJA's aim is creating a future for the region with 'full employment, good union jobs, a thriving and healthy living environment, an equitable society, a stable climate and renewable prosperity' (Hunter Jobs Alliance n.d.). To bring about this improvement in the well-being of employees, communities, and the environment would requires confronting the sway of private enterprise in the region. The HJA therefore faces a dilemma when it comes to aligning its policies with either the advancement of capital accumulation or the principles of economic democracy. To date, rather than challenging the role of the state in facilitating private investment into renewable energy, the HJA has been complicit in maintaining the current private property and employment relations in the Hunter Valley.

However, members of the Hunter Valley community (briefly acknowledged by the HJA) have proposed community ownership of the energy network as a means of aiding workers and communities during the energy transition. Some members of HJA are also aware of the GCEC but thorough analysis of it and of what lessons it may have for the Hunter

region is yet to occur. But the existence of a successful community-owned energy project there – and on a much more extensive scale in Denmark – shows the potential for a greater role for economic democracy in decision-making during the energy transition, empowering the communities whilst challenging the dominance of private capital accumulation. The HJA need to consider how it can develop its potential to promote social change by embodying principles of economic democracy to directly support workers, communities and the environment.

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