



No-one left behind: Australia's transition to zero emissions

Submission by the Australian Council of Trade Unions on the Climate Change (National Framework for Adaptation and Mitigation) Bill 2020 and Climate Change (National Framework for Adaptation and Mitigation) (Consequential and Transitional Provisions) Bill 2020

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About the ACTU

Since its formation in 1927, the ACTU has been the peak trade union body in Australia. The ACTU consists of affiliated unions and State and regional trades and labour councils. There are currently 43 ACTU affiliates. They have approximately 1.8 million members who are engaged across a broad spectrum of industries and occupations in the public and private sector.

Introduction

The ACTU and Australian unions have been engaged in Australia's climate and energy policy development for nearly three decades. Our consistent position has been that Australia needs ambitious and coherent climate and energy policy to limit the impacts of global warming, and that we also need industry planning, support and resources to ensure that no workers or communities are left behind as we make the shift to net zero emissions.

In March 2020, the ACTU Executive, meeting in bushfire-affected southern NSW, reiterated:

"The international community, through the Paris Agreement, has committed to limiting the rise in temperatures to below 2°C above preindustrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees.

The best scientific evidence is that the world needs to achieve net zero emissions by 2050 to meet the climate goals of the Paris Agreement, to which Australia is and should remain a signatory.

The ACTU supports a national target of net zero emissions by 2050, and shorter term targets consistent with that trajectory, to ensure Australia meets its obligations under the Paris Agreement.

Government and corporations must ensure secure jobs and industry policy are placed at the heart of successful planning and implementation. As a nation we must ensure we deliver justice & employment opportunities for impacted workers, their families and the communities in which they live."

Australia has lacked coherent and over-arching national climate and energy policy since the Clean Energy Act 2011 and its associated programs was repealed by the Coalition government. Since then emissions reductions have flat-lined and it is unclear how Australia will meet even its unambitious Paris Agreement 2030 commitment. Meanwhile fossil fuel power stations have been closing over the past decade with very little notice for workers and communities and no coordinated national transition plan to address the impacts of closures. Workers across the nation are increasingly experiencing climate impacts and extreme weather events in their workplaces with Work Health and Safety legislation and programs failing to catch up

Given this lack of coherent climate and energy policy, the ACTU welcomes the Climate Change (National Framework for Adaptation and Mitigation) Bill 2020, which shares the union movement's goal of limiting global warming consistent with the Paris Agreement and achieving net zero emissions across the Australian economy by 2050.

In general, the ACTU supports the objects and architecture of the legislation, which provides a logical framework consistent with climate legislation enacted elsewhere that has been successful in better preparing for, and limiting, the impacts of climate change. We have welcomed the opportunity to provide comments on earlier, draft versions of the legislation. We see this Bill as an important opportunity to break the policy deadlock on climate change in Australia and establish protections for workers and their communities in response to climate change and climate policy responses.

In this brief submission we will concentrate on issues particularly of concern to workers and their unions. In its response to climate change, Australia has largely failed to properly engage workers,

unions and their communities. Instead of striving for the Paris Agreement objective of a ‘just transition’ for workers, governments have tended to try and downplay or ignore the impacts of climate change and climate policy responses on workers and their communities. This Bill does attempt to acknowledge and address these impacts, but falls short of global best practice. This ACTU submission will focus on potential tweaks to this Bill that would ensure better protection for Australian workers as we deal with the climate crisis.

We encourage the Committee to hold public hearings into the Climate Change Bill. The ACTU and a number of our affiliates are keen to give evidence should hearings be held on the Bill.

S3. Objects of the Act

The ACTU supports the current objects of the Act, the setting of a net zero emissions target by 2050 and a system of emissions budgeting. Assessing the risks of climate change will better prepare communities, business and governments for the global warming that is unavoidable, and underline the importance of taking action to avoid further global warming and associated impacts.

S14. Principles of fair employment transition

The ACTU supports the inclusion of this section of the Act and urges the following changes to further strengthen this section (suggested additions to current text italicised and underlined below):

- a) applying the principle of *workforce and* community engagement to any affected communities;
- b) pursuing sustainable economic, social and ecological solutions for those communities;
- c) prioritising employment transition opportunities to new or existing industries within those communities *and ensuring those new opportunities provide similar levels of employment security and conditions;*
- d) offering appropriate education and training for those opportunities and provision of funding to support education and training initiatives;
- e) allowing reasonable time for implementation of transition solutions for those communities;
- f) for those unable to pursue transition opportunities—without undermining the incentives for transition, *avoiding forced redundancies* and providing a mechanism for compensated redundancy or voluntary redeployment of workers to other sites where the workers wish to continue working.

S25 Fossil Fuel Export emissions

The Bill outlines an approach to limiting and reporting on domestic emissions as required by the Paris Agreement. Fugitive emissions associated with the mining of fossil fuels for export will be captured by Australia’s greenhouse emissions accounting.

Requiring the reporting of end-use emissions in other countries from exports may be problematic for 2 reasons: 1) it is beyond what is required under the Paris Agreement and potentially leads to double counting of emissions in Australia and internationally, and 2) it assumes emissions from combustion internationally are known and accounted for by Australian regulators, which is unlikely to be the case.

S28 Matters relevant to emissions budgets

Suggested additions underlined and italicised:

(x) the likely impact on employment and workers *and their communities and the adequacy of transition support measures;*

S33 Functions of the Climate Change Commissions and the need to establish an Energy Transition Authority

The ACTU supports 2 additional functions to ensure Australia is learning from global experience in supporting a just transition to net zero emissions:

(h) to monitor and report on global best practice measures relating to emissions reductions and fair employment transitions; and

(i) Within 18 months of being established to advise the Minister on the establishment of a statutory Just Transition Authority, its scope, function and necessary resources

The Australian union movement has been consistent in its advocacy for the creation of a national Just Transition or Energy Transition Authority. Clearly Australia's energy transition is going to have the greatest impact on the workers, family members and communities that are employed in or are host to Australia's remaining 18 coal-fired power stations. Currently there is no national agency tasked with minimising or managing these impacts.

Australia needs to learn from international experience and establish an institution with the scope and resources to support a smooth energy transition which leaves no-one behind. For example, the German Government established the Commission on Growth, Structural Change and Employment with a well-defined mandate to plan a socially and economically acceptable phase-out of coal-fired power generation. 31 members were appointed to the Commission chosen from stakeholder-groups including affected regions, energy industry, science, businesses, environmental organisations, politics, administration and trade unions.

While the establishment of a Climate Change Commission as proposed in this Bill is welcome, the Commission should be complemented by an Energy Transition Authority.

In Australian unions experience, key elements necessary for the orderly closure of power stations and a just transition for workers and the community include but are not limited to:

- A commitment to **no forced redundancies** by the power station's operators. Ideally this is coupled with a pooled voluntary redundancy scheme with nearby generators, where older workers at non-closing power stations can nominate for voluntary redundancy and create a job for a younger workers from the closing power station. A limited pooled redundancy scheme was funded for Hazelwood's closure though significantly underachieved its target of redeploying 150 workers.
- **Lengthy notice periods** announcing future intention to close, for example AGL's 5 years notice at Liddell, which provides lead time to build replacement generation and plan orderly closure and redeployment and training of the workforce.
- **Comprehensive and funded mine and power station site rehabilitation plans** which can provide a significant source of employment. The rehabilitation of Hazelwood mine for instance is expected to take a decade and is employing around 200 contractors.
- **Funding and support** to retrain power station workers

- **Funding and support to diversify the regional economies of coal regions**, through public investments in new infrastructure, education facilities and training programs and industry development policy.
- **Value the work of female-dominated industries.** Many emissions intensive industries are male-dominated. Therefore, fossil fuel economy workers are often the primary or sole income-earner in their household. Better valuing the work of workers in female-dominated industries through higher wages and better conditions would reduce the impact of fossil-fuel plant closures on households and communities

S37 Appointment of members of the Commission

S 37.2 requires that the Commission (as a whole) has experience in a range of disciplines including industrial relations. The ACTU believes there is a need for a union perspective on the Commission to represent workers and ensure delivery of the 'fair employment transition' outlined in section 14. This may also require representation from other sectors to achieve a balanced and wholistic view. The German experience, where 31 Commissioners delivered the plan for coal phase-out, demonstrates that bringing key stakeholders into decision-making processes of government can deliver more durable and ambitious outcomes.

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