



**Electrical Trades Union of Australia**

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## SUBMISSION

Senate Environment and Communications References  
Committee

**Inquiry into the retirement of coal-fired power  
stations**

November 2016



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## 1. Executive Summary

The Electrical Trades Union (ETU) is the Electrical, Energy and Services Division of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia (CEPU). The ETU represents approximately 65,000 workers electrical and electronics workers around the country and the CEPU represents approximately 100,000 workers nationally making us one of the largest trade unions in Australia and a key stakeholder in the energy industry.

As a major energy industry stakeholder who represents sector workers, many of whom, along with their families and communities, will be directly affected by any potential retirement of currently operating coal electricity generators. Therefore, we welcome the opportunity to submit to the Senate Environment and Communications References Committee in relation to its current Inquiry into the retirement of coal-fired power stations (Appendix A) and believe such an inquiry is timely.

The science of climate change has been settled unequivocally and it proves that the world is warming and human activities are the main cause. Our planet is warming mainly as a result of human activities and consequences associated with this such as heatwaves, droughts, floods, bushfires, and rises in sea level pose a major risk to our society, economy and environment. In order to reduce the risks and impacts associated with human induced climate change, strong action driven by effective policy is required by all countries around the globe.

The International Energy Agency (IEA) recently published a special report on the energy sector and climate change<sup>1</sup>. In the report the IEA proposes a strategy for immediate implementation that is designed to lock-in the decoupling of emissions growth from economic growth whilst being based on currently available technologies and proven policy measures. The proposed policy measures include progressively

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<sup>1</sup> <https://www.iea.org/publications/freepublications/publication/weo-2016-special-report-energy-and-air-pollution.html>



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reducing the use of the least-efficient coal-fired power plants and banning their construction, increasing investment in renewable energies to \$400 billion in 2030, phasing out subsidies to fossil-fuel consumption and reducing methane emissions from oil and gas production.

Within the Australian context, the risks and impacts associated with climate change poses major risks for our environment, economy and society. Like the rest of the globe, Australia will be better placed to adapt to global warming impacts if the warming is kept to less than 2 degrees above pre-industrial levels. Global warming will increase the frequency and intensity of extreme weather events, such as heatwaves, droughts, floods and bushfires, and to cause rises in sea levels.<sup>2</sup>

In Australia, a vast majority of people believe that climate change is happened and to attribute it cause to human activity rather than natural events. The Australian community thinks big-polluting countries, multinational corporations, and wealthy countries are the most responsible for causing climate change. These three groups, with the addition of government, were also seen as most responsible for responding to climate change.<sup>3</sup> Given that greenhouse-gas emissions from the energy sector represent roughly two-thirds of all global anthropogenic greenhouse-gas emissions, and emissions from the energy sector have continued to rise significantly over the past century to increasingly higher levels, effective action in the energy sector is essentially the key tackling the climate change.

As the power sector is the single largest source of carbon pollution, its decarbonisation is central to meeting Australia's emission reduction goals.

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<sup>2</sup> Climate Change Authority (2014a). Reducing Australia's Greenhouse Gas Emissions: Targets and Progress Review — Final Report 2014, Australia.

<sup>3</sup> Leviston, Z. Greenhill, M. Walker, I. (2015), Australian attitudes to climate change 2010-2014, Commonwealth Scientific and Industrial Research Organisation (CSIRO), Canberra, Australian Capital Territory, Australia.



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Electricity remains the greatest single sectoral source of emissions in Australia. The electricity sector accounts for approximately one third (33 per cent) of national emissions.<sup>45</sup> Australia's electricity supply is among the most emissions-intensive in the developed world, as illustrated by the fact our electricity sector has exceeded China's electricity emissions over the period 2007 -2013.<sup>6</sup>

While this is alarming in many respects and highlights the need for urgent action, it also means that the electricity sector offers the greatest opportunity to make serious progress in emissions reductions through effective policies that will drive the ongoing take up of renewable generation technologies and open up the economic and employment opportunities that a change to lower emissions in the energy sector will bring. With the proper policies and incentives in place, the electricity sector can easily be the single largest source of domestic emissions reductions and the workers and communities that currently rely on the fossil fuels can benefit.

There is no doubt that Australian electricity sector is entering a period of evolution and transformation from the traditional status quo of centralised electricity generation and supply as Australia, like the rest of the globe, steps up its efforts to respond to the threats posed by climate change. Transitioning an industry is a massive economic and social disruption and is something that has been done poorly to date in Australia. History shows that workers and communities often bear the brunt of such transitions suffering hardship, unemployment and generations of economic and social depression.

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<sup>4</sup> Treasury, Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education (2013), Climate Change Mitigation Scenarios, modelling report provided to the Climate Change Authority in support of its Caps and Targets Review, Canberra.

<sup>5</sup> Climate Change Authority, Op Cit.

<sup>6</sup> International Energy Agency (IEA) (2013), Redrawing the Energy-Climate Map—World Energy Outlook Special Report, Paris.



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International experience however, shows that a transition can be done equitably, can achieve positive outcomes for workers, can save communities and forge new industrial growth and prosperity.

Australia is currently facing one such transition in the coal-fired electricity sector. If Australia manages the transition well, the nation could have a structured and equitable approach that could apply to any industry undergoing similar change in the future.

We have identified several key elements of a framework that will need to be implemented to ensure the energy sector transition away from coal fired generation occurs in a fair and just way. They are:

- A transition plan – ensuring that Australia’s transition is managed in a fair and just manner, where affected workers and communities are supported to find secure and decent jobs in a clean energy economy;
- The Establishment of a Just Transition Commission;
- A jobs plan – focusing on creating new jobs in a clean energy economy;
- Targeted labour market initiatives for affected workers;
- Realising the full potential of renewable and low emissions related employment opportunities;
- Establishing a Australian renewable manufacturing sector; and
- An energy plan – setting out a sustainable future energy mix that ensures affordable and secure supply of electricity.

We believe that the Australian Government has an important and crucial role to play in supporting the creation of employment opportunities and encouraging the take up of new opportunities in renewable energy industries by creating a stable energy and climate policy platform that supports investment and creates new decent and secure jobs.



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## 2. Just Transition

An essential element to in mapping out a viable pathway to increasing renewables is ensuring that there is a just transition plan for affected workers and vulnerable communities as the inevitable structural adjustment takes place.

While a just transition for workers been included in many policies to date, too many governments refused to commit to it in practice. Ahead of the Paris meeting, in October 2015, the ILO published guidelines<sup>7</sup> on how to achieve a 'just transition' for workers and communities. Parties to the 2015 COP 21 Paris Agreement will implement the agreement "*taking into account the imperatives of a just transition of the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities*".<sup>8</sup> We strongly recommend that any plan for a transition to a low carbon economy away from coal fired generation adhere to the ILO guidelines. In our view the key principles underpinning a Just Transition include:

- equitable sharing of responsibilities and fair distribution of the costs across society;
- institutionalised formal consultations with relevant stakeholders including trade unions, employers and communities, at national, regional and sectoral levels;
- the promotion of clean job opportunities and the greening of existing jobs and industries through public and private investment in low carbon development strategies and technologies in all nations and the appropriate educational qualifications that enhance working peoples' capacity;
- formal education, training, retraining, and life-long learning for working people, their families, and their communities;

<sup>7</sup> [http://www.ilo.org/global/topics/green-jobs/news/WCMS\\_422575/lang--en/index.htm](http://www.ilo.org/global/topics/green-jobs/news/WCMS_422575/lang--en/index.htm)

<sup>8</sup> <https://unfccc.int/resource/docs/2015/cop21/eng/l09r01.pdf>



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- organised economic and employment diversification policies within sectors and communities at risk;
- social protection measures (active labour market policies, access to health services, social insurances, among others); and
- respect for, and protection, of human and labour rights.

A successful just transition plan needs to be predicated on the premise that workers in fossil-fuel industries have a "right to know" how the transition to a more sustainable energy mix will be managed. The "right to know" includes an entitlement to information on future prospects for existing workers in fossil industries "who will need to have their entitlements (eg superannuation etc) secured if they are older workers or to have upskilling or redeployment opportunities if they are younger workers.

Renewable energy and energy efficiency are more labour intensive than fossil fuels and should therefore create more jobs, provided there is the right policy framework and support. If the policy settings are right, the faster the transition to clean energy, the greater the jobs increase. But clean energy creates different types of jobs to those that are supported by fossil fuels. The construction and manufacturing sectors could see the biggest gains, whilst fossil fuel utilities and mining sectors would see the largest job losses. We caveat this by saying that employment projections of this kind are inherently uncertain due to the mix of technological, market and economic uncertainty involved.

In the UK the Trade Union Group against Climate Change compiled the 1 Million Climate Jobs<sup>9</sup> report and has subsequently been lobbying the government to hire a million people to do new climate jobs via an integrated National Climate Service. Whilst the report is must broader than a transition plan for workers, a critical

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<sup>9</sup> <http://www.campaigncc.org/greenjobs>





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component is that under the plan anyone who loses a job in an old high carbon sector like mining, oil, power stations or car sales must be guaranteed a permanent job in the National Climate Service at the same rate of pay. UK labour Leader Jeremy Corbyn has endorsed the plan and committed to it if elected.

We commend the 1 Million Climate Jobs report as a current standard in delivering a just transition framework and strongly recommend that it form the basis of a similar plan to developed for workers as we transition to a low emission, renewable future.

In addition to a job guarantee there are number of other ways to support workers who are directly impacted via a just transition plan. Such as:

- Income Assistance for defined period of time (eg 24 months) subject to eligibility criteria;
- Individual training credits for courses of up to two years' duration to be used at an institution of the worker's choice;
- Priority given to communities and regions that are highly impacted by a move away from high emissions when distributing low emissions projects and technologies and/or projects funded through revenues raised from an ETS;
- Requiring through policy and regulation that businesses give priority to displaced workers. This could be supplemented by government incentives.

While the number of jobs created and lost is vitally important, particularly from a measuring success perspective, what the big challenge will be is what lies in the transition between different types of jobs, at different times in the future. It will be important to clarify what kind re-skilling and re-training is required for workers in the energy industry and ensure that the government provides a safety net for workers' benefits and superannuation.





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We are concerned that the jobs created in a move to clean energy will continue to be male dominated, less likely to be permanent and less likely to be union than the status quo. Any transitional plan would need to take these factors into account to try and mitigate these significant risks.

To avoid decimating communities that are currently reliant on fossil fuel related activities serious consideration will need to be given to the social impacts on communities that rely on energy or fossil fuels related jobs, public and private, along with the impacts on local government rate bases.

We recommend the establishment a worker transition policy package that provides an optimal mix of budgetary, economic, environmental, equality and certainty. The policy should:

- Adhere to ILO Just Transition Guidelines;
- Include a Jobs Target;
- Include an Industry Transition Assistance Fund for heavily impacted high emission industries;
- Provide a guaranteed level of certainty for benefits and protections for directly impacted employees.

Unions have a critical role to play in ensuring a just transition for workers. We recommend that any plan should not only be developed in conjunction with unions but should also provide for unions to assist employees in finding new job opportunities and/or training to support a transition. This could be achieved through the establishment of a 'Just Transition Commission'.



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### 3. Just Transition Commission

To oversee the orderly transition of Australia's coal-fired power stations and ensure a Just Transition for working people, families and communities we recommend the establishment of a new independent, statutory authority – a Just Transition Commission.

The key focus of Commission would be to minimise the impact of unplanned closures on workers and their communities through managing this transition in a regulated manner and developing plans to ensure the ongoing economic prosperity for affected regions.

To ensure appropriate consultation with industry and unions, the Commission would be overseen by a tripartite advisory board – comprising industry, unions and government – and enacted in legislation. The Commission would be responsible for reporting to the Parliament via responsible Minister(s).

It is envisaged that the Commission would have three main roles:

- i. Overseeing an orderly transition plan for Australia's coal-fired power plants, which ensures a Just Transition for workers, their families and communities.
- ii. Overseeing an industry-wide multi-employer pooling and redeployment scheme which provides retrenched workers with the opportunity to transfer to roles with renewable or low emission generators as well as remaining fossil fuel generators.
- iii. Administering and developing a labour adjustment package that supports workers transition into new, decent and secure jobs.

In considering Australia's previous policy responses to negating the impact of structural adjustment, evidence suggests that a mix of measures is needed to best support working people transition into decent and secure employment. The



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evidence suggests that the most effective structural adjustment programs are those that are well targeted, well-timed, involve stakeholder consultation and 'are designed to make best use of available funds in an effective and equitable manner.'<sup>10</sup>

Drawing on Germany's successful restructuring approach (which saw an orderly decrease in the number of coal mining jobs from 130,300 in 1990 to 12,100 in 2014 and opportunities for industry redeployment)<sup>11</sup> we propose that the Commission deliver a multi-employer pooling and redeployment scheme.

In consultation with industry and unions, ongoing staff from the closing generator would be offered redeployment opportunities to remaining power stations or opportunities to transfer to roles with renewable or low emission generators, based on either their length of service and / or age. As older workers often find it more difficult to find work following their retrenchment, it is envisaged that they would be offered first priority.<sup>12</sup> Accrued leave entitlements and redundancy pay will need to be paid out at the time the worker transfers to a different employer.

Given the need for land rehabilitation and rectification, power sector workers should also be offered first priority to access these employment opportunities. As Environment Victoria notes, '[a]s part of supporting a just transition for workers in the Latrobe Valley, as many as possible of these jobs should be reserved for local residents, rather than contractors from elsewhere.'<sup>13</sup> It is important that the rehabilitation jobs provide good working conditions.

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<sup>10</sup>E Loxton, J Schirmer, M Dare, Technical Report 208 Structural adjustment assistance in the Australian forestry industry: A review of recent experience and recommendations for best practice design of future structural adjustment packages, February 2011, p. iv, vi

<sup>11</sup> Prof. Dr. Franz-Josef Wodopia, Chief Executive, German Coal Association, Coal industry restructuring in Germany presentation, 2015, p.6

<sup>12</sup> Victor J Callan and Kaye Bowman, Industry restructuring and job loss: helping older workers get back into employment, NCVER Research Report, 2015, p.11

<sup>13</sup> Environment Victoria Policy Report 2014, Preventing the Preventable: Policy Options for Accelerating Coal Mine Rehabilitation and Creating Jobs in the Latrobe Valley, p.7



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For those working people that do not wish to participate in the redeployment scheme, voluntary redundancy packages would also be available. Early retirement schemes alongside superannuation top-up arrangements should also be made available to assist working people leave the industry earlier than anticipated.<sup>14</sup> In Germany for example, a transitions payment system (APG) was introduced for coal industry employees, enabling workers to access paid monthly support for a period of five years after the early termination of their employment and until they qualified for the pension insurance scheme.<sup>15</sup> To access this scheme, workers were required to reach a specified age threshold and period of service.<sup>16</sup>

#### 4. Labour Market Policies

We consider that a range of active labour market policies are required to support workers and communities that are affected in any transition away from coal fired or fossil fuel generation. These measures include

*Job placement and networking services* – early and ongoing provision of information on job and training opportunities and entitlements including access to government benefits.<sup>17</sup>

*Retraining* – a skills audit should be conducted to assess employees' current skill set and identify opportunities for retraining that can begin prior to retrenchment. Prior learning should be recognised to ensure that workers focus on developing new skills

<sup>14</sup> E Loxton, J Schirmer, M Dare, Technical Report 208 Structural adjustment assistance in the Australian forestry industry: A review of recent experience and recommendations for best practice design of future structural adjustment packages, February 2011, p.16; Béla Galgóczi, The long and winding road from black to green, Decades of structural change in the Ruhr region, International Journal of Labour Research 2014, Vol. 6, Issue 2, p 231.

<sup>15</sup> Béla Galgóczi, The long and winding road from black to green, Decades of structural change in the Ruhr region, International Journal of Labour Research 2014, Vol. 6, Issue 2, p 231.

<sup>16</sup> Béla Galgóczi, The long and winding road from black to green, Decades of structural change in the Ruhr region, International Journal of Labour Research 2014, Vol. 6, Issue 2, p 231.

<sup>17</sup> Andrew Beer, Structural adjustment programmes and regional development in Australia, Local Economy 2015, Vol 30(1), p.28



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that can be used in future employment.<sup>18</sup> Evidence consistently shows that retraining increases the probability of workers finding a new job.<sup>19</sup> The types of retraining could include basic skills training (job-seeking skills such as resume writing or basic literacy, numeracy and communication skills), up-skilling, targeted skills acquisition and re-skilling in a new area. Opportunities to access retraining should ideally be made available to workers prior to any workplace closure or redundancy and while workers are still earning an income.

To ensure that working people are able to access skills and qualifications to transition into new jobs, it is important that the Australian Government recommits to delivering a high quality, nationally consistent, equitable and affordable vocational education and training (VET) system including proper funding of our TAFE sector. In contrast to Australia, the Danish Government contributes significant amounts of public funding to support workers find new jobs through investments in Active Labour Market Programs and quality training.<sup>20</sup> This commitment to substantial investment in retraining has resulted in the highest rates of older people in paid employment, when compared to other Western nations.<sup>21</sup>

Consideration should also be given to introducing lifelong learning accounts in Australia. Former Deputy Prime Minister Brian Howe has argued that these accounts should be introduced in Australia as a way of supporting individuals to improve their skills and knowledge across their lifetime and enable people to adjust to the changing labour market.<sup>22</sup> This would involve 1% contributions by employees,

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<sup>18</sup> Andrew Scott, *Northern Lights: The Positive Policy Example of Sweden, Finland, Denmark and Norway*, Monash University Publishing, 2014, p. 160

<sup>19</sup> Michael J. Webber and Sally A. Weller (2001) *Re-fashioning the Rag Trade*, Sydney: University of New South Wales Press, p.206

<sup>20</sup> Andrew Scott, *Northern Lights: The Positive Policy Example of Sweden, Finland, Denmark and Norway*, Monash University Publishing, 2014, p.141

<sup>21</sup> *Ibid*, p.141-142

<sup>22</sup> Brian Howe *Weighing up Australian values: balancing transitions and risks to work and family in modern Australia*, UNSW Press, p.128



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employers and government (for low income earners) into an individual fund that can then be drawn down upon by workers to pay for recognised training.<sup>23</sup>

*Financial and personal support* –redundancy payments, early retirement options, specific financial assistance payments and access to both financial and psychological counselling.<sup>24</sup> The most effective structural adjustment programs involves a mix of measures that focus not only on providing financial assistance to workers and businesses, but also includes financial and psychological counselling and specific community support.<sup>25</sup>

As indicated above, financial support should include redundancy packages and options for early retirement. Special financial assistance payments should also be available including assistance to workers to meet their mortgage or rental payments<sup>26</sup> as well as consideration of income assistance for a defined period of time (e.g. 12-24 months) subject to eligibility criteria. Financial counselling should also be available to assist workers to assess their financial position and plan for the future.<sup>27</sup> When provided early and in conjunction with psychological counselling and legal advice, this can help workers manage stress, anxiety and depression that can arise following retrenchment.<sup>28</sup> Consideration could also be given to introducing unemployment insurance in Australia, which would provide income security to individuals throughout their working lives.

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<sup>23</sup> Ibid, p.148

<sup>24</sup> E Loxton, J Schirmer, M Dare, Technical Report 208 Structural adjustment assistance in the Australian forestry industry: A review of recent experience and recommendations for best practice design of future structural adjustment packages, February 2011, p.16

<sup>25</sup> Ibid, p.vi

<sup>26</sup> Ibid, p.16

<sup>27</sup> Ibid, p. v

<sup>28</sup> Ibid, p. v





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*Travel subsidies and relocation assistance* – financial support and incentives are needed to support people commute or relocate to another region for employment.<sup>29</sup> Special assistance should also be made available to people that participate in the pooling and redeployment scheme and have to relocate for their new role. Previous labour adjustment packages have included provision for travel subsidies and relocation assistance. For example as part of the Commonwealth Forest Industry Structural Adjustment Package, workers were able to access up to \$8,000 in relocation assistance or to attend formal retraining as well as fare assistance to undertake job searches.<sup>30</sup>

## 5. Clean Energy Jobs

Unfortunately, in Australia we are already at a disadvantage when it comes to job creation in the clean energy and renewable sector. This is despite having the most abundant solar energy resources in the world. In the absence of bipartisan, stable climate policy, Australia has fallen behind our international counterparts in the clean energy race. Overseas, we are already seeing countries such as China and the USA power ahead with substantial investments in renewable energy technologies and capacity.<sup>31</sup> For example, globally, renewable energy employment grew by 5 per cent in 2015 to 8.1 million, with the International Renewable Energy Association projecting 24 million renewable jobs by 2030.<sup>32</sup> In the USA, renewable jobs grew at

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<sup>29</sup> Ibid, p.16

<sup>30</sup> Australian Government, Department of Agriculture and Water Resources, Commonwealth Forest Industry Structural Adjustment Package, accessed at

<http://www.agriculture.gov.au/forestry/policies/rfa/publications/deferred/wood-paper/commonwealth-fisap>

<sup>31</sup> Climate Change Authority, Reducing Australia's Greenhouse Gas Emissions: Targets and Progress Review—Final Report, February 2014, p.7, accessed at [http://www.climatechangeauthority.gov.au/files/files/Target-Progress-Review/Targets%20and%20Progress%20Review%20Final%20Report\\_Summary.pdf](http://www.climatechangeauthority.gov.au/files/files/Target-Progress-Review/Targets%20and%20Progress%20Review%20Final%20Report_Summary.pdf)

<sup>32</sup> Anna Hirtenstein, Clean-Energy Jobs Surpass Oil Drilling for First Time in U.S., Bloomberg press, 26 May 2016, accessed at <http://www.bloomberg.com/news/articles/2016-05-25/clean-energy-jobs-surpass-oil-drilling-for-first-time-in-u-s>





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12 times the rate of general jobs growth in 2015 and there are already more solar energy jobs in the US than in oil and gas extraction.<sup>33</sup>

In stark contrast, Australia has lost over 5,000 renewable energy jobs since their peak in 2012.<sup>34</sup> This decline must be reversed. According to a recent report by the Climate Council, if Australia derived 50% of its electricity from renewable energy sources by 2030, this could create more than 28,000 new jobs above business as usual base case (34% renewable electricity in 2030).<sup>35</sup> These jobs would occur in construction, operation, maintenance of renewable energy installations as well as related industries.

With some of the world's best renewable technology and innovation, and some of the globe's most abundant renewable resources including solar, wind, tidal and geothermal, Australia is well-positioned to take advantage of these resources and transition to a clean energy economy. Renewable energy itself is a new industry with new jobs opportunities across a range of sub-industries. For example, renewable energy equipment manufacturing is a growing high tech manufacturing industry that can and should play a central role in the broader revival of Australian manufacturing. If effectively supported, Australian renewable energy equipment can serve as both a new export industry and assist other countries in meeting the challenge of climate change. Likewise, renewable energy and energy efficiency services, such as energy efficiency audits, can and should be booming new service sectors that both create new jobs at home and generate export income abroad, while enabling both Australia and other countries to tackle climate change.

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<sup>33</sup> Ibid.

<sup>34</sup> ABS, Catalogue 4631.0, Employment in Renewable Energy Activities, available at <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4631.0Main+Features12014-15?OpenDocument>

<sup>35</sup> Climate Council, Renewable Energy Jobs: Future Growth in Australia, 2016, p.ii, accessed at <https://www.climatecouncil.org.au/uploads/7b40d7bbefbdd94979ce4de2fad52414.pdf>



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## 6. Conclusion

Australia has a history of doing structural adjustment badly. We often wait until a company, or an entire sector, goes under before offering training or financial assistance to redundant workers. In some cases, governments have deliberately washed their hands of responsibility for the consequences of their lack of foresight on the fate of coal-fired power. In NSW for example, the sale of government-owned Vales Point at the knock-down price of \$1 million has allowed the government to dodge liabilities for decommissioning and worker redundancy.<sup>36</sup>

The sudden closure of Alinta's operations in Port Augusta illustrates the inadequacy of an unplanned transition away from coal-fired power. People in areas with high unemployment, including regional towns with coal-fired power plants such as Victoria's La Trobe Valley, have been neglected by multiple governments and companies over many decades. Those who support a fairer and more sustainable future for all Australians hold ourselves to a higher standard. We want communities grappling with the legacy of others' bad decisions to flourish, not just survive.

To deliver a Just Transition, it is critical that working people are able to obtain decent and secure employment, which involves:

- stable work with predictable pay, wages and entitlements;
- adequate hours and pay, especially compared to previous jobs;
- opportunities for training and lifelong education; and
- a dignified retirement.

Whether you think Australia's fleet of coal-fired power stations will or should be shut down over the next 5 years, 15 years, or 30 years, one thing is clear. The foundations

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<sup>36</sup> Potter, B and Winestock, G. (2015) 'NSW lost \$565m on dud Vales Point power plant', Australian Financial Review, November 20 2015



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of a post-coal future must be put in place today if affected workers and communities are to thrive through the transition.



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## Appendix A

### **Terms of Reference**

#### **Inquiry into the retirement of coal-fired power stations**

On 13 October 2016, the Senate referred the following matter to the Environment and Communications References Committee for inquiry and interim report by 28 November 2016 and final report by 1 February 2017:

- (a) the experience of closures of electricity generators and other large industrial assets on workers and communities, both in Australia and overseas;
- (b) the role that alternative mechanisms can play in alleviating and minimising the economic, social and community costs of large electricity generation and other industrial asset closures, drawing on experiences in Australia and overseas;
- (c) policy mechanisms to encourage retirement of coal-fired power stations from the National Electricity Market, having regard to:
  - (i) the 'Paris Agreement' to keep global warming below 2 degrees Celsius, and ideally below 1.5 degrees Celsius,
  - (ii) the state and expected life span of Australia's coal-fired power plants,
  - (iii) the increasing amount of electricity generated by renewable energy and likely future electricity demand,
  - (iv) maintenance of electricity supply, affordability and security, and
  - (v) any other relevant matters;
- (d) policy mechanisms to give effect to a just transition for affected workers and communities likely impacted by generator closures, as agreed in the 'Paris Agreement', including:
  - (i) mechanisms to ensure minimal community and individual impact from closures, and
  - (ii) mechanisms to attract new investment and jobs in affected regions and communities;
- (e) the appropriate role for the Federal Government in respect of the above; and
- (f) any other relevant matters.