



Senate Inquiry:
Net Zero Economy Authority Bill 2024

Submission of The Australian Workers' Union

April 2024

The Australian Workers' Union

The Australian Workers' Union (AWU) is one of Australia's largest and most diverse unions. We represent around 72,000 workers across the length of the country and breadth of the economy. This includes tens of thousands of workers in industries exposed to pressure and uncertainty by the energy transition. Notably, we have members at 160 facilities covered by the Safeguard Mechanism – including around 6,000 in Australia's steel industry, over 5,000 in aluminium smelting and alumina processing, and more than 1,000 in cement and concrete production. We also represent workers across Australia's gas supply chain – in onshore and offshore extraction, transport via pipelines and export facilities, and in household gas network infrastructure.

Our membership affords us a strong interest in supporting a positive energy transition for all workers. This historic shift cannot be about advancing new industries alone. Government, industry and other stakeholders must endeavour to support existing, high-emitting operations to adopt alternative energy sources; Australia should not achieve its emissions reduction targets by closing industry or sending it abroad. Moreover, for facilities that are forced to close, every effort must be taken to support affected workers into quality alternative employment.

This is not just a question of doing right by workers displaced by factors out of their control. Nor just of ensuring their valuable skills, expertise and experience are deployed in the many other industries that might benefit from them. It is also essential to ensure the retention of the social licence that underpins the transition itself.

We therefore welcome the *Net Zero Economy Authority Bill 2024* and the agency, its mission and the governance framework prescribed therein. The Net Zero Economy Authority will be central to facilitating an orderly and positive transition to new employment for workers made vulnerable by the transition. We also believe an authority tasked with supporting such workers as its central mission will be well-placed to drive improved policy coordination in government, and to inform investment in energy and emissions reduction projects.

The Bill should be passed as soon as possible and with only a small number of amendments. To that end, we fully support the Australian Council of Trade Unions' submission to the Inquiry, including all amendments recommended by the ACTU. In particular, the Bill should require the statutory review to assess the efficacy of entirely voluntary pooled redeployment arrangements. Without genuine employer buy-in to these arrangements, precedent suggests they will do little for most workers that come to depend on them. Likewise, where government provides incentives to employers to participate in redeployment schemes,

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strong labour conditions must apply. This will ensure government funds a shift into well-paid, secure work – equivalent, in most cases, to the quality jobs that affected workers will be leaving.

In addition, the statutory review must consider how to support the authority to widen its remit beyond coal and gas-fired power stations when necessary to do so. These facilities are an appropriate focus for the Net Zero Economy Authority in the immediate term. Coal power, especially, represents an urgent imperative given about 90% of the remaining generation fleet is projected to retire within a decade. It is also appropriate that government focuses on supporting major energy users to successfully navigate the transition, rather than guide a path towards closure. However, it is a difficult reality that not all such facilities are likely to survive the transition. Recent experience with the heavily gas reliant Qenos shows that even a large operator and keystone of domestic industry can rapidly fall into precarity. These events place hundreds or even thousands of jobs at risk. The legislation underpinning the Net Zero Economy Authority must therefore support it to rapidly expand support to other industries as circumstances require.

The AWU welcomes the opportunity to further assist the Inquiry and any queries regarding this submission. For more information, please contact Thomas Mortimer, National Policy Director, at Thomas.Mortimer@nat.awu.net.au and 0422 361 462.