

Climate Change Bill 2022

Submission by the Australian Council of Trade Unions to the
Environment and Communications Legislation Committee

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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 almost 2 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.

As such, we are advocating for the establishment of a national Energy Transition Authority to oversee and support a fair and orderly transition for workers and their communities through the decarbonisation transition.

Australia has lacked coherent and comprehensive national climate and energy policy since the Clean Energy Act 2011 and its associated programs was repealed by the former Coalition government. Since then, emissions reductions have flat-lined. 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 social and economic impacts of closures.

Additionally, 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 the previous lack of coherent climate and energy policy, the ACTU welcomes the Climate Change Bill 2022 and Climate Change (Consequential Amendments) Bill 2022, which broadly share the union movement's goal of limiting global warming and achieving net zero emissions, consistent with the Paris Agreement.

Recommendations

The ACTU welcomes the opportunity to make this submission to the Standing Committee on Environment and Energy. This brief submission concentrates on the issue of particular concern to workers and their unions: the need for a just transition to ensure protections for Australian workers and their communities as we respond to the climate crisis through the decarbonisation of the economy.

We see this Bill as an important opportunity to break the policy deadlock on climate change in Australia. Critically, the ACTU notes that the Bill does not include just transition or social licence issues. There is an opportunity to amend the Bill to cover just transition and social licence issues, but should these issues not be considered within the Bill's scope, they will need to be urgently and comprehensively addressed by the Government in the near term, with a consistent, whole-of-Government approach to ensure that emissions reduction measures are delivered in an equitable way to protect workers and their communities, via another legislative framework that ensures consistency and enforceability.

This should include the establishment of a national Energy Transition Authority, as well as the inclusion of Just Transition principles, per the Paris Agreement, in the objects and functions of the Climate Change Authority and the relevant Government entities and legislation included in the Consequential Amendments Bill.

The ACTU understands that the proposed Bill seeks to legislate emissions reduction targets, to require annual reporting to Parliament on progress towards these targets, and to task the Climate Change Authority with the provision of independent advice on progress towards and revision of targets. A second Bill of Consequential Amendments enshrines the targets in the statutory objects of fourteen government entities with roles to play in reaching those targets. However, the Bill's narrow focus means that it does not address just transition issues directly. Just transition objectives will need to be embedded in the work of these entities, particularly to support the establishment and effective functioning of an Energy Transition Authority. The Parliament must also appreciate that an expansion in remit for the Climate Change Authority and other government entities requires a commensurate increase to resourcing in order to facilitate the work required.

The ACTU acknowledges the importance of the proposed 2030 emission reduction target as a floor on ambition, rather than a ceiling, and supports the option for improved emissions targets in the future. Similarly, the ACTU acknowledges the importance of transparent, credible reporting to Parliament to ensure integrity in the response to climate change and in emissions reduction strategies.

The ACTU welcomes the legislation of Australia’s increased emissions reduction targets, however, believes that just transition principles should be applied to the process undertaken for achieving those targets. These principles should address the worker and community impacts of decarbonisation and the associated economic transitions that are already underway and accelerating.

Importantly, in addition to limiting temperature rise, the Paris Agreement commits signatories to pursuing a just transition. In its response to climate change thus far, Australia has largely failed to properly engage workers, unions, and their communities. Australia currently has no formalised policy or approach to a just transition, and at the most recent COP26 held in Glasgow, the former Morrison government declined to sign the *Declaration Supporting the Conditions for a Just Transition Internationally*¹ which was signed by the UK, US, Canada, the European Union, and New Zealand, amongst others. The Australian government will be required to report on its just transition progress as part of Australia’s Nationally Determined Contribution.

Embedding just transition principles into the creation of new decarbonised industries and infrastructure in Australia will be critical to delivering the benefits promised in the Powering Australia policy. This means ensuring projects and policies driving the energy transition maximise the number and quality of jobs and community benefits that they provide, and that there is a clear path for the workforce and communities from old industries to new industries. Key pieces of legislation delivering this new infrastructure include:

- Offshore Electricity Infrastructure Act 2021
- Clean Energy Finance Corporation Act 2012
- Infrastructure Australia Act 2008
- Northern Australia Infrastructure Facility Act 2016
- Export Finance and Insurance Corporation Act 1991 (funding international projects)
- Australian Renewable Energy Agency Act 2011

The ACTU also acknowledges the amendments proposed by Dr. Helen Haines to the Bill, which pertain to reporting on the impacts of emissions reduction targets as well as social, employment and economic benefits of relevant emissions reduction policies on rural and regional Australia in the proposed annual climate change statement and advice on emissions reduction targets.

¹ UNFCCC COP26 (2021) | [Supporting the Conditions for a Just Transition Internationally](#)

However, it is the ACTU's view that the concept of a just transition should be elevated on the climate policy agenda, and should receive urgent and comprehensive treatment by the Government in the near term, including the establishment of a national Energy Transition Authority to ensure Australia's emissions reduction trajectory is delivered in a manner consistent with the Paris Agreement's commitment to take into account the imperatives of a just transition for the workforce, with the creation of decent work and quality jobs in a manner that delivers community support, maintains social licence and provides broad economic benefits to Australian workers, families and businesses.

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