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President Gerardine (Ged) Kearney
Secretary Dave Oliver

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10 November 2016

Committee Secretary
Senate Standing Committees on Environment and Communications
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee Secretary,

Thank you for the opportunity to make a submission in relation to the retirement of coal-fired power stations.

The announcement last week that the Hazelwood Power Station is set to close in March 2017 has devastated many workers, their families and the Latrobe Valley community. The closure of the Hazelwood Power Station should not have been a surprise to either the State or Federal Government. It will not be the last in the Latrobe Valley, let alone the country – but closures don't need to happen like this.

Australia's energy sector is changing. The real impacts of the shift to a clean energy economy are being felt across our regions – from the Latrobe Valley, to Port Augusta, to Anglesea – which have all experienced first-hand the impact of unplanned closures of power stations in their local communities. AGL has already announced that it will close all existing coal-fired power stations by 2050 starting with the Liddell Power Station (NSW) in 2022, Bayswater Power Station (NSW) in 2035 and Loy Yang A (Victoria) in 2048.

Australia has a choice about how the transition to a net zero economy occurs. We can leave it to the market to decide when to close existing power stations, or we can manage this in a planned way that provides certainty and support to working people and their communities.

The Paris Agreement, which entered into force on 4 November 2016, commits countries including Australia to keep carbon emissions "well below 2 degrees C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 degrees C".

Importantly, this Agreement also recognised that we need to:

"[take] 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."

With this agreement comes the obligation on the Federal Government to responsibly plan and manage the transition to a clean energy economy in a way that does not leave working people and their communities behind.

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We know that long-term planning is needed to prevent the kind of last-minute, reactive assistance that has been cobbled together for workers in the automotive and power industries in recent years.

History shows that industry and economic change have often been done poorly in Australia, with workers and communities suffering hardship, unemployment, and generations of economic and social depression.

Just ask the thousands of displaced workers who used to be part of the Australian car manufacturing industry: only a third of ex-Mitsubishi workers were able to move to comparable full time employment when their two South Australian plants closed in 2008, while a third left the labour force altogether and a third were either unemployed or under-employed.

The ACTU has prepared the attached policy paper, which provides a detailed set of recommendations that together show that we can deliver a Just Transition for workers in the coal-fired electricity sector if State and Federal Governments, industry, communities and unions all work together.

In summary, this paper recommends that:

1. The Federal Government develops a coordinated plan to deliver a Just Transition for coal-fired electricity workers and communities. This is a sector wide, cross-state jurisdictional challenge that can only be met with a national response.
2. To achieve this, it is recommended that a national independent statutory authority be created to navigate the transition to a clean energy economy. This authority would ensure a Just Transition for workers and communities by:
 - overseeing a planned and orderly closure of Australia's coal-fired power stations;
 - managing an industry-wide multi-employer pooling and redeployment scheme, where existing workers would have an opportunity to be redeployed to remaining power stations or low-emissions generators; and
 - developing a labour adjustment package to support workers obtain new decent and secure jobs. This should include not only funding for workers to access job assistance support, but also retraining, early retirement and travel and relocation assistance.
3. The authority would work across Federal Government departments and with State and Local Governments to develop specific plans to diversify coal-fired power generation regions economy's industry base, support existing industries and help create new, secure jobs.

Australian unions are standing with regional communities to call on the Federal Government to develop a national plan to transition Australia to a clean energy economy. With the right policy mix and early planning, Australia can successfully transition to a clean energy economy without leaving any worker or community behind.

Should you have any queries in relation to the submission, please contact Charlotte Newbold on [REDACTED].

Yours sincerely

[REDACTED]

Ged Kearney
President

Encl.