

27 April 2018

Shane Rattenbury  
Minister for Climate Change  
GPO Box 1020  
CANBERRA ACT 2601

Dear Minister ~~Rattenbury~~, *Shane*

**RE: SUBMISSION ON 'A NET ZERO EMISSIONS TERRITORY' DISCUSSION PAPER**

Thank you for the opportunity to contribute to the consultation on the ACT Government's strategy to become a net zero emissions Territory.

UnionsACT is the peak council representing 24 unions and over 33,000 working people, their families and communities. One hundred thousand more have their conditions of employment shaped by the work of our affiliates. More than 20,000 Canberrans support the work we do through our community campaigning.

We have a long and proud history of independently and fearlessly advocating on behalf of union members, and our mission is to improve working standards and living standards for all working people.

***UnionsACT Supports a Zero Carbon Future for the ACT***

UnionsACT supports the ACT Government's ambition to become a zero carbon Territory. The union movement in Canberra and nationally has played a vital role in protecting Australia's environment and advocating for rapid climate action in the past and we will continue to fight for the sustainability of our environment to protect our economy, societies and communities.

UnionsACT accepts that the cost of not reducing emissions is far higher than that of taking action. Decisive action to reduce emissions, improve energy efficiency, expand renewable energy capacity, and rapidly develop low carbon technologies while creating jobs is essential for continuing sustained economic growth in Australia and in the ACT.

To effectively combat climate change and move towards a low carbon economy, we cannot rely solely on private markets. There must be a strong role for the public sector in driving the energy transition, including public ownership of infrastructure and power generation. In fact, climate change is itself a catastrophic market failure. The transition to a zero carbon future in the ACT should not hand increased profits or more market power to large corporations that are interested principally in profits over people.

## ***Just Transition***

The Discussion Paper has highlighted four industry areas that will be impacted by the ACT Government's Zero Carbon commitment:

- Transport, including cars, trucks and buses;
- Electricity and gas, including residential and commercial use of gas in particular;
- Waste, including the use of landfill; and
- Land use, including clearing of trees and grasslands.

UnionsACT's affiliated unions represent many thousands of members in industries and businesses in these four sectors. In particular, the Discussion Paper highlights that from 2020, transport will be the biggest industry contributing to carbon emissions.

Although the ACT does not have heavy industry, fossil fuel stations or a coal industry, our economy and community is nonetheless vulnerable to the impacts of climate change, whether it is structural economic change or the impacts of extreme weather. Workers are at the frontline of these impacts:

On this basis, UnionsACT reiterates our support for the established international principle of 'Just Transition'. The transition of the ACT economy to a zero carbon economy must be just and equitable and should be based on the following Just Transition measures:

1. Equitable sharing of responsibilities and fair distribution of the costs across society;
2. Institutionalised formal consultations with relevant stakeholders including trade unions, employers and communities, at national, regional and sectoral levels;
3. 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;
4. Formal education, training, retraining, and life-long learning for working people, their families, and their communities;
5. Organised economic and employment diversification policies within sectors and communities at risk;
6. Social protection measures (active labour market policies, access to health services, social insurances, among others); and
7. Respect for, and protection, of human and labour rights.

To-date, the ACT Government has not developed or adopted a Just Transition strategy. UnionsACT is concerned of the risk that a transition to a zero carbon economy will be ad-hoc, and not effectively transition affected workers into new and secure employment. For example, although UnionsACT supported the change to 100% renewable energy, this substantial economic shift was done with almost no consultation with workers or the community; rather it was a rapidly implemented technocratic policy, albeit one that was well-intentioned.

## ***Recommendations***

UnionsACT makes the following recommendations:

### **1. Create a Whole-of-Government Just Transition Plan**

A Whole of Government Just Transition Plan is required to ensure that the economic and social transition to a zero carbon future is managed in a fair and just manner, where affected workers and communities are supported. In practical terms, this Just Transition

Plan would incorporate the proposed 'Implementation Action Plans' contemplated in the Discussion Paper.

## **2. Establish a Standing Key Sector Industry Round-table**

The round-table would advise the relevant industry ministers (e.g. transport, Treasurer, climate change, Skills Canberra) and comprise of representatives from the four key sectors identified in the Discussion paper, including industry representatives, unions, communities, and senior public servants from relevant Directorates.

UnionsACT notes that there is relatively little information available to industry stakeholders, including workers, in the 'key sectors' about the practical impact of the zero carbon transition. The Round-table would serve as a crucial communication channel between the Government, scientists and technical experts, and industry. Its purpose would be to allow the ACT Government to implement a Just Transition for the affected sectors through:

- a) consulting with the affected businesses and workers;
- b) discuss sector-wide and ACT-wide clean energy job opportunities;
- c) develop skills and training packages and funding proposals for affected workers and communities, as well as support business needs for new clean energy skills;
- d) provide a forum for government, industry and workers to plan economic diversification strategies; and
- e) discuss and suggest social protection measures for affected workers and communities.

## **3. Establish a Just Transition Reform Unit within the ACT PS**

In order to oversee the orderly transition to a zero carbon economy and implement a Just Transition for working people, the ACT Government should establish a new Just Transition Reform Unit. The key focus of the JTRU will be coordinate and facilitate a Just Transition across the ACT Government, so as to minimise the negative impacts of economic transition on workers and their communities.

The Unit would:

- a) Lead the development and implementation of the whole-of-government Just Transition Plan that ensure that economic change and prosperity resulting from the transition to a zero carbon economy is shared equally throughout the Canberra community;
- b) review existing legislation and regulation to ensure it was 'future proof' with regard to climate disruption and adaption, for example, 'working in heat' standards, planning and building standards, or improving air pollution laws;
- c) work across the ACT Government to ensure the ACTPS implemented decarbonisation policies;
- d) work across agencies to develop training and retraining packages for industry and workers;
- e) be a principal conduit for industry and community engagement for the zero carbon transition; and
- f) oversee the proposed Redeployment Scheme. The Unit would be advised by the Round-table, and would provide an annual report to the Assembly.

#### **4. Develop a Jobs Plan including a Multi-Employer Pooling and Redeployment Scheme**

Ensuring that the ACT's transition is managed in a fair and just manner is essential. This would fit within the Zero Carbon Strategy, and specifically focus on developing policy tools, incentives, approaches and mechanisms to create and sustain decent, secure jobs. UnionsACT believes that the ACT Government should not leave the creation of new clean energy jobs up to a laissez faire, profit-driven market process; rather, it should be active in developing an industry policy that delivers for both communities and workers.

The ACT Government should also develop an ACT-wide multi-employer pooling and redeployment scheme which provides retrenched workers in the affected industries (e.g. transport or waste) with the opportunity to transfer to roles in renewables or other clean-energy companies. This could be overseen by the Just Transition Regulatory Reform Unit and the Round-table.

The ACT Government should also be active in ensuring that new jobs created as a result of the zero carbon transition provide:

- a) stable work with predictable pay, wages and entitlements that are above Award minimums;
- b) opportunities for training, career development and life-long learning;
- c) a dignified retirement.

UnionsACT again re-emphasises our own Discussion Paper for a Comprehensive Retrofit Program for the ACT's housing stock as a means by which the ACT Government could reduce carbon emissions, create jobs, boost skills, and tackle energy poverty. We can provide a copy of this Paper upon request.

#### **5. Establish a Just Transition Fund**

To help an orderly transition for the key sectors, it is proposed that a Just Transition Fund be established. The purpose of the Fund would be twofold:

- a) to provide funding to workers in the affected industries to access training; and
- b) to fund redeployment of workers into new job opportunities, through ensuring continuity of entitlements and create incentives for new employers. A modest levy on industry over the 30-year transition period would be required to establish the Fund.

UnionsACT proposes that in line with other successful industry funds (e.g. the Training Fund Authority or Long Service Leave Authority) that the fund be governed by a tri-partite board made of Government, industry and union representatives. UnionsACT suggests that maintaining a fund similar in proportion to the Long Service Leave scheme would be appropriate.

#### ***Purchased Carbon Off-sets***

UnionsACT notes the Discussion Paper asks for consideration of purchased carbon off-sets as a means to achieving zero net emissions. UnionsACT does not support the purchase of off-sets.

#### ***Conclusion***

UnionsACT refers you to previous submissions that we have made regarding the Climate Adaptation Strategy, Urban Heat and the Energy Efficiency Improvement Scheme. UnionsACT

also recommends the various discussion papers and policy papers produced by the Australian Council of Trade Unions regarding Just Transition.

We reiterate our firm position that a transition to a net zero emissions Territory 1) must be managed with Just Transition principles, and 2) must not be captured by a corporate for-profit agenda. The public sector and the Government must be actively involved in the economic transition. A market-based approach to the transition presents a significant risk of a democratic deficit. The Government should ensure instead that there is a decisive shift in power back towards citizens, communities and workers.

UnionsACT also encourages the ACT Government to have a bold ambition. Climate change represents an existential threat, and requires massive structural change in response. Small, piecemeal reforms will not be sufficient to meet the challenges of climate change.

Thank you again for the opportunity to respond to the Discussion Paper. I am available to discuss with you or the Climate Change Policy Team any element of this submission.

Yours sincerely

A handwritten signature in blue ink, consisting of a stylized 'A' followed by a horizontal line that extends to the right and then loops back under the 'A'.

**Alex White**  
*Secretary*  
*UnionsACT*