

# Submission on the Greens National Energy Transition Authority Bill 2022

Senate Economics Legislation Committee

23 December 2022

## About ACOSS

The Australian Council of Social Service (ACOSS) is a national voice in support of people affected by poverty, disadvantage and inequality and the peak body for the community services and civil society sector.

Our vision is an end to poverty in all its forms; economies that are fair, sustainable and resilient; and communities that are just, peaceful and inclusive.

## Summary

ACOSS welcomes the opportunity to make a submission on the Greens' Bill for a National Energy Transition Authority.

ACOSS has long advocated for a National Energy Transition Authority to support workers and communities affected by the energy transition. ACOSS supports the intent of the Greens' Bill to establish a National Energy Transition Authority. However, we consider that the scope of the Bill should be expanded to:

- Place people most at risk of poverty and disadvantage, in impacted communities, at the centre of its decision-making
- Undertake regional economic development
- Have clear objectives and principles that include equity and inclusiveness
- Require the Authority to review roles and activities of relevant energy agencies and advise the government as to their consistency with goals of the Just Transition Authority
- Ensure community representation on the board.

## Discussion

The proposed Authority as envisioned in the Bill would support Australia's response to lowering greenhouse gas emissions and limiting the impacts of climate change. The Authority's purpose would be to: support communities and workers affected by the closure of coal-fired power stations and coal mines to

adapt to new jobs and sectors; work with employers in relevant industries to support the shift of workers between employers where skills are broadly transferable; and plan with workers and relevant agencies to support voluntary and financially secure retirements.

In summary, the Bill proposes:

- A **National Energy Transition Authority** be established as an independent statutory authority with the powers necessary to guide the energy transition and support workers and their communities affected by the closure of coal-fired power stations and coal mines.
- The Authority has a **law reform function** to review existing related laws and propose changes, to consult with relevant governments about the proposed changes, recommend changes to Commonwealth laws and publish the results of reviews and changes recommended.
- The Authority has an **advice function** to advise the Minister, Commonwealth, state and local governments and relevant statutory or other government bodies engaged in transition work. This includes advice about impacts of mines and power station closures on communities and workers, sources of renewable energy, models for investment, workforce modelling and planning, and exports.
- The Authority **administers a Fund**, appropriated by the Parliament through the Budget process, to achieve its transition goals.
- The Authority be **administered by a Board** of five to seven members, including a Chair, with substantial expertise, experience and credibility in areas of: energy technologies; engineering; economics; workforce planning; industry transition planning; government funding programs; zero carbon industry or economy; industrial relations; financial accounting; or work in coal or gas mining.
- The Board be charged with developing **strategic plans** to achieve the functions described above.

ACOSS recognises that rapidly worsening climate change is hurting people and our communities. Our sector is seeing firsthand the devastation of increasing extreme weather events, made worse by climate change, on communities in which they work. These events affect people's mental and physical health, homes, jobs, quality of life, and in some cases, result in loss of life. The destruction caused by extreme weather events hits people experiencing financial and social disadvantage first, worst and longest, because they have fewer resources to cope, adapt or recover. Climate change impacts will entrench and further drive poverty and inequality.

The transition to a zero emissions economy to limit climate change is therefore urgent, necessary and inevitable. This requires a shift away from existing fossil fuels like coal and gas, to zero emissions energy sources. However, if the transition is slow and poorly managed, then the lives and livelihoods of people and communities will be impacted, increasing poverty and inequality and reducing support for a rapid transition.

ACOSS has long advocated for a National Energy Transition Authority to support workers and communities affected by the energy transition.

With this understanding, ACOSS supports the intent of the Greens' Bill to establish a National Energy Transition Authority, given the considerable challenges the energy transition may present for some people, communities, workers and industries.

However, we consider that the scope of the Bill should be expanded to ensure that people most at risk of poverty and disadvantage, such as people long-term unemployed, people with disabilities, young people, women, First Nations peoples and those from culturally and linguistically diverse (CALD) backgrounds, in impacted communities.

We propose that the Authority's purview is extended beyond the industry, technology and workforce aspects identified in the Bill, to ensure that people most at risk of poverty and disadvantage are front and centre in decision-making, and that the Bill actively seeks to incorporate their voices and experiences in decisions and plans. This could be facilitated by the Authority having a stated goal and clear objectives to promote equitable outcomes and have regard to support for people on low incomes to access affordable, healthier and reliable energy, housing, transport and jobs.

We also propose the Bill be amended to give the Authority principles, include provisions for inclusive consultations on and co-design of regional plans, and to expand representation for its proposed Board. These recommendations are detailed further below.

## Expand the Authority's purview to explicitly address inequality and disadvantage

ACOSS supports the Greens' call for an independent, statutory, National Energy Transition Authority, with powers to guide the energy transition in a way that protects workers and impacted communities, and maximises the opportunities and benefits stemming from a zero-carbon economy.

In addition, it is critical that when working with impacted communities, the proposed Authority places the needs of people most at risk of poverty and disadvantage, such as people long term unemployed, people with disabilities, young people, women, First Nations peoples and those from culturally and linguistically diverse (CALD) backgrounds. These groups already experience disadvantages and are more likely to be left further behind without provisions to support their positive engagement in an energy transition. There is an opportunity to develop energy and regional economic transition plans that benefit people experiencing disadvantage and reduce inequality.

We propose that the Authority's purview is extended beyond the industry, technology and workforce aspects identified in the Bill, to ensure that people

most at risk of poverty and disadvantage are at the centre of decision-making, and actively seeks to incorporate their voices and experiences in decisions and plans about the transition.

Further, ACOSS recommends that regional plans developed by the Authority and funds administered by it, should include initiatives to support people experiencing poverty and disadvantage:

- To create jobs and provide pathways to employment for groups who are long-term unemployed, at risk of long-term unemployment, and increase participation of women.
- Prioritise community-based employment of First Nations people by supporting the creation of clean energy, carbon offset and resilience projects owned and run by First Nations communities.
- Support people experiencing disadvantage to access zero-emissions energy sources and improve the energy efficiency of their homes and vehicles. For example, strategies could include: government-funded retrofits of housing; regulated and enforced efficiency standards for residential buildings and vehicles; public and social housing to meet energy efficiency standards; buyback schemes to swap appliances; or low or no-interest loans for efficient appliances and electric vehicles for people on low incomes.

**Recommendation 1: Expand the Authority’s purview to place meeting the needs of people most at risk of poverty and disadvantage in impacted communities at the centre of decision-making and ensure people on low incomes can engage in decisions and plans around the energy transition and positively benefit in terms of accessing sustainable jobs, clean energy technologies and energy efficiency. This includes people who are long term unemployed, people with disabilities, young people, women, First Nations peoples and those from culturally and linguistically diverse (CALD) backgrounds.**

**Recommendation 2: that funds are set aside specifically to support people experiencing poverty and disadvantage in impacted communities benefit from the transition.**

## Adopt a Regional Economic Development Approach, requiring inclusive consultation and co-design processes

ACOSS supports calls from the Australian Council of Trade Union’s (ACTU) and The Next Economy, for the Authority to adopt a regional economic development approach. That is, one that promotes strengthening and diversifying regional economies as a resilience measure, reducing these locations’ dependence on single industries and companies.

We recognise that the impact of unplanned and disorderly closure of coal mines and gas facilities is likely to profoundly affect workers and regional communities. Early planning to manage and plan a transition when industries close is critical. Locations for renewable energy sites may not be the same as for mining and gas sites, and renewables development in traditional agricultural regions presents its own set of unique challenges. Moreover, the renewables industry has a different job profile to mining – with jobs growth during initial establishment phases for renewable energy sites but few jobs in long term maintenance which can result in short-term boom and bust cycles at these sites. These will require planning to smooth their effects and should involve active engagement with communities, workers, unions, employers, businesses, and people on low incomes.

We note that the Spanish energy transition model's<sup>1</sup> workforce transition plans include: provisions for early retirements and voluntary redundancies; job banks for workers affected by closures of mines and coal-fired power stations; employment improvement service; support plan for the professional requalification and labour insertion of affected workers and population.

At the same time, the transition presents significant opportunities that could be capitalised on through proper planning. For example, in its [Discussion paper for coal fired electricity sector](#), the ACTU argues that 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 and export. There is also potential for industry and job growth in energy efficiency and rooftop solar services (such as energy efficiency audits, household retrofits), as well as across other sectors of the economy including transport (e.g. electric vehicles and charging stations), construction, agriculture, land rehabilitation and rectification of coal mining sites.

We note that the Next Economy's<sup>2</sup> in its submission to this Bill has recommended that the models of energy generation considered by the Authority also include community ownership and decentralised generation.

We also support the ACTU calls for increased investment and support for female-dominated industries in affected areas, as part of the diversification of regional areas, given the typical male-dominance of mining industries in Australia.

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<sup>1</sup> Institute for a Just Transition (ITJ) 2022, *Spain, towards a just energy transition*, Executive report, p. 23. Viewed 21 November 2022, [https://www.transicionjusta.gob.es/Noticias/common/220707\\_Spain\\_JustTransition.pdf](https://www.transicionjusta.gob.es/Noticias/common/220707_Spain_JustTransition.pdf)

<sup>2</sup> The Next Economy is a not-for-profit regional economic development agency.

We suggest that regional energy transition plans follow the Spanish energy transition model<sup>3</sup> that requires a socio-economic diagnosis to be conducted. That is, a socio-economic diagnosis that maps economic and employment activity, potential new industries, industry gaps, training and skills needs, renewable and energy efficiency investment and tax incentives, energy efficiency solutions for people experiencing poverty and disadvantage, municipal, cultural, social and infrastructure projects, environmental rehabilitation of areas degraded by mining sites and resource management.

ACOSS sees that regional economic development planning is best achieved through active, ongoing and inclusive consultation and co-design processes. These include with: local and state governments, workers, trade unions, employers, farmers and affected communities, as well as people experiencing poverty and social disadvantage, including the long term unemployed, people with disabilities, young people, women, First Nations peoples and people from CALD backgrounds. Gender-balance in structures and decision-making should be routine.

Provisions will need to be made to seek out the views and perspectives of people experiencing poverty and disadvantage, and to actively engage them in decision making processes, given financial, time, language and other barriers they may face to participation.

**Recommendation 3: The Authority adopt a regional economic development approach. In developing the regional economic plans the Authority should be required to conduct ongoing and inclusive collaborative consultation to co-design the development of regional plans, agreements and funding decisions.**

It will be necessary for the Authority to specify the timeframes of the plans for affected communities and regions, how they are informed and opportunities for review. We suggest that regional energy transition plans follow the Spanish energy transition model<sup>4</sup> that requires 5 yearly reviews.

**Recommendation 4: Require the Authority to develop long term plans with 5 yearly reviews, for affected communities and regions, with clearly defined strategies to address poverty and disadvantage.**

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<sup>3</sup> Institute for a Just Transition (ITJ) 2022, *Spain, towards a just energy transition*, Executive report, p. 23. Viewed 21 November 2022, [https://www.transicionjusta.gob.es/Noticias/common/220707\\_Spain\\_JustTransition.pdf](https://www.transicionjusta.gob.es/Noticias/common/220707_Spain_JustTransition.pdf)

<sup>4</sup> Institute for a Just Transition (ITJ) 2022, *Spain, towards a just energy transition*, Executive report, p. 23. Viewed 21 November 2022, [https://www.transicionjusta.gob.es/Noticias/common/220707\\_Spain\\_JustTransition.pdf](https://www.transicionjusta.gob.es/Noticias/common/220707_Spain_JustTransition.pdf)

## Further specify and define the powers, objectives and principles that will guide the National Energy Transition Authority

To ensure that equitable outcomes for people experiencing poverty and disadvantage are placed at the centre of these regulations, policy and plans, ACOSS considers that there is scope for the Bill to further specify and define the powers, objectives, and principles for the Authority and to introduce a set of principles to guide its activities.

**Recommendation 5: The Authority have clear objectives, which they develop in consultation.** Following are examples of what could be considered:

- to improve the employability and protection of the working population directly affected by the energy transition<sup>5</sup>
- to promote business and industry development and activities that create a diversified and sustainable economic model in affected areas<sup>6</sup>
- to promote the energy transition and industrial value chain so that ecological sustainability and restoration act as a driving force for regional rehabilitation, as operates as part of the Spanish model of an energy transition approach<sup>7</sup>
- to ensure people on low-incomes benefit from the transition and promote equitable outcomes in affected communities.
- for those unable to pursue transition opportunities—without undermining the incentives for transition, providing a mechanism for compensated redundancy or voluntary redeployment of workers to other sites where the workers wish to continue working.

**Recommendation 6: The Authority and its energy transition plans be guided by key principles. The principles should be developed in consultation.** Following are examples of what could be considered:

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<sup>5</sup> ACTU (no date), *Sharing the challenges and opportunities of a clean energy economy: A just transition for coal-fired electricity sector workers and communities*, Policy Discussion Paper, p.17. Viewed 21 November 2022 at: <https://www.actu.org.au/media/1032953/actu-policy-discussion-paper-a-just-transition-for-coal-fired-electricity-sector-workers-and-communities.pdf>

<sup>6</sup> ACTU (no date), *Sharing the challenges and opportunities of a clean energy economy: A just transition for coal-fired electricity sector workers and communities*, Policy Discussion Paper, p.9. Viewed 21 November 2022 at: <https://www.actu.org.au/media/1032953/actu-policy-discussion-paper-a-just-transition-for-coal-fired-electricity-sector-workers-and-communities.pdf>

<sup>7</sup> Institute for a Just Transition (ITJ) 2022, *Spain, towards a just energy transition*, Executive report, p. 5. Viewed 21 November 2022, [https://www.transicionjusta.gob.es/Noticias/common/220707\\_Spain\\_JustTransition.pdf](https://www.transicionjusta.gob.es/Noticias/common/220707_Spain_JustTransition.pdf)

- provide appropriate information to members of affected communities, especially impacted workers, First Nations, disadvantaged or marginalised communities
- enable affected communities to participate in policy design and implementation, with adequate public consultation
- promotion of social protection measures (e.g. income supports, active labour market policies, access to health services, among others)<sup>8</sup>
- equitable sharing of positive outcomes, especially for people experiencing poverty and disadvantage
- prioritising employment transition opportunities to new or existing industries within those communities
- offering appropriate education and training for those opportunities
- pursuing sustainable economic, social and ecological solutions for those communities.

## Emphasise functions for government coordination and funding capacities

ACOSS supports the Greens' call for the Authority to perform the functions of advising law reform, advising government, developing plans, and administering a fund to support the energy transition. ACOSS considers that the Bill could further extend and detail these functions to emphasise a coordination function across government and act as an information conduit between government, industry and business, workers, and communities.

The Authority could play an important role in planning government responses for these changes, advising on pathways forward and providing support through regulation and policy. For example, the Authority could be required to review the National Energy Market (NEM) regulatory bodies, such as the Australian Energy Market Commission (AEMC), the Australian Energy Regulator (AER) and the Australian Energy Market Operator (AEMO), to advise the Government as to the consistency of their roles and activities with the goals of the Just Transition Authority.

**Recommendation 7: Require the Authority to review roles and activities of relevant energy agencies and advise the government as to their consistency with goals of the Just Transition Authority.**

ACOSS recognises that the Authority would need to have access to discrete and long-term funding from government to fulfill its mandate. It may also serve as a vehicle to attract and channel public, private and philanthropic

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<sup>8</sup> ACTU (no date), *Sharing the challenges and opportunities of a clean energy economy: A just transition for coal-fired electricity sector workers and communities*, Policy Discussion Paper, p.9. Viewed 21 November 2022 at: <https://www.actu.org.au/media/1032953/actu-policy-discussion-paper-a-just-transition-for-coal-fired-electricity-sector-workers-and-communities.pdf>



funds, for example to initiatives to reduce negative impacts and build long-term resilience, wellbeing and prosperity across transitioning regional communities.

As noted above at recommendation 2 funds should be directed to ensure people experiencing poverty and disadvantage in impacted communities benefit from the transition.

We note that in The Next Economy's consultation for *Transforming Queensland: The Case for a Transition Authority*, participants suggested that budgets for such planning be allocated for at least ten years, with review periods built in every three to five years.

**Recommendation 8: The Just Transition Authority is provided with long-term funding, with review periods built in.**

## Broaden representation of the Authority's Board

While ACOSS supports the Bill's call for the Authority to be administered by a Board with substantial experience and credibility, we consider that the Board membership be extended to provide a wider range of expertise and understanding of people who will be affected by the energy transition.

The Greens Bill suggest that Board membership include people with expertise in and knowledge of areas of: energy technologies; engineering; economics; workforce planning; industry transition planning; government funding programs; zero carbon industry or economy; industrial relations; financial accounting; or work in coal or gas mining.

ACOSS recommends that Board membership must include representatives from the community sector and affected communities, with gender-balance, to ensure that addressing inequity, poverty and disadvantage remain central to the Authority's agenda. We further support the ACTU call for representation from the union sector, to prioritise positive equitable outcomes for workers as a goal of the Authority.

**Recommendation 9:**

**Expand the proposed Board membership for the Authority to include representation from the community sector, people on low incomes, with gender-balance from affected communities and unions.**

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