



23 August 2019

Climate Change Authority  
GPO Box 787  
Canberra ACT 2600

Sent via email: [submissions@climatechangeauthority.gov.au](mailto:submissions@climatechangeauthority.gov.au)

Dear CCA,

**Response to Consultation Paper –  
Updating the Authority’s previous advice on meeting the Paris Agreement**

Thank you for the opportunity to respond to the consultation paper.

CFMEU Mining and Energy Division is part of the Construction, Forestry, Maritime, Mining and Energy Union, the major trade union in the industries of its title. The Division represents approximately 20,000 workers in mining – especially coal mining – and in power generation – especially coal power generation.

The union has long sought to play a constructive and forward-looking role in climate and energy issues, and was one of very few unions in the world present at the Rio Earth Summit in 1992 that saw the development of the UN Framework Convention on Climate Change – of which the Paris Agreement is a further development. The union also wrote – for the Australian Council of Trade Unions – the first union policy document on transition issues arising from the global warming problem – the 1992 publication “The greenhouse effect – employment and development issues for Australians”.

In the first decade of the 2000s the union sought the development of Carbon Capture and Storage for the transformation of coal use into a low-carbon technology. As that option has not progressed into being cost-competitive with the rapid advances in renewable energy technologies, the union has had to confront the situation that almost all owners and operators of coal-fired power stations in Australia have declared that they will close the assets at some point and not rebuild them.

While there remain major “total system cost” issues with 100% renewable energy for power generation in Australia, and it is possible-to-probable that some non-renewable power technology may be used to ensure electricity system reliability and energy security, it is inescapable that there will be a dramatic decline in coal power generation in Australia.

What happens to the workforce and associated regional communities that are dependent on coal power generation is therefore a key concern for the union. While Australia as a whole has valid concerns about electricity prices and reliability, and energy-intensive industry has even stronger concerns, the specific focus for this union is the regional communities around power stations that are highly dependent on them for secure and well-paid employment, and for the flow-on benefits to other industries and employment in the local area from those large operations.

The union is thus responding primarily to the CCA question of page 5 of the consultation paper – *“Should particular regions or communities and emissions-intensive trade-exposed industries be assisted in transition, and if so how?”*

The CCA is concerned with the domestic emissions targets for Australia that are adopted under the Paris Agreement, and subsequent revisions of those. The CCA will have noted that Just Transition is a part of the Preamble of the Paris Agreement:

*“Taking 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 around 33% of Australia’s emissions coming from power generation – coal and gas – it is abundantly clear that the industry will undergo major transformation and that such transformation has already commenced.

The union has undertaken major work in this area as well as working with others.

The Authority is referred to the November 2016 publication by the ACTU: “Sharing the challenges and opportunities of a clean energy economy – a Just Transition for coal-fired electricity sector workers and communities”.<sup>1</sup> The union also launched commissioned work from the University of New South Wales in late 2018: “The Ruhr or Appalachia? Deciding the future of coal power workers and communities”.<sup>2</sup>

The latter publication in particular seeks to present a “best practice” approach to dealing with major industry restructuring that prioritises workers and communities. In doing so it highlights international case studies that are good and bad examples of coal industry restructuring.

Since the release of the CFMEU-commissioned report, Germany has released (in February 2019) its program to phase out brown coal mining (black coal mining is already phased out) and all coal power generation by 2038.<sup>3</sup>

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<sup>1</sup> <https://www.actu.org.au/our-work/policy-issues/actu-policy-discussion-paper-a-just-transition-for-coal-fired-electricity-sector-workers-and-communities>

<sup>2</sup> <https://me.cfmeu.org.au/news/download-report-deciding-future-australias-coal-power-workers-and-communities>

<sup>3</sup> English version - [https://www.bmwi.de/Redaktion/EN/Publikationen/commission-on-growth-structural-change-and-employment.pdf?\\_\\_blob=publicationFile&v=3](https://www.bmwi.de/Redaktion/EN/Publikationen/commission-on-growth-structural-change-and-employment.pdf?__blob=publicationFile&v=3)

The German approach has been to achieve consensus among all stakeholders as to the way forward that meets emission targets while looking after those that would otherwise lose out in major industry restructuring. Trade unions are regarded by all parties as key stakeholders. It is instructive to note that the German plan was negotiated in a period of around eight months.

Contrast the progress in Germany with Australia where climate and energy policy has been highly-contested for well over a decade and has had many high-profile casualties including a number of Prime Ministers and Opposition Leaders.

The most recent federal election result has continued the trend of high-cost confrontation on climate and energy issues, with several seats in central Queensland, the Hunter valley and in the inner-city areas of Sydney, Melbourne and Brisbane experiencing major swings (in opposing directions!) on the climate issue.

At page 9 and many other pages of the German report, it is made clear that Germany's coal phase out will have, as a key requirement, that there are no forced redundancies and no unreasonable social or economic disadvantage is to be suffered by affected workers. This approach builds on the path taken in the closure of the black coal mining industry (primarily done for economic rather than climate reasons) where an industry that employed more than 130,000 people in 1990 was phased down to near-zero in 2018 with no forced redundancies.<sup>4</sup>

In Spain a similar multi-stakeholder process including unions was able to negotiate the closure program for coal-fired power generation there with agreed good compensation for affected workers. The Authority is directed to work published at [coaltransitions.org](http://coaltransitions.org) for this and other case studies on coal transition.

In reflecting on the Australian experience to date, and the prospects for better progress, it should be recognised that achieving Just Transition for workers and communities in coal power is not simply a good moral or ethical position. It is actually fundamental to the prospects for success for better climate and energy policy in Australia.

Where we create losers, where we make or pursue policies that require that certain communities bear a disproportionate burden, where we focus only on economic efficiency and environmental effectiveness and forget that successful transformation is primarily a social process, we set up the process and the policies for failure. This has been amply demonstrated in Australia over the last decade and more.

There will always be those who, motivated by short-term electoral gain or profit-making, will seek to exploit community division over climate and energy. Some green or climate action groups also engage in tactics that polarise communities. The solution to those divisive tactics is to build longer term consensus over the need for major change that brings everyone along.

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<sup>4</sup> [https://www.dropbox.com/s/33equfqul12hcyq/Wodopia\\_Madrid\\_presentation\\_2015-shrunk.pdf?dl=0](https://www.dropbox.com/s/33equfqul12hcyq/Wodopia_Madrid_presentation_2015-shrunk.pdf?dl=0) and [https://www.dropbox.com/s/s23vjy3kqd2j2tc/Norbert\\_Maus-German\\_black-coal\\_phase-out\\_nov2016.pdf?dl=0](https://www.dropbox.com/s/s23vjy3kqd2j2tc/Norbert_Maus-German_black-coal_phase-out_nov2016.pdf?dl=0)

The problem that we have had with most of the gestures of recent times about alternative futures for coal-power workers and communities (and beyond that, for the much larger communities of the coal export industry) is that they are little more than traditional band-aid structural adjustment packages, with a shiny “Just Transition” marketing label that continues to leave those people far worse off.

Germany has paid a price for achieving consensus on major restructuring to reduce emissions from power generation; some argue that it could have been done sooner and cheaper if some of the social costs were stripped out. Even though those social costs are a tiny fraction of the overall costs of major restructuring. But what Germany has shown is that there are pathways to emissions reduction involving major industry restructuring that prioritise fairness and justice - and thereby succeed.

In Australia we continue to regard workers and communities adversely affected by industry restructuring as simply “collateral damage” towards necessary goals. And we continue to be plagued by major division on climate and energy and fail to make sufficient progress.

Perhaps Australian policy makers and advisers should start learning from their mistakes!

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Tony Maher', with a stylized, cursive script.

**Tony Maher**  
**General President, CFMEU Mining and Energy**  
**National President, CFMMEU**