

# PUTTING THE 'JUSTICE' IN 'JUST TRANSITION'

TACKLING INEQUALITY IN THE  
NEW RENEWABLE ECONOMY



NOVEMBER 2019









## PREFACE

The Victorian Trades Hall Council and its affiliates are committed to leading the construction of a new economy that is environmentally sustainable, economically and socially just, and democratic.

This is why we are proud to support this report, and why we will campaign to ensure its ideas and strategies for a just transition and for a new offshore wind industry with good terms and conditions of employment are implemented.

For over 150 years the Victorian union movement has led efforts to improve the lives of working people. Our campaigns for industrial rights have been matched by a commitment to broader social, political and economic rights. We know that the threat of climate change is best met in ways that are deeply engrained in our movement – solidarity, collective action, respect for workers, a commitment to decent jobs and economic and social justice.

We know, too, that unions must lead in the restructuring of the Australian and global economies that is necessary if we are to avoid catastrophic climate change. As unionists we know only too well what happens when economic restructuring occurs without unions to represent the interests of workers. This country has a bad track record when it comes to industry restructuring, with many instances of workers just being given help to write CVs and no effort put into the development of new employment opportunities. The privatisation of the State Electricity Commission of Victoria shows what happens when industries are profoundly restructured without proper consideration of workers' interests – whole communities are affected for decades.

This is why the proposals put forward in this report are so important. Using the prospect of the Star of the South project in Gippsland to develop a framework for the creation of an Australian offshore wind industry, the document focuses on ensuring that benefits flow to local communities and workers, while not ignoring the opportunities for Victoria and the nation more generally.

The scale of the Star of the South project is impressive. It should help in the transition when brown coal companies make decisions that affect the Latrobe Valley without consulting workers. It would deliver major benefits to Gippsland, a region that has powered our State for generations. But those benefits will only be fully realised if the Victorian government can undertake the comprehensive planning needed to ensure that workers and unions are placed front and centre so that the potential jobs are maximised and a just transition is prioritised. Making sure it is done well is exactly what Australia needs to break through the scepticism and doubt that a truly fair and sustainable economy is possible.

Trades Hall commends *Putting the Justice in Just Transition* to all who have an interest in building a sustainable, prosperous and just Gippsland, Victoria and Australia. We ask that you join with us in making it happen.

Luke Hilakari, Secretary,  
Victorian Trades Hall Council  
November 2019





# TRANSITIONS AND INEQUALITY

**We need a new model for a just transition to a low emissions economy:** one that focuses on ensuring that people can maintain their quality of life and have good union jobs to go to.

The Australian Manufacturing Workers' Union, CFMEU Construction, the Electrical Trades Union, the Gippsland Trades and Labour Council, the Maritime Union of Australia and the Victorian Trades Hall Council are committed to campaigning to ensure that the Star of the South offshore wind project off the coast of Victoria can be an example of a transition with justice.

**We ask for your support in this campaign.**

There is now widespread acceptance that a transition to a low carbon economy should be a 'just transition'. The need for a just transition, the need to avoid the failures of past structural adjustments for working people, and specific proposals for the creation of an Energy Transition Authority (or Just Transition Authority) are supported by the ACTU, the ALP and other political parties, the CFMEU, and other unions.<sup>1</sup> Good secure union jobs are the cornerstone of combating inequality and ensuring that there is justice in the transition to a new low-emissions economy.<sup>2</sup>

Unfortunately, we are already in the midst of a largely unplanned and unjust energy transition. This is a result of the failure of the current Australian government to develop a transition plan, the unjust industrial relations system, the rapid decrease in the price of renewable energy, the aging of Australia's coal-fired power stations, the fragmented and privatised nature of our current electricity system and the rigid adherence to market-based approaches. The following problems are already developing:



Hard hats of workers at the Hazelwood Power Station placed on the fence when it closed in March 2017.



**Figure 1: Australian emissions continue to rise, although we need to get to net zero emissions by 2050.**



SOURCE: COPYRIGHT © 2018 BY CLIMATE ANALYTICS, ECOFYS AND NEWCLIMATE INSTITUTE. AVAILABLE AT [HTTPS://CLIMATEACTIONTRACKER.ORG/COUNTRIES/AUSTRALIA/](https://climateactiontracker.org/countries/australia/)

- Fear and angst amongst workers and coal-mining communities. There is widespread unemployment following the closure of the Northern coal fired station (in South Australia) with no transition plan, and significant unemployment in the Latrobe Valley following the privatisation and restructuring of the electricity generation industry over the last twenty-five years, culminating in the closure of the large Hazelwood power station in March 2017. The 2019 federal election showed that right-wing political parties including the Liberals, Nationals, United Australia and One Nation were effective in using the fear of action on climate change to win working class votes.<sup>3</sup> One Nation has developed a strongly climate denialist platform<sup>4</sup> and ran two coal miners as candidates: in Hunter NSW Stuart Bonds received a 21.6% swing (with the ALP losing 14% of its votes) and in Capricornia, Qld Wade Rothery won a 16.7% swing with the ALP losing 14% of its votes.
- Renewable energy projects are being constructed in regional areas on poor wages and conditions, and without consideration for, and training of, workers from high-emissions sectors as part of a transition plan.<sup>5</sup>
- Renewable energy projects being built entirely in the private sector, prioritising cost minimisation over the broader economy or community, with very limited minimum standards or planning as to how they will

interface with the existing electricity grid. Existing government programs such as the Clean Energy Finance Corporation, the Renewable Energy Target and state-based reverse auction schemes do not have minimum labour standards, and procurement standards could be improved.<sup>6</sup>

- Failure of important renewable projects, and instability and loss of employment for thousands of workers due to competitive underbidding and bankruptcy, such as occurred with RCR Tomlinson.<sup>7</sup>
- Lack of financing for important projects, such as for the Port Augusta solar thermal plant.<sup>8</sup>
- Loss of ability to plan the development of the electricity grid in the public interest and to plan for and provide connections for new renewable systems.<sup>9</sup>
- Difficulty in planning and implementing transition plans due to the fact that most existing coal-fired power plants in Australia are privately operated and focused on profit maximising and cost minimisation, rather than providing a just transition for their workforce.<sup>10</sup>

Meanwhile, Australia's greenhouse gas emissions continue to rise and the need to rapidly transform Australia's energy, transport and manufacturing systems to reduce emissions grows increasingly urgent (Figure 1).



# BUILDING THE JUST TRANSITION NOW

There is widespread agreement that a Just Transition involves 'mitigating the adverse impacts of coal power station closures on regional workforces and communities'.<sup>11</sup>

Equally important is the task of ensuring that these workers and others in emissions-intensive industries have good unionised jobs to go to in low-emissions industries.<sup>12</sup> Ensuring that every affected worker and community can make such a transition is a significant task that will require union and community campaigning and a comprehensive planning role by the Victorian government and Latrobe Valley Authority. Such a transition needs to be developed in close consultation with unions in both high and low emissions industries in order to gain the trust of workers and communities and avoid divisive backlash.

Unfortunately, the history in Australia is that industrial transitions have increased inequality, with only one half to one third of displaced workers finding equivalent employment.<sup>13</sup>

The Star of the South offshore wind project in Victoria is an important opportunity to implement a just transition focussed on the creation of good secure union jobs, and to provide direct transition opportunities for workers in high-emissions industries (Figure 2). The project was given exploration approval in March 2019, and still needs to gain separate construction approval. It includes:

- A 2,000 megawatt increase in Victoria's renewable energy generation capacity, with 250 wind turbines built 10-25km off the east coast of Gippsland. This could supply up to 18% of Victoria's current electricity demand.
- A large reduction in greenhouse gas emissions from electricity generation.
- The company projects 2,000 direct construction jobs, with construction spread over a number of years, and 300 ongoing jobs. Offshore wind turbines also need to be replaced about every 25 years.
- An injection of infrastructure and resources into the Gippsland region, with substantial community benefits. The project is estimated to cost \$8 billion.
- A renewed future for the Latrobe Valley's energy transmission assets.

In relation to the Star of the South (and other new renewable energy projects), a Just Transition must include:

- 1 Maximising local jobs in renewable energy.** Detailed procurement plans must be developed for the sourcing of materials and equipment that maximise local, Victorian and Australian production capacity and potential production capacity, for the Star of the South and for future renewable energy projects.<sup>14</sup>

- 2 Ensuring good union jobs.** The Authority would work with Commonwealth and State energy authorities to ensure that procurement rules with good employment conditions, union agreements, permanent, stable jobs and responsible contracting policies are in place across the renewables industry. It would work with the Ministers responsible for Employment and Industrial Relations on provisions for industry-wide collective bargaining agreements for new low-emissions industries.

- 3 Maximise the number of jobs available** by ensuring good rosters, reasonable hours of work, and good leave ratios. We need to ensure that there are as many jobs as possible for people to go to.

- 4 A job guarantee and no forced redundancies** for workers from fossil fuel industries, allowing for direct transition into employment on the Star of the South and other projects. In conjunction with the relevant unions, examine how the German job guarantee model could be implemented in Australia and in Victoria.<sup>15</sup>

- 5 Carry out a detailed skills and training assessment** and ensure local training providers are in place and appropriate training is funded to ensure the workforce is prepared. Training should be provided through local TAFE's rather than privately.

- 6 Reducing inequality.** Ensure the Star of the South and other renewable energy projects have apprenticeship programs in place with minimum ratios, and include recruitment of workers from disadvantaged backgrounds, including women and Aboriginal workers.

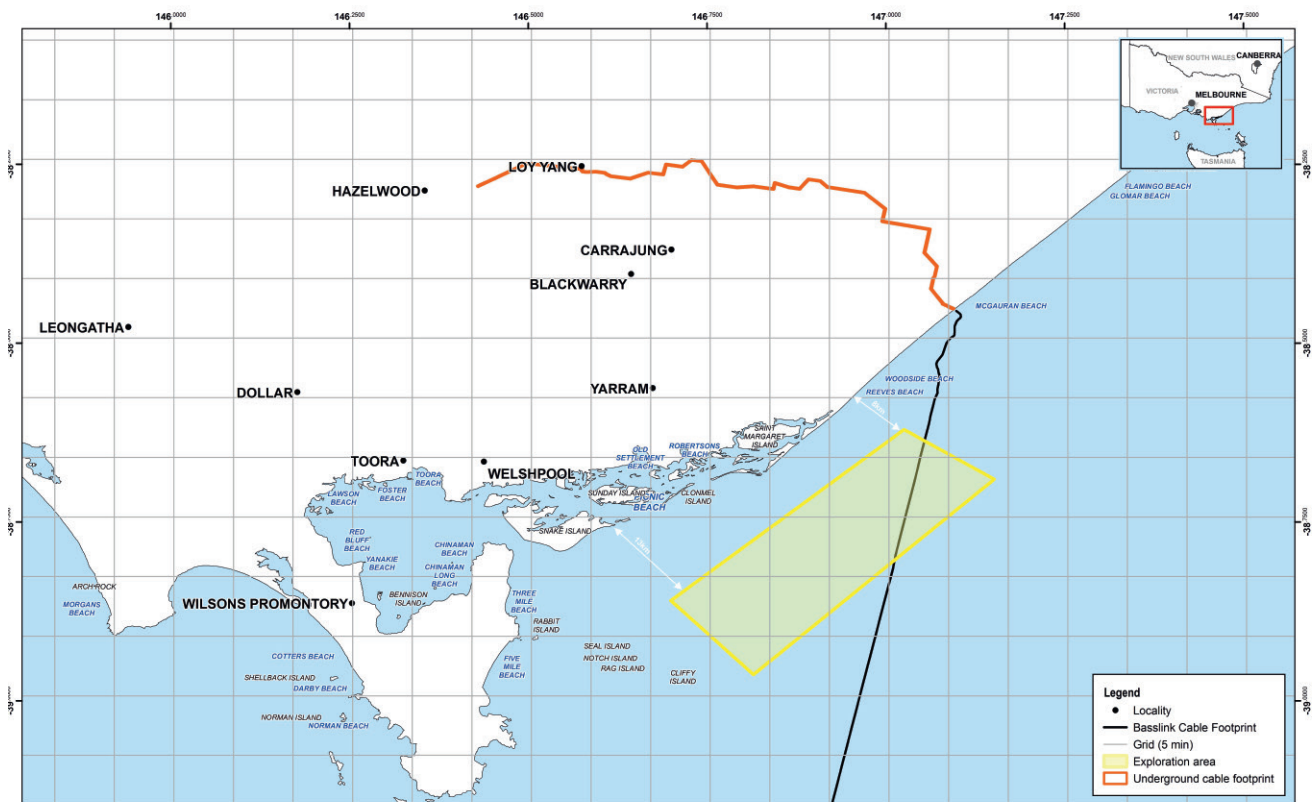
- 7 Developing necessary infrastructure.** Assess the common infrastructure needed to facilitate the rapid development of the renewables industry, for example, ports and other transport infrastructure, and examine how that infrastructure will be provided.<sup>16</sup> Assistance may be needed to secure specialized offshore wind construction vessels for use in Australia, as part of a national Strategic Fleet.<sup>17</sup>

- 8 Ensuring community engagement and development,** to ensure that local communities benefit in the broadest possible sense.

Authorities to implement Just Transition policies will need to be properly resourced. Unfortunately Labor's 2018 proposal for a Just Transition Authority only allocated \$8.5 million over forward estimates (3 years).<sup>18</sup> In contrast, approximately \$266 million (Victorian government) and \$43 million (Commonwealth) were put into a package of measures to address the Hazelwood closure, including establishing the Latrobe Valley Authority.<sup>19</sup> However a key feature of the Labor plan was not costly but novel



**Figure 2: Location of the Star of the South offshore wind farm, connecting to the electrical grid in the Latrobe Valley.**



SOURCE: DEPARTMENT OF ENVIRONMENT AND ENERGY, PROPOSAL TO CONDUCT OFFSHORE WIND FARM EXPLORATION ACTIVITIES.

in employment law – mandatory requirements for employers to participate in pooled redundancy and redeployment programs.

More generally, a just transition and speedy development of renewable energy will also require the following actions:

### 1 Planning for offshore wind.

The Commonwealth Government must urgently develop a stand-alone Offshore Renewables Act and agency to plan and regulate offshore renewables as part of the transition of the electricity grid and in conjunction with the work of the Australian Electricity Market Operator in developing an Integrated System Plan. It should work with states and territories to develop an Offshore Wind Master Plan for Australia to map the best locations for offshore renewable energy. State governments should do the same.

This work should be kept separate from the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) to avoid further fragmentation of the management of the electricity system and the influence of vested interests from the petroleum industry. Workers in offshore renewables must have the same Work Health and Safety rights as other seafarers and shoreside workers, and not be subject to the poorer provisions of the NOPSEMA and the OPGGS Act.

### 2 Safety and Training.

Work with Safe Work Australia and relevant training agencies to develop safety codes of practice and qualifications for the renewable energy industry at a national level.<sup>20</sup> Establish renewable energy training centres in TAFEs to ensure they are publicly accessible and accountable.<sup>21</sup>

### 3 Public energy system ownership.

Public ownership of energy generation and transmission systems should be developed to allow for rapid and planned development of new systems. Superannuation investment in democratically controlled renewable projects should be facilitated through government-issued bonds intended specifically to fund these projects or a government superannuation investment agency.<sup>22</sup>

### 4 Energy system management

to ensure the planned development of renewable energy generation and the integration of new generation and storage capacity with the existing grid, and appropriate timing of retirement of older generation assets. Wherever possible, low-emissions projects should be located in emissions-intensive communities. There should be direct government investment and ownership to prioritise these projects and ensure they are built to the highest standards.



# JUST TRANSITION: EXAMPLES TO BUILD ON

Examples of successful transitions are discussed in the CFMEU Mining and Energy report *The Ruhr or Appalachia? Deciding the future of Australia's coal power workers and communities*. Since that report was released, new examples of just transition measures have emerged:

- New York State developed a comprehensive Offshore Wind Master Plan in 2018,<sup>23</sup> and in January 2019 declared a Green New Deal as part of the state budget, which includes building 9,000 MW of offshore wind projects by 2035 (Figure 3). As part of this, the Climate Jobs New York union coalition<sup>24</sup> won a requirement for union agreements on prevailing wages on all offshore wind projects, as well as local procurement.<sup>25</sup> The state is also building an offshore wind training centre and will invest \$200 million in port upgrades.<sup>26</sup>
- In March 2019 the government of Queensland established a new public renewable energy generator called CleanCo.<sup>27</sup> Any employees transferring to CleanCo from generators CS Energy or Stanwell will maintain their existing conditions, including no-forced redundancies

## Queensland's new CleanCo

### What is CleanCo?

The Queensland Government has announced its plans to create a third Government owned energy company referred to as 'CleanCo'. CleanCo is Queensland's new renewable energy focused and public owned electricity generator.

### Why has it been established?

To secure a cleaner, more affordable, sustainable and secure energy supply for Queensland, CleanCo has been designed to assist the Queensland Government respond to the challenges of climate change and meet a key policy objective of 50 per cent renewable energy generation capacity by 2030 under the Queensland Renewable Energy Target (QRET).

CleanCo has a commercial mandate to increase competition to the energy market at peak demand times when wholesale electricity prices are at their highest.

This will drive down wholesale electricity prices, delivering cheaper energy to Queensland households and businesses.

### How will it support the QRET?

CleanCo's generation assets will support growth in Queensland's renewable energy sector and deliver 1000MW of renewable energy generation capacity by 2035.

### What does this mean for energy workers?

CleanCo will mean jobs in the renewable energy industry, starting with 1000MW of new renewables like solar, wind and hydro. This is supported through an initial funding injection of \$250 million.

Any employees transferring to CleanCo from either CS Energy or Stanwell will maintain their existing conditions, including no-forced redundancies or relocations.

Any new CleanCo employees will also be on the same terms and conditions as any transferring employees.

The Queensland Government is also establishing a new Just Transition Group with dedicated resources to lead the development of a Just Transition Policy Framework to help workers and communities as the economy transitions to renewables.

This will be supported by a Just Transition Advisory Committee to assist the dedicated unit and work in partnership with workers and communities.

The Committee will be made up of the Energy GOCs, relevant unions, Jobs Queensland, the Department of Natural Resources, Mines and Energy, Queensland Treasury and the Office of the Queensland Ombudsman.

or relocations, and any new CleanCo employees will also be on the same terms and conditions as any transferring employees. The Queensland Government will initially invest \$250 million in the construction of new, public renewable energy generation assets like solar, wind and hydro.<sup>28</sup>

- The Queensland Government has also established a Just Transition Group, which will be developing a transition plan for the state.<sup>29</sup>
- The German government appointed a multidisciplinary Commission on Growth, Structural Change and Employment in June 2018, including trade union representation from the union IG BCE. The Commission



Figure 3: New York Rise for Climate, Jobs, and Justice march in New York City, New York on September 6, 2018 CREDIT: MICHAEL BROCHSTEIN/ZUMA WIRE/ALAMY LIVE NEWS



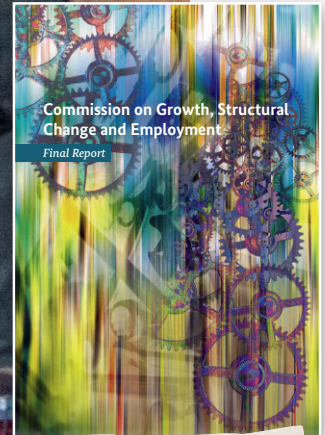


Figure 4: The German Coal Commission recommended a job guarantee for all coal miners and coal power station workers. The miner's sign reads 'Energy transition: Only with us'. PHOTO CREDIT: DPA

considered expert evidence, visited affected areas and completed its final meeting and report with recommendations in January 2019 (Figure 4).<sup>30</sup> The report recommends:

- ◆ Phasing out coal-fired power and brown coal mines by 2038, but conditional on the creation of quality jobs and clear transition pathways for workers.
- ◆ Includes a job guarantee with no forced redundancy for any worker. The goal is to ensure that for each direct job loss, a good new job is created and that this process is covered by a collective agreement. There will be a plan and a pathway for every single directly employed worker in coal-fired power plants and lignite/brown coal mines, including employment in new jobs with training, income bridging, and bridging to pensions for older workers.
- ◆ If a job disappears, the affected worker will be placed in a new, decent job, and will be compensated with a lump sum payment for any difference in salary between the old and the new job.
- ◆ Allocates €40 billion over 20 years for regional development, including infrastructure and rehabilitation of mining areas and plants.
- The Socialist-led Spanish Government increased its votes by 6%, and won up to 50% of the vote in mining regions, after running on a Green New Deal in April 2019 elections and signing a Just Transition plan in October 2018. The plan commits €250 million in investment to cover the closure of 10 privately-owned mines, and was negotiated with mining unions and employers. It includes substantial redundancy payments for younger workers, and

#### Job guarantees for employees and apprentices

The end of coal-fired power generation in the Federal Republic of Germany is a task for the whole of society because the basic reasons for this decision from an ecological and economic perspective are justified by reference to the whole of society.

workers from age 44 being entitled to a pension of 2- 3 times the minimum wage for the rest of their life. An action plan will be made for each mining community, including plans for developing renewable energy and improving energy efficiency, and investing in and developing new industries and the regeneration of former mining sites. Money will be set aside to upgrade facilities in the mining communities, including waste management, recycling facilities and water treatment plants, utilities infrastructure and distribution for gas and lighting, forest recovery, atmospheric cleansing and reducing noise pollution.<sup>31</sup>

- The Canadian government *Final Report by the Task Force on Just Transition for Canadian Coal Power Workers and Communities* has been issued. \$35 million was spent visiting 15 affected communities and holding extensive consultations, and the Task force estimates "hundreds of millions of dollars" may be required. Those made forcibly redundant get a top of up to 75% of their former wage, but this is limited to 2 years. Principles include:
  - ◆ respect for workers, unions, communities, and families
  - ◆ worker participation at every stage of transition
  - ◆ transitioning to good jobs
  - ◆ sustainable and healthy communities
  - ◆ planning for the future, grounded in today's reality
  - ◆ nationally coherent, regionally driven, locally delivered actions to immediate yet durable support<sup>32</sup>



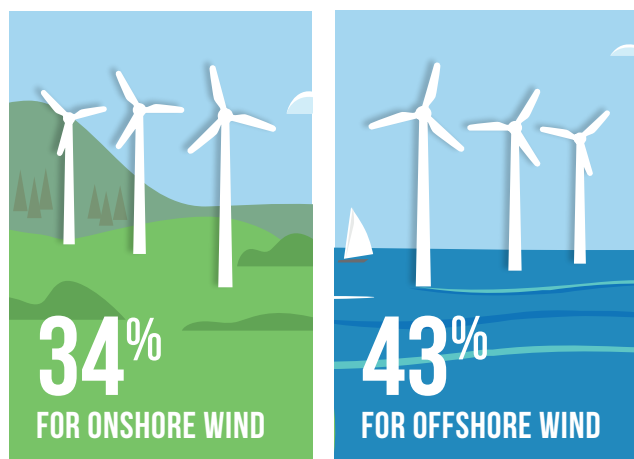
# WHY OFFSHORE WIND?

A significant advantage of offshore wind projects is that they can be built at a bigger scale than onshore projects, with taller masts reaching stronger winds and supporting larger and more powerful turbines: in 2018 turbine sizes of up to 8.8kW were used. This means that each individual turbine can produce more power. Projects can be built in areas of greater and more consistent wind strength than are available onshore, which leads to a higher capacity factor (Figure 5). Daily wind patterns can provide overall stability for the grid and reduce the need for storage. For example on the US east coast, wind offshore is strongest in the evening, when power demand peaks and solar power is not usually effective. This also means that production is greatest at the time of highest energy prices.

With the bulk of Australia's population located near the coast, offshore wind farms can also be sited close to sources of energy demand, reducing transmission costs.

By the end of 2018, 23 GW of offshore wind had been installed globally, and 4,543 grid connected offshore wind turbines were built in Europe (Figure 6).<sup>33</sup> In 2017 the average size of a grid-connected European wind farm was 493 MW, built at an average depth of 27.5m, with an average distance to shore of 41km.<sup>34</sup> Projects are increasingly being built at greater water depths and distances offshore, allowing them to access stronger

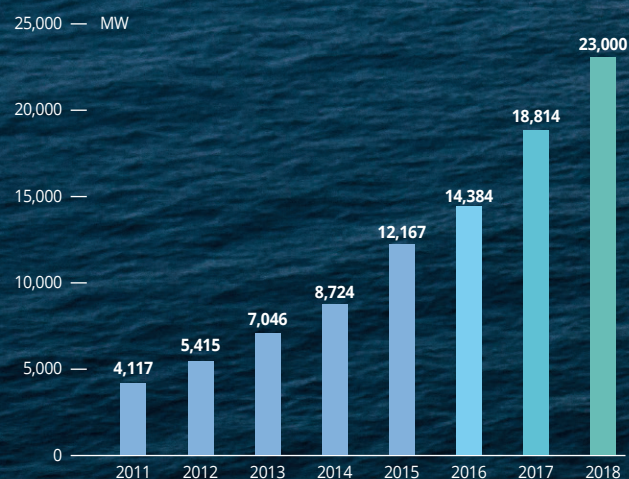
**Figure 5: Global wind capacity factor showing increased efficiency of offshore wind.**



SOURCE: INTERNATIONAL RENEWABLE ENERGY AGENCY, RENEWABLE POWER GENERATION COSTS IN 2018, P.19 AND 24.



**Figure 6: Global offshore wind installed capacity**



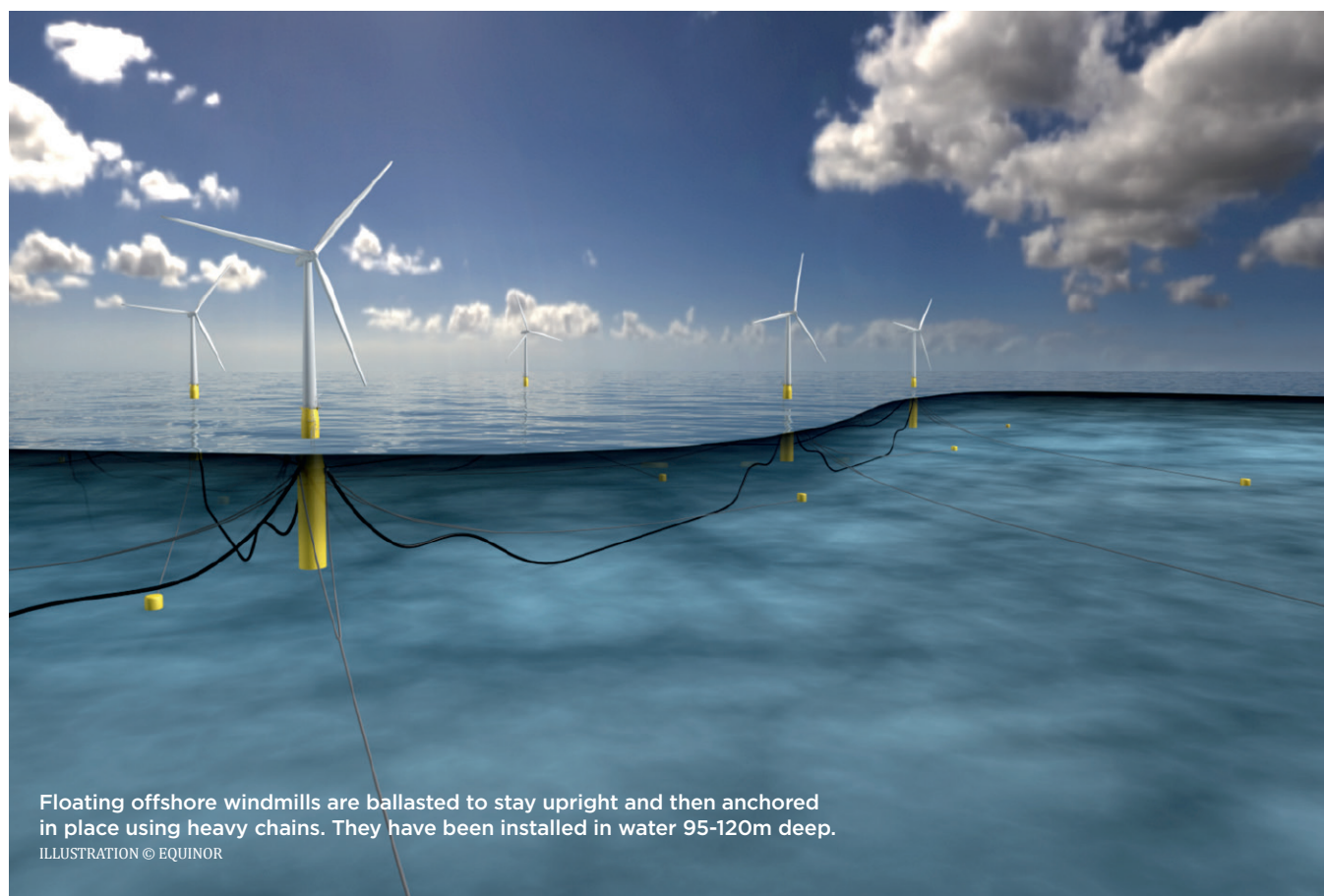
SOURCE: GLOBAL WIND ENERGY COUNCIL.







**Figure 7: Hywind Scotland floating offshore wind diagram**



wind resources and to operate more efficiently. In 2018 a number of European offshore wind projects were built at depths of 30-55m and 40-90km offshore. This has lifted capacity factors for European offshore wind to an average of 50%.<sup>35</sup>

The first floating offshore windfarm (Hywind Scotland) has been built off Scotland by Equinor, at depths of 95-120m. It had an extraordinary 65% capacity factor during the winter months.<sup>36</sup> Approximately 50 more floating offshore wind projects are planned worldwide.<sup>37</sup> Floating offshore wind makes the construction of offshore wind viable in many more areas – for example, in deeper waters off the major population centres of NSW and in the very high wind coastal areas of Tasmania (Figure 7).

Offshore wind construction is growing in many other countries (Figure 8):

- Japan has recently amended its laws to facilitate offshore wind and has a target to build 10GW of offshore wind by 2030.
- Taiwan has a target of 10-17 GW of offshore wind by 2030.<sup>38</sup>

- South Korea's government is building transmission infrastructure to facilitate offshore and onshore wind, and looks likely to build about 13 GW of offshore wind by 2030.

- The first US offshore wind project has been built in Rhode Island. New York State has developed an *Offshore Wind Master Plan*, and aims to build 9,000 MW of offshore wind by 2035. Massachusetts utilities are required by law to procure 1.6 GW of offshore wind by 2027. New Jersey and North Carolina are also making plans for offshore wind.

- In India, large offshore wind developments may be built in coastal Gujarat and Tamil Nadu.

In Australia, offshore wind has so far been dismissed as too expensive. However, we believe these cost assessments rely on outdated assumptions,<sup>39</sup> and the real problem is a lack of research, planning and any regulatory pathways for the development of offshore wind. There is also a lack of long-term vision. Australia is in an enviable position to take advantage of our abundant energy resources to



PHOTO CREDIT: OLAF NAGELHUS/WOLDCAM © EQUINOR

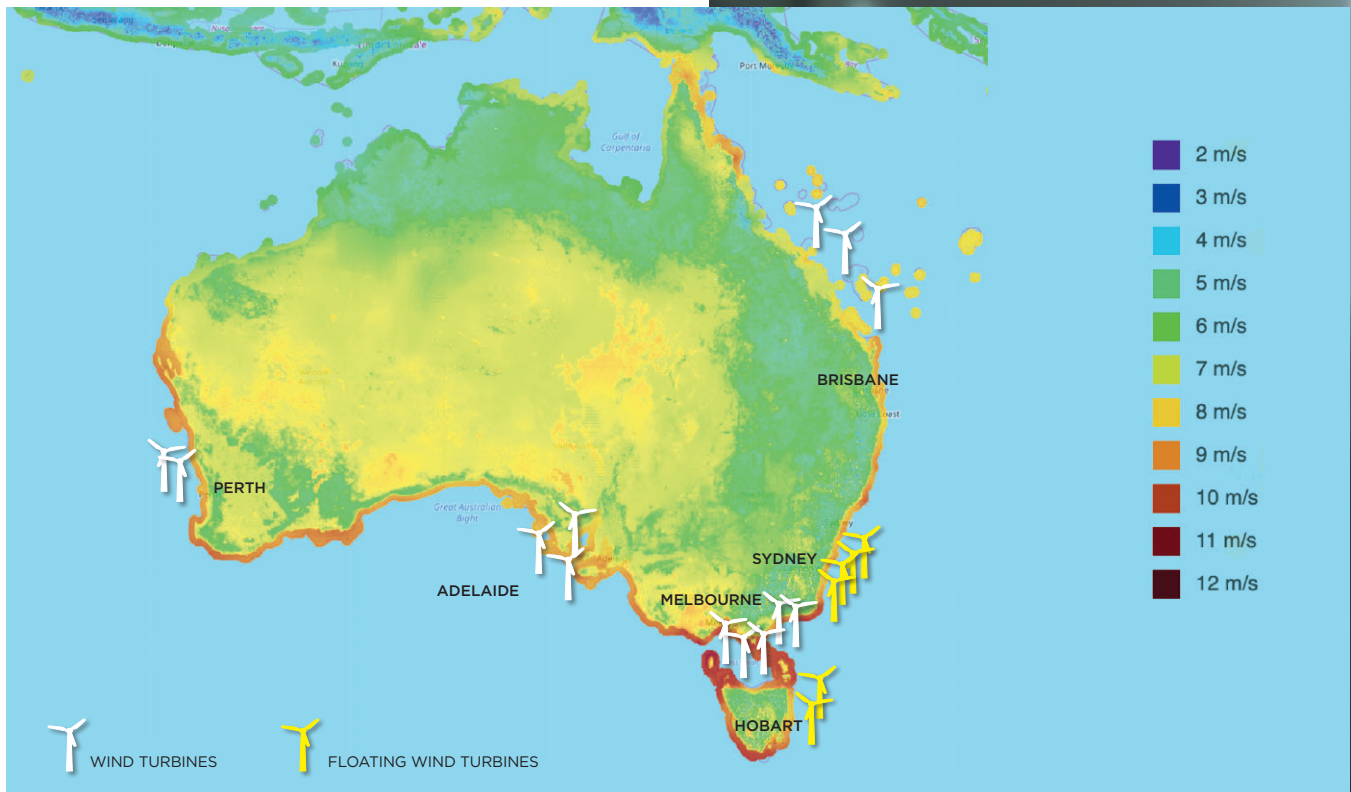
*Good secure union jobs are the cornerstone of combating inequality and ensuring that there is justice in the transition to a new low-emissions economy*

Figure 8: Offshore wind energy around the world





**Figure 9: Map of wind strength in Australia and potential offshore wind sites**



SOURCE: WIND MAP FROM IRENA GLOBAL ATLAS FOR RENEWABLE ENERGY; POTENTIAL LOCATIONS FOR WIND TURBINES FIXED TO SEAFLOOR., ELEONORA MESSALI AND MARK DIESENDOERF, 2009, 'POTENTIAL SITES FOR OFFSHORE WIND POWER IN AUSTRALIA', *WIND ENGINEERING* 33(4): 335-348.

create competitive industries that will deliver substantial economic benefit, both in terms of jobs and technological development. However, it needs investment to support these infant industries to allow them to grow. The development of a low carbon energy industry would place Australia as the ideal location for low carbon energy-intensive manufacturing.

The Star of the South project has been dealt with as a one-off special case by the Department of Energy, and there is still no broader framework in place. The Department of Energy, the Australian Renewable Energy Agency, the Australian Energy Market Operator, and the COAG Energy Council need to reassess the viability of offshore wind in Australia, and work together to develop a Master Plan for how it can be developed and integrated into Australia's electricity system and marine areas. A 2009 study identified a number of potential locations for offshore wind in Australia, but this research needs to be updated in light of the development of offshore wind technology (Figure 9).

*A just transition requires good jobs in new industries. One major advantage of offshore wind is that it provides more skilled, long term jobs than onshore wind – estimates are 2.5 to 3 times more jobs.*







## GOOD JOBS IN OFFSHORE WIND

A just transition requires good jobs in new industries. One major advantage of offshore wind is that it provides more skilled, long term jobs than onshore wind – estimates are 2.5 to 3 times more jobs.<sup>40</sup> In addition, offshore wind turbines are more efficient at producing electricity (see previous section) and other costs are reduced. Offshore wind projects are sited on areas of the seabed that are publicly owned, which avoids the need to make significant payments to individual private landowners required for onshore projects. Turbines and masts can be constructed in port precincts and loaded directly onto purpose-built vessels, avoiding the civil works to build new roads on-site, and costs of road transport of wind turbine parts over long distances to remote sites, including high load escorts, main road approvals, live line lifts (driving under powerlines), and the costs of specialised cranes and trucks.

A significant number of jobs in offshore wind are ongoing maintenance jobs. Detailed jobs estimates for 2.4GW of offshore wind to be built in New York state (and assuming some support is provided for a further 5.6 GW built in the NE US region) provide for 1,830 ongoing NY jobs in operation and maintenance, mainly in service and maintenance of turbines. However the total number of jobs created in offshore wind projects will depend significantly on the effort put into maximising local manufacturing of offshore wind components. In scenarios where local content is maximised, a further 470 installation and commissioning jobs and 2,250 manufacturing jobs are

created in New York. Where such efforts are not made, only 200 installation and commissioning jobs and 90 manufacturing jobs are created (Figure 10).<sup>41</sup>

Australia's remote location, the availability of raw materials, the necessity of transitioning our skilled workforce and the very large and delicate nature of wind turbine components mean that there is good reason to ensure that wind turbine manufacture is further expanded in Australia.<sup>42</sup> However, this will require an ongoing pipeline of local projects. This will require planning and firm expectations from all levels of government. Experience in the UK shows that without strong transition plans involving requirements for local procurement and good jobs, workers do not transition, and fewer jobs are created.<sup>43</sup>

Another important measure to maximise jobs and provide a just transition is to ensure that jobs are permanent, stable jobs with good rosters, reasonable hours of work, good leave ratios, and union agreements.

Australia is home to many seafarers currently working in the offshore oil and gas industry, who have highly developed skills in the construction and maintenance of large maritime oil and gas projects. There is a significant overlap of skills between the offshore oil and gas industry and offshore renewables industries. Offshore wind projects also have their own electrical substation that needs to be installed, operated and maintained, much like the electricity substations ashore in the Latrobe Valley coal fired power stations. Transitioning fossil fuel workers to the renewable energy industry must be a part of a just transition in the Australian economy as a whole.

**Figure 10: New York offshore wind jobs with manufacturing and without manufacturing**



Source: BVG Associates, New York State Offshore Wind Master Plan: The Workforce Opportunity of Offshore Wind in New York, December 2017, p.62, Prepared for New York State Energy Research and Development Authority. P.19: INFOGRAPHIC BY LX9 DESIGN



# RECOMMENDATIONS FOR A JUST TRANSITION

## Victorian government

- Establish a Just Transition Group to ensure a well-planned energy transition with the best possible social outcomes by providing high quality advice to the Victorian Government on:
  - ◆ equitable sharing of responsibilities and fair distribution of the costs associated with the transition of Victoria's energy sector
  - ◆ formal consultations with relevant stakeholders including trade unions, employers and communities
  - ◆ developing offshore and onshore renewable energy Master Plans that incorporate assessments of supply chains, procurement and infrastructure
  - ◆ promoting energy transitions and the greening of existing jobs and industries through investment in low carbon strategies and technologies
  - ◆ ensuring that formal education, training, retraining, and life-long learning for working people, their families, and their communities is available, appropriate and adequately funded through TAFEs
  - ◆ creating organised economic and employment diversification policies within sectors and communities at risk
  - ◆ developing and implementing social protection measures such as active labour market policies, access to health services and social insurance
  - ◆ reviewing the social impact of methods for procuring and financing renewable energy projects and associated grid investments, and recommending improvements.
- As a priority, the Just Transition Group would develop a plan to maximise the social benefit of the Star of the South project, including:
  - ◆ Local design, manufacturing, construction and procurement covered by union agreements
  - ◆ An organised and direct transition for fossil fuel workers, including workers in the oil and gas and coal industries
  - ◆ Appropriate funding for training provided through TAFEs
  - ◆ Requirements for apprenticeships and training, including for First Nations and women workers
 Wherever possible these measures will be included in any state government licencing and approvals.
- Continue to fund the work of the Latrobe Valley Authority and the Gippsland Trades and Labour Council to:
  - ◆ Identify workers from high-emissions industries that could be redeployed to the Star of the South project.
  - ◆ Assess workers' skills and the training necessary to transition to jobs on the Star of the South project.
  - ◆ Assess local production capacity that could supply the Star of the South project.
- Ensure that all government renewable energy financing, targets, contracts, auctions, licensing and approvals associated with offshore and onshore renewable projects



and associated grid investment require maximising local jobs, ensuring good union jobs, planning for direct redeployment of workers, and include apprenticeship ratios.

- Maximise public ownership and financing of renewable energy and associated grid investments to ensure projects are developed at the required speed, are properly integrated with the grid, and reverse the negative impacts of privatisation.
- To pursue the development of a Just Transition and an offshore wind industry in Australia at all COAG forums, through the measures outlined below.

## Commonwealth government

- Establish a Just Transition or Energy Transition Authority to work with states and regions.
- Develop a stand-alone Offshore Renewables Act and agency to facilitate the development of offshore renewable energy in Commonwealth waters, planned and regulated as part of the electricity system that these projects will be a part of, recognising NOPSEMA is not the appropriate regulator for offshore renewable energy.
- Work with states and territories to develop an Offshore Wind Master Plan for Australia to identify further suitable sites and projects for offshore wind development.
- Ensure that all renewable energy financing (including the Clean Energy Finance Corporation), targets, contracts, licensing and approvals associated with offshore and onshore renewable projects and associated grid investment require maximising local jobs, ensuring good union jobs, planning for direct redeployment of workers, and include apprenticeship ratios.
- Develop safety codes of practice for the offshore wind industry and other renewable energy sectors.
- Secure an offshore wind construction vessel as part of a national Strategic Fleet.
- Maximise public ownership and financing of renewable energy and associated grid investments, including through Snowy Hydro, to ensure projects are developed at the required speed, are integrated with the grid, and reverse the negative impacts of privatisation.





## JUST TRANSITION POLICIES AND RESEARCH

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## END NOTES

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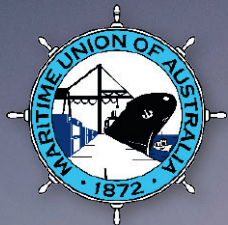


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MUA members discharge wind turbine blades in Geelong.





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