

28 March 2023

The Hon Anthony Albanese MP
Prime Minister
Parliament House
CANBERRA ACT 2600

CC: Minister Jim Chalmers; Minister Chris Bowen

Dear Prime Minister Albanese,

Re: Establishing a National Energy Transition Authority

Australia's transition to net zero emissions presents us with an opportunity to rival any in our nation's history. Decarbonizing our economy could generate hundreds of thousands of new jobs, healthier and more equitable communities, and a renewed national prosperity—while safeguarding Australians from spiralling climate crises. Achieving net zero emissions by 2050 also presents us with a monumental challenge, one that will require a fundamental economic transformation over a period of three decades.

We, the undersigned, are united in our commitment to ensuring that the net zero transition is also a just transition, in which the manifold risks and benefits are shared equally across Australian society.

In 2022, Australia became a signatory to the United Nations Just Transition Declaration, first adopted at COP26 in Glasgow. Signatory countries commit to ensuring workers and communities—especially in “sectors, cities, and regions relying on carbon-intensive industries and production”—are supported as they transition to a clean energy economy. Now is the time for Australia to make good on that commitment by establishing a national Energy Transition Authority.

The stakes are high. Without effective federal planning, coordination, and leadership on this issue, Australia will undergo an unjust transition, in which the costs are concentrated in Australia's traditional energy regions, causing economic stagnation and social upheavals that hurt workers, regional businesses, and communities—and ultimately slow the progress of the clean energy transition.

We have witnessed this scenario play out in the Appalachian region of the United States. Though the Appalachian coal industry has been in decline for decades, no authority was established to support workers and communities reliant on the industry or to diversify the regional economy. This policy vacuum has trapped Appalachian coal regions in a cycle of intergenerational hardship, with rising unemployment, declining health outcomes, and some of highest poverty rates in the country.

In contrast, countries like Germany and Spain have preempted this scenario by establishing dedicated, well-funded national authorities to not only mitigate the risks for energy workers and communities, but to help them seize the enormous opportunities to participate in and benefit from the clean energy transformation. It is past time Australia did the same: in the last ten years, we have witnessed the closure of seven coal-fired power stations, and seven more are due for closure before 2030. The issue is already urgent, and will only get more so.

That is why we are calling for the establishment of a national Energy Transition Authority with dedicated funding and a long-term mandate. A national Authority with tripartite governance is vital to ensuring the level of coordination, durability, and leadership necessary to shepherd a genuinely just transition over several decades. The Authority would play three primary roles:

- Worker Support: develop and administer comprehensive labour adjustment packages and policies to guarantee all workers affected by the transition have access to quality, secure, and safe jobs in new industries, retirement and early retirement packages, or income replacement when the former options are not possible.
- Regional Economic Diversification: support regional transition bodies to develop and fund robust and iterative economic diversification plans driven by diverse local stakeholders, while using federal incentives and investments to drive new opportunities, particularly clean energy industries, into transitioning regions.
- Education and Training: collaborate with Jobs and Skills Australia and the relevant Jobs and Skills Councils to develop new education and training packages, and support new educational institutions as needed, to meet the workforce demands of new industries established in energy regions.

Across its remit, the Authority should engage the States and Territories and work to ensure everyone has access to opportunities in new industries, including workers directly affected by the transition, women, Aboriginal and Torres Strait Islander workers, and people experiencing poverty and/or long-term unemployment.

The regions that have kept the lights on in Australia for generations need our support as we build toward a net zero future. Establishing a robust national Energy Transition Authority this year will allow all Australians to work toward that future with confidence, knowing that no one will be left behind.

Sincerely,

