

TRANSFORMING VICTORIA



**Friends of
the Earth
Melbourne**

TRANSFORMING VICTORIA

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We acknowledge the Traditional Owners of the lands of Victoria and that sovereignty has never been ceded. We pay respects to Elders past, present and emerging. Aboriginal and Torres Strait Islander people continue to play a pivotal role in environmental and social justice struggles, and any vision of the future must be done in direct consultation and collaboration with First Nations People.

INTRODUCTION

A Vision for a Fair and Just Transition

There is an urgent climate imperative to transform our economy. The Intergovernmental Panel on Climate Change report (2018) concludes that, by 2030, global emissions must drop by 45% from their 2010 levels if we are to avoid exposing hundreds of millions of people to serious climate-related hazards. A growing body of mainstream climate science says that we need to achieve deeper targets earlier if we are to avoid catastrophic climate change.

We are already in the middle of a largely unplanned transition in our national and local economy, partly due to the forces of economic globalisation and partly through technological changes to the energy system. Because it is unplanned, many aspects of the change are unjust. At the national level, there is already wage stagnation and an industrial relations system which works against the interests of workers. Many aging coal-fired power stations are nearing the end of their lives and the native forests sector is clearly unsustainable and on the verge of collapse. The economy is undergoing a market-driven transformation and many of these changes are bad for blue collar workers; for instance, as was shown by the closure of the Australian car industry.

Without a fair and just transition (FJT) plan, we believe that the inevitable impact of future changes will disproportionately fall on workers and communities who are currently reliant on the stationary energy sector (electricity production from large power stations), fossil fuel extraction, forestry products, and associated downstream industries.

Both state and federal governments have allowed, or encouraged, previous destructive transitions. Privatisation such as happened in the Latrobe Valley, and the 'economic reform' and neoliberal programs of the Hawke, Keating and Howard eras hurt the poorest and most vulnerable in our society. As noted by the ACTU, previous industrial transitions have increased inequality.

As noted by Tony Maher of the CFMMEU, 'workers in Australia have spent decades being restructured ... generally without justice or fair burden sharing'.

And as noted by organisers in the Electric Trades Union (ETA), in most previous transitions, 'we privatise the profit and socialise the risk'. For instance, the privatisation of the State Electricity Commission (SEC) by the Kennett government delivered \$22B in asset sales to government, which benefited the state budget, while the people of the Valley paid the financial and social costs of privatisation. 7,500 direct jobs were lost, yet there was no state government plan for transition.

We must ensure these next transformations do not repeat the mistakes of previous changes. We also need to understand that we must act on the climate crisis at an unprecedented speed and scale if we are going to prevent increasingly disastrous climate change, or protect the community from the impacts. The Australian and Victorian governments should create a Just Transition Authority to plan, oversee and manage the required, and inevitable, transition to a low carbon economy.

WHAT IS THE GREEN NEW DEAL (GND)?

At present there is a growing local, national and global conversation about the need for a 'Green New Deal' (GND).

Clearly the current economic system is not working for many people in society. It has comprehensively failed to halt climate change or protect the environment. Inequality and social exclusion continues to grow. The 'gig' economy has forced many workers into precarious employment. Disillusionment with the status quo means that many people are open to alternatives in a way that would have been unthinkable just a few years ago. This can be both positive (support for new progressive proposals about the economy) and deeply concerning (potential for support of racist and nationalist agendas).

Our proposal to transform Victoria is influenced by the demands for a Green New Deal.

"The Green New Deal package covers a range of progressive economic reforms, and seeks to make direct links between improving the fairness of the economic system, while supporting investments in new clean energy industries and taking action on climate change."

The package developed by US Democrats includes commitments to reaching 100% renewable energy by 2030, the introduction of a carbon tax and the elimination of greenhouse gas emissions, along with guaranteed employment, affordable healthcare and sustainable wages".

Significantly, a GND type approach to climate policy and the economy has the potential to reset state and federal politics and break the divisive 'greenies versus coal miners' narrative that is being used so successfully by the Murdoch press and Coalition MPs to put a brake on meaningful climate action.

The following proposals form the basis of a plan for a 'Green New Deal' style approach which would end market-based change and start the orderly, planned transformation the Victorian economy.



A TRANSITION PLAN FOR VICTORIA

With the closure of the Hazelwood power station and likely early closure of Yallourn, there is no doubt that the fossil fuel sector is undergoing profound change. The Victorian government needs to acknowledge what is happening – that there will be further closure of coal fired power stations – and assure the community that it is planning for a funded and orderly transition program. Ignoring or denying the inevitability of future closures just fuels cynicism in the community.

Systemic change

A Green New Deal approach requires a whole of government approach which aims to transform the economy. In Victoria, the government is currently trying to sit on both sides of the climate debate and therefore taking a series of decisions which are at odds with each other when considered in light of the imperatives of climate change. For instance, banning fracking but encouraging offshore gas exploration, promoting renewables but not planning for coal closure, and backing the metro tunnel while planning massive new mega roads. It needs to adopt a consistent approach to state-wide decision making. In Victoria this will require:

- putting the state budget process within the framework of a ‘climate budget’, where all investment decisions are taken after considering the climate change implications of each decision.
- The re-build of the Climate Change Act (CCA). The CCA was weakened by the Coalition while they were in power. The Andrews government has already rebuilt the Act through measures like re-inserting the need to set emission reduction targets
- Setting science based emission reduction targets, as required in the CCA. This process is currently underway
- The government should enact No More Bad Investment legislation, which would ban all new climate-damaging projects in cases where safe climate alternatives already exist.

Oversight

We need a Just Transition Authority (Transition Victoria or TV) to plan, oversee and manage the required – and inevitable transition. TV should be established in a way which is mindful of the likely eventual creation of a national Energy Transition Authority, or Just Transition Authority, as has been proposed by ACTU, the CFMMEU and other unions. The existing functions carried out by the Latrobe Valley Authority (LVA) need to be incorporated into TV. It is likely that similar transition work will be needed in regional centres like Geelong and Shepparton if we are to adequately prepare for the impacts of climate change.

The government should appoint a Minister for Transition. Their brief should be to oversee the transition process, ensure appropriate coordination between TV and the LVA and other local transition authorities, and directly report to premier and cabinet.

Basic principles of job creation

As noted elsewhere in this report, change generally equals job loss, which causes anxiety and difficulties for affected workers, their families and communities. Working to create well paid, secure union jobs must be the cornerstone of the transition.

Where jobs are lost in coal, forestry, oil or gas, new jobs must have – wherever possible – equivalent terms and conditions. The aim must be to create permanent positions where permanent positions are lost.

Because the process of planned transition will affect all aspects of the Victorian economy, it is essential that we seize the opportunity to reduce overall inequality in our society. Job creation in new sectors should aim to reduce overall inequality in society through creating targeted intake programs for Indigenous and other excluded communities.

Jobs guarantee through infrastructure.

It is essential that the government establish a pipeline of jobs to ensure ongoing employment and certainty for workers who are prepared to retrain to change work. Public transport infrastructure and renewable energy are two obvious sectors where a pipeline of projects can be managed to be delivered sequentially, thereby ensuring continuous employment.

Everybody deserves to have access to a good job as part of Victoria taking rapid, economy wide action on the climate crisis. A policy of ensuring a jobs guarantee would mean we can take the action needed to rein in the climate crisis while combating rising inequality.

Regional planning

Transition in the energy sector is happening around the world. There are lessons from other countries which should be considered in shaping our transformation. For instance, overseas experience demonstrates that it is far better to take a regional rather than ‘plant by plant’ approach. In the USA, coal closures have continued, despite the president’s insistence that coal has a future. This denial means that workers at each plant need to respond to plant closure without significant external support from the federal government. In contrast, in Germany the federal government is developing plans for transition at the regional level in major coal reliant communities. This leads to efficiencies of scale, greater opportunity for employment transfers and training, etc.

In Germany, the transition has been based on the concept of social dialogue – joint planning for the future involving government, unions and other major stakeholders. Pooled redundancy programs and allowing younger workers to rotate into positions in remaining mines and power stations while older people took early retirement has been pivotal in maximising social benefits. In Victoria, future closures need to be supported by an industry wide redundancy scheme and appropriate support from the federal government/ATO to ensure all early retirements are treated as redundancies.

State/federal co-operation

Victoria could soon be home to the world’s largest offshore wind farm, the landmark Star of the South offshore wind proposal. To make the most of this opportunity, the Victorian government should consider the importance of this project within a regional planning approach that can maximise local job creation in the Latrobe Valley and Gippsland more broadly. The Latrobe Valley Authority must be specifically tasked with assisting workers from the Latrobe Valley and offshore oil and gas industry in Gippsland in gaining employment on the Star of the South project.

As the offshore wind sector is likely to be built in Commonwealth waters, a national plan to develop the sector must be developed as a matter of priority. The Victorian government should be prepared to collaborate with other states and the federal government to establish a fleet of specialised vessels for the construction of offshore wind projects.

As part of a meaningful response to the threat of climate change, the Commonwealth government needs to develop an understanding of the offshore wind resource and associated available infrastructure and resources like port facilities, grid access and workforce location around the country.

The Commonwealth should, as a matter of urgency, develop a nation wide regulatory framework to guide the development of the offshore wind sector. This process should be kept separate to the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA). It is essential that workers in the offshore wind sector enjoy the same Work Health and Safety rights as other workers.

Safe Work Australia should develop codes of practise for the renewable energy sector at the national level. Developing offshore wind will bring specific occupational risks and challenges compared with onshore construction, and hence a distinct code is required.

Build community power

This report is an appeal to the state government to recognise the reality of impending change being faced by a range of industries, including coal and native forest logging, and respond by leading in the development and funding of transition plans.

But we know that without strong community buy in and support, any plans developed by government may struggle to be delivered effectively and strategically. Affected communities and unions need to be deeply involved in framing the plans for each sector and the regions as a whole.

Building community power is also an end in it's own right. Empowered communities have stronger resilience, more agency and greater control over their lives, and better social cohesion and engagement.



Building resilient communities has benefits beyond strong climate action

CITIES AND URBAN FORM

Transport

Transport is how we connect people and places, and transport justice means ensuring equal opportunity for everyone to move around Victoria. With the current priority of building toll roads, people and communities without access to public transport are overlooked.

Residents living in the outer suburbs have limited access to reliable public transport, and those without access to a car are locked out from accessing work, education and services. The cost of running a car can put a significant economic strain on families. Those living further away from the city often have to commute long distances in cars, impacting our health, social connections, environment and economic productivity. In order to achieve transport justice, everyone should have the option to take public transport.

Shift the money and fund PT. The transport sector [is the second largest](#) and fastest growing source of polluting greenhouse gas emissions in the state. We need a massive expansion of public transport infrastructure. All future state and federal budgets should direct transport spend away from major road projects and into major PT infrastructure projects. As an example, in Melbourne this would include:

- Metro Tunnel 1 (now underway)
- Metro Tunnel 2, which is a proposed extension to the Melbourne rail network, consisting of a tunnel from Newport to Clifton Hill via the city centre,
- the suburban rail loop, and
- the airport rail link

These projects would transform our city. They would position Melbourne as being ready for a climate constrained future, take many thousands of cars off the road, improve air quality, decrease the incidence and costs of road accidents, and free up existing road networks for those who do need to drive such as our emergency services.

We acknowledge the many impediments to sustaining our current transport infrastructure build, including limits on availability of suitably skilled staff, and a small pool of contractors able to manage projects of this scale. There are real limits on availability of resources like sand and gravel. This highlights the need to shelve the North East Link and prioritise new PT projects.

Power the public transport network with renewables. The government has already committed to power the metro tram network with renewable energy. This has resulted in the construction of two new solar farms near Shepparton and Robinvale in northern Victoria.

The government should also commit to bringing the train network onto 100% renewable energy. Other states and cities are making the same move. For instance, the Dutch national railway company NS announced last year that the Netherlands' entire train network is now running on electricity generated by wind energy.

Additional demand for renewables to power PT will continue to drive the development of new renewable energy supply across the state.

The government should continue to support the **local manufacture of electric buses and vehicles**. Buses carry 20% of PT users in Melbourne. All new buses brought into the network should be electric. This would have direct public health benefits because of improved air quality as pollution from particulate matter would be radically reduced. [Electric bus manufacturing](#) has already commenced in Australia. Production is based in Avalon, with the aim to be one of Australia's manufacturers of 100 per cent locally made electric vehicles. The production facility will initially employ 500 people, building vehicles and eventually self-charging battery technology.

And in the Latrobe Valley, plans for a new electric vehicle factory are getting closer, with the signing of a memorandum of understanding between manufacturers SEA and TAFE Gippsland.

Better bus services. An expanded, made in Victoria, bus network connected with other transport modes with guaranteed high levels of frequency, reliability and safety would both create more jobs in public transport, enable Victoria to cut transport emissions and improve urban liveability.

Electric trains for regional networks. Government should investigate the economic costs of transitioning the design of regional trains to be able to run on renewable electricity (in areas where electrification of the network is economically viable) or other renewable energy sources (eg bio diesel).

New trains and trams. As population grows, it is essential that existing PT infrastructure keeps up with demand. Government initiatives to invest in upgrading every regional line in Victoria must be welcomed. Future budgets must continue to provide funding for additional regional transport capacity.

High speed rail. The government should actively support the development of a high speed rail link between Melbourne and Sydney.



Victorians are calling for a Community Powered Transport Plan

CITIES AND URBAN FORM

Housing

Build green. With the huge scale of the infrastructure build currently underway across Victoria, it is important that the government specify the use of 'eco cement'. Eco-Cement is a type of cement which incorporates magnesium oxide (magnesia) and wastes to make it more environmentally sustainable. Eco-Cement uses a lower heating temperature during manufacturing, so less fossil fuels are used. Wastes such as fly and bottom ash, slags, etc can be included. Eco-Cement absorbs CO₂ from the atmosphere to set and harden, and can be recycled.

Housing and homelessness is an enormous and growing problem across Australia. The federal government must establish an ambitious 'homes for all' program to reduce homelessness. The state government needs to support and help fund such a program.

Specifically, the state government should commit to **ensuring that 3,000 new affordable housing properties are built per year for the next ten years**. This new housing stock should be built at an 8 star or above energy standard, to ensure they are climate ready and able to be run cheaply by tenants on limited or fixed incomes. The two main policy mechanisms to do this are outlined below.

First, the state government can ensure that new housing stock is built by increasing continued **funding for new public and community housing properties**. Commitment in the 2019/20 budget of \$209 million for public housing, as part of a promise to build 1,000 new homes over the next three years, is a good start.

Second, the state government must leverage planning mechanisms to increase the supply of affordable housing. This ensures that new affordable housing stock is built without spending tax-payers money. Specifically, we encourage the state government to mandate that a proportion (ideally 10-20%) of any new residential housing development is reserved for affordable housing. While the Inclusionary Housing Pilot is a good first step, keeping up with demand for affordable housing will require more ambitious targets for affordable housing in the near future.

Home energy retrofit program. The state government should commit an annual minimum budget to fund a continuous home energy retrofit program. This will ensure continuous rather than precarious employment for those engaged in this work.

Public and social housing should be prioritised in this program. The Andrews government has already initiated retrofit programs, including in the Latrobe Valley, and it should continue to set a minimum annual target of homes to receive retrofits for low income communities. Funding for rapid removal and replacement of fire prone cladding on public housing should be a priority.

Make new homes more efficient. By implementing a higher mandatory efficiency rating on all new building developments – for instance building to 8 star or above energy efficiency ratings, Victoria could achieve better social, economic and environmental outcomes. Energy efficient buildings tend to be cheaper to run, reduce emissions and contribute to more sustainable infrastructure, and generally improve the lives of residents and workers.

Planning laws need to be reformed to mandate net zero carbon emissions in the construction of all new homes and non-residential buildings within 2/3 years and zero emissions by 2030.

Solar homes program. The state government has created the 10-year Solar Homes program, which it says aims to ‘boost energy supply, drive down power bills and create a huge pipeline of work for the industry in Victoria’.

The Victorian Budget 2019/20 invests \$1.3 billion [to roll out the next phase](#) of the Solar Homes Package. From 1 July, rebates will be available for solar panels, hot water systems, batteries and zero-interest loans so Victorian households can install half price solar with no up-front costs. This is exactly the type of government intervention we need to see.

Energy shift from gas to renewables. The Victorian Government needs to help reduce our energy needs and help citizens ‘energy shift’ from gas to electricity. As shown in the Melbourne Energy Institute (MEI) report [Switching off Gas](#), rising gas prices are driving consumers to “fuel-switch” from gas to electricity as building owners and managers install heat pumps and replace gas stoves with efficient and controllable induction cook-tops. Increasing uptake of rooftop solar photovoltaic (PV) systems and fast-evolving battery storage technologies will further accelerate what is often called ‘economic fuel-switching’, moving from one source of energy to another to save money.

Economic fuel-switching results in significant energy-cost savings for former domestic gas consumers. Based on analysis by MEI and the Alternative Technology Association, people living in up to one million homes across eastern Australia (and most particularly in Victoria) can start saving money on their heating bill if they switch off their gas heater and start using their reverse-cycle air conditioner. The government can assist this process by educating consumers about the economic benefits of shifting.

Relying on gas only locks families and businesses into higher energy prices. More renewable energy should bring down the price of energy. The government should therefore stop supporting the roll out of gas pipelines to new towns and suburbs that are not currently on the gas network. Additionally, any existing local or state government planning DA requirements to have connections to gas should be removed throughout the state.

ENERGY AND ECONOMIC DIVERSIFICATION

The Victorian Government is beginning to drive change by setting renewable energy generation targets of 25% by 2020 and 40% by 2025, and aiming to have net-zero carbon emissions by 2050. However, Victoria is still heavily reliant on fossil fuels, particularly for electricity and travel.

The Latrobe Valley has generated the vast bulk of the state's electricity needs for 90 years and needs to be at the centre of the discussion about transition.

We need a rapid transition to 100% renewable energy. This means we must greatly increase the VRET targets. The Greens suggest VRETs of 30% by 2020, 50% by 2025 and 100% by 2030. The government has taken the first step in re-establishing the VRET after the target was abolished by the Coalition. It is anticipated that the current targets will create more than 10,000 jobs, and extending the VRET will ensure a continued pipeline of employment for workers in the sector.

Deep emission reduction targets will transform the economy. The Victorian government has committed to setting 5 yearly emission reduction targets (ERTs). It is essential that the 2025 and 2030 are based on the best available climate science, not political expediency. This is the opportunity we need to seize to start the transition towards a low carbon economy.

Public ownership of energy and infrastructure. When considering climate change, renewable energy is the best form of energy. And when equity and justice is of concern, then publicly owned energy is the best. The Victorian government recently invested in the Heyfield timber mill. It should be prepared to also invest in, own, and build renewable energy projects, especially in and around the Latrobe Valley.

In addition to encouraging public ownership of energy, public ownership of transmission networks should be pursued as existing contracts with grid managers expire.

Unlocking new sources of clean energy through extending the grid. Transmission has emerged as a key bottleneck for future renewable energy projects. As it stands, the market is failing to deliver the transmission required to unlock new sources of wind and solar that we will need to rapidly transition the energy market to 100% renewable energy. This means governments – state and federal – and companies producing electricity have a key role to play to build the resilience of the grid. At the same time, gold plating of electricity networks under a guaranteed revenue model has contributed to exorbitant electricity prices.

Given the poor outcomes produced by the privatised energy system for workers, communities and households, the benefits of building the new publicly owned energy system should be shared with the public.

The Victorian government should seek to build a publicly owned transmission network in line with the key 'Renewable Energy Zones' identified in the Australian Energy Market Operator's Integrated System Plan.

Unlock community led renewable energy. Communities have a vital role to play in the shift to renewable energy. Following the 2014 state election the incoming Andrews government made a commitment to support community wind projects by repealing the worst aspects of the previous Liberal government's VC82 anti-wind laws.

Groups like the Macedon Ranges Sustainability Group (MRSG) have long held a vision for establishing a community led wind farm in their region, which has been held up by 'no-go' zones established as part of the Baillieu-Napthine government's anti-wind laws. Communities who want to participate in the renewable

energy economy should not be restricted from doing so. The Andrews government can unlock the potential of community energy by enabling the development of community led renewable energy projects in “no-go zones” established by the Baillieu-Napthine government.

A not-for-profit energy retailer. The government has already acted to increase the power of consumers to get better deals from electricity providers. But price gouging remains a problem across the industry.

Establishing a publicly owned, not for profit energy retailer whose brief is to deliver lower cost renewable energy to consumers would provide tangible benefits including driving demand for renewables, and assisting the energy transition, while supporting low income communities and individuals who are struggling to pay their bills.

This means supporting **Co-operative Power Australia**. The government should actively support the development of [Cooperative Power Australia](#) (CPA), a newly formed cooperative for Australia's energy sector. CPA says that this model ‘takes the power back from huge energy corporations, for the benefit of people and our planet. It's a new way for people to buy energy and have a say in how it's created and how much it costs’.

CPA members are unions, community groups, NGOs, and other cooperatives.

The government should rule out further development of fossil fuels in the state. This should include:

- A permanent ban on the further development of unconventional gases such as shale, coal seam gas and tight gas, and use of the process of fracking [DONE]
- A permanent ban on all onshore fossil fuel development, including new conventional gas reserves [A moratorium, which is due to expire on 30 June 2010, is currently in place.]
- A permanent ban on any further development of further offshore oil and gas reserves
- A permanent ban on further development of brown coal reserves
- A commitment to rule out any further public funds being allocated to further uses of brown coal, including the coal to hydrogen project in the Latrobe Valley and the carbon capture and storage project (CCS) currently being pursued at 90 Mile Beach in Gippsland. CCS has already absorbed more than \$1 billion in taxpayer funds. In future, such allocations should go to proven renewable and storage technologies.

Game changing renewable projects in Gippsland. The state government should commit to actively supporting the development of the Star of the South offshore wind project (planned for South Gippsland) and the Delburn wind project (just south of the Latrobe Valley). In the short term, the brief of the Latrobe Valley Authority should be extended to ensure close collaboration with the developers of both these projects and unions based in Sale and the Latrobe Valley.

Commit to investing in the Valley. Renewable energy will share the benefits of energy production more widely across the state. Without government leadership, the Latrobe Valley could be left behind as energy investment continues to move to greenfield development sites in the west of the state. There must be a commitment to long term investment into industry cluster areas in the regions that are currently reliant on coal and gas. This includes the Latrobe Valley and Sale.

Given the likelihood that state budgets will tighten in the next few years, one option is to allocate income from mining royalties to be used exclusively on transitional programs in the Latrobe Valley. The CFMMEU

Mining and Energy Division based in the Latrobe Valley recommends that 'at least' a third of coal royalties should be spent in the Valley.

Policy and programs to support the Latrobe Valley. Further consideration of place-based policy to support the Latrobe Valley community economically, socially and culturally are also important. Many residents of the Valley say the community is still recovering from the transition required after the government of Jeff Kennett privatised the State Electricity Commission, as well as the state's largest industrial disaster, the Hazelwood mine fire, which burned for 45 days. We urge the government to spend more time in the Valley listening to community leaders in order to demonstrate to people in the Valley that key decision-makers in government are willing to listen and respond to their concerns. Regularly holding state cabinet meetings in the Valley would create such an opportunity.

The Latrobe Valley Authority is an excellent start for place-based policy and programs in the Valley. However, more is needed for the whole community to develop trust in and engage with their work. Much of their work currently focuses on infrastructure projects; however, it's worth considering supporting them to engage more with vulnerable members of society as they are most at risk economically and otherwise as the transition away from coal speeds up. This could be done by, for example, ensuring that the Latrobe Valley Authority engages closely with community services including neighbourhood houses and men's sheds and prioritises more community projects in their budget.

Keep the momentum going. The state government has shown solid leadership in establishing the Latrobe Valley Authority and investing \$266 million into it's work. In the short term, the Victorian government should commit funds to ensure the LVA has a viable future. The Authority is nearing the end of it's funding and at the current rate will be forced to close by mid 2020. In the 2019/20 state budget there was no additional allocation of funds to the Latrobe Valley, despite the area still undergoing the process of economic and energy transition.

Economic transition is not a short and neat process that only happens every few years when a power station is closed. To ensure that the Latrobe Valley has a diversified economy that supports community wellbeing it is important to treat transition as the ongoing process that it is.

The multinationals must pay up. The companies that own the remaining coal fired power stations have made many millions of dollars of profit from the work of people in the Valley and the use of Victoria's resources. They must not be allowed to walk away from the Valley when they close their plants and expect the taxpayer to cover most of the bill for transition.

At the very least, when companies exit the Valley, remaining companies should be required to prioritise recruiting from the pool of retrenched workers in any hire of staff.

RePower the Smelter. The government should work with Alcoa and local unions to identify a pathway to see the Portland aluminium smelter powered by 100% renewables. The current contractual arrangement for power supply ends in August 2021, so it is essential that these negotiations start as a matter of urgency. This is likely to require further additional investment in the electricity grid in western Victoria, potentially including links to the north west of the state where the solar resource is excellent.

Fix the grid. As noted earlier in this document, it is clear that there are physical constraints to the continued development of more decentralised power supplies like wind and solar, especially in western and northern Victoria. This has been recognised by AEMO. The government must, as a matter of urgency, identify these constraints and the need for additional infrastructure (for instance greater connectivity between western

Victoria and the north west of the state and Melbourne and western Victoria). Renewable energy companies and the federal government will both have to be involved in this process.

Energy storage should be focused on the Latrobe Valley. The government should enable investment in 1GW of grid batteries. Researcher Jonathan Prendergast [says that one gigawatt of battery storage](#) could mean Victoria 'no longer needs the 45-year-old Yallourn brown coal power station'. This could be done via reverse auctions as is currently being done under the VRET for energy supply for battery energy service contracts, or possibly through a direct investment program. A target for storage should have a percentage reserved for building storage capacity in the Latrobe Valley.

Mine rehabilitation. The proposed redevelopment of the old mine site at Anglesea shows what is possible. As existing coal production ramps down and less coal is required, [mine rehabilitation](#) offers local employment, and offers opportunities for people with a range of skills. There are obvious public health benefits associated with mine rehabilitation.

The mining union proposes that in any demolition of coal infrastructure and mine site rehabilitation, ex power and mine workers must be offered work first. Then other local labour may be employed, and outside workers used as a 'last resort'. Work should be done over time to ensure security of employment, rather than using a major contractor to do the work quickly.

Pumped hydro. There are various proposals for pumped hydro in the Valley. One proposal comes from Paul Treasure, and was suggested as an [alternative to Snowy 2](#) and could be sited to take advantage of local infrastructure including the Thompson Dam. There are a number of other [smaller pumped hydro projects](#) including one proposed by Barfoot using the Yallourn open cut.

Geothermal. The Latrobe Valley has a geothermal energy source. The government should fast track developing an assessment of whether this resource is of a commercial quality, with a view to establishing a pilot project in the Valley if it is deemed to be viable.

CREATING JOBS WHILE CUTTING EMISSIONS

Transition oil and gas workers. Every effort must be made to ensure jobs are available for oil and gas workers currently employed in this sector in Bass Strait. There should also be a direct deployment opportunity for workers from power stations, mining and related work in the Latrobe Valley. This will require funding for training to ensure the workforce is prepared. Star of the South is expected to create more than 10,000 indirect jobs in the construction phase, 2,000 direct construction jobs and 300 ongoing jobs during project's the twenty five year operational lifespan.

Make sure qualifications work for coal workers. Even when employees move from similar jobs in one sector to another (for instance, an electrician from a coal fired power station moving to work in solar installation), there can be problems with their qualifications. An electrician might have formal qualifications (A Grade Electrician) but having spent years/decades working on high voltage systems, they may be forced to become an apprentice to get the skills they need to go into residential electrical contracting, leading to a major drop in income. These practical issues must be managed to ensure workers can move reasonably easily from one sector to another.

Good jobs. Developers must be required to ensure renewable energy projects meet minimum labour standards and procurement requirements. Procurement plans must also identify what percentage of materials and equipment must be sourced locally. Future auctions that occur through the VRET should have to ensure they will involve unions in EBA negotiations for workers.

Renewable projects should all be required to have an allocation of positions for apprentices.

The existing [social procurement framework](#) is an excellent basis for ensuring good social outcomes in major projects.

The solar industry needs particular attention. The use of sub-contractors to do installations is bad for everyone (except for profits) and is a further barrier to power sector employees transitioning to the renewable energy industry. However, the Victorian and federal government have levers in this space as a result of the Small-scale Renewable Energy Scheme ([SRES](#)) and Solar Homes program. They have the ability to make their funding contingent on a solar retailer having a certain percentage of permanently employed installers, and should do so.

Union jobs. There are, of course, two key considerations for people currently employed either in stationary energy or the forests sector. Firstly, a shift may impact on which union covers them. Secondly, will new jobs come at an equivalent pay rate? Both of these highlight the need for unions to come to the table and support planned transitions, rather than oppose them until transition becomes inevitable and their bargaining power is eroded.

Tracking conditions in renewables companies. It is important that the renewable energy sector understands that the community wants to see local people employed wherever possible. By choosing to employ workers on temporary overseas visas, they put the social license of the sector and community support for renewable energy at risk. Outsourcing to low skilled workers should be prohibited.

Support Earthworker. [Earthworker Cooperative](#) represents a significant leadership role by the Victorian Union movement on jobs and climate. There are now a number of cooperatives under the Earthworker Cooperative umbrella, and there are now, also, existing regional cooperatives joining. The Earthworker Co-op's pilot project is the establishment of Australia's first worker-owned factory, making renewable energy appliances and components.

Located in the heart of the Latrobe Valley, the Earthworker Energy Manufacturing Cooperative is part of ensuring a just transition for communities affected by the move from fossil fuels to renewable sources of energy. This represents a real opportunity for government through procurement into public housing and government buildings, and also wherever government is the employer, through cooperation with the union movement by facilitating the right of workers to choose the cooperatively made green goods instead of or part of cash wage rises within EBA negotiations. Earthworker combines practical outcomes through creating jobs in manufacturing and climate action.



Earthworker Cooperative factory in Morwell

LAND MANAGEMENT, WATER AND REGIONAL COMMUNITIES

Forests and the Latrobe Valley

There are major opportunities for our native forests, and forestry in general, to be part of the reduction in greenhouse emissions in Victoria, as well as protecting and enhancing wildlife and water security, and creating jobs across a spectrum of industries and businesses. This includes the transfer of existing forest logging jobs to other similar jobs involving repair of native, public forests, and forest establishment on other public and private land, and putting native forest sequestration of carbon on an economically sustainable footing.

It is abundantly clear that current levels of native forest harvesting are not sustainable. Change is coming as a result of market forces and loss of supply (driven by historic over-harvesting and also, to a significant degree, by the increased fire activity we are seeing as a result of climate change). According to long term research of Victoria's central highland forests "logging has caused an 'extinction debt' that is highly likely to trigger an ecosystem-wide collapse within 50 years" ([Burns, Lindenmeyer et al 2017](#)). These are the forests that Melbourne relies on for its drinking water, clean air, moderation of temperature extremes, and for many people, recreation and tourism.

While the government needs to establish a comprehensive transition plan for the native forests sector, this process is beyond the scope of this report. However, the transition, and potential for employment and economic disruption, needs to be dealt with in conjunction with the transition of the stationary energy sector. The LVA is already playing a significant role in supporting former workers from the Carter Holt Harvey facility transition into other work. The government has already intervened to assist workers transitioning out of the sector. For instance, when two small timber mills closed in 2018, the Victorian government funded a number of DELWP roles in the area to act as a buffer for affected workers.

THERE ARE SOME OBVIOUS ASPECTS OF TRANSITION RELATED ACTIVITY WHICH WERE OUTLINED IN THE RECENT INDEPENDENT EXPERT ADVICE ON INTERIM TARGETS (THE [COMBET REPORT](#)) WHICH WAS PREPARED FOR THE STATE GOVERNMENT.

It notes that there are "opportunities to substantially increase the carbon sink provided by Victoria's land sector ... The next largest opportunity (beyond electricity generation) is Victoria's land sector with significant potential to increase the carbon sink from on farm forestry and changes in forest management on public land. Unlocking this opportunity is highly dependent on strong policy action" (p 9 and 10).

The Combet report makes reference to the opportunities that rethinking native forest management can contribute towards Victoria's carbon emissions reduction.

"The Panel believes that the IPCC special report on 1.5°C of warming points both to the need to start reducing emissions as quickly as possible, and to the importance of investigating options to remove carbon dioxide from the atmosphere. This could involve supporting research and development for carbon dioxide removal technologies and, more immediately, developing policies to support increased emissions sequestration through reforestation and forest management, where appropriate, alongside other policy priorities such as biodiversity protection, water, food production and regional jobs and economic development" (p 33).

The Fenner School of Environment, which has carried out work on the contribution of Victoria's forests to emissions, and potential reduction in emissions in association with DELWP, has already noted that "native forest logging results in significant greenhouse gas emissions, because, typically, less than 5% of the biomass carbon of logged forests ends up as long-term timber products" and "logging of several thousand hectares of Victoria's Mountain Ash forest each year produces emissions equivalent to about one-third of the annual greenhouse gas emissions of Yallourn power station."

The transition out of native forestry logging can make a major contribution to reducing Victoria's emissions, for two reasons:

- Firstly, native forest logging currently makes up a significant proportion of the greenhouse gas emissions in Victoria. By stopping logging, we can stop these emissions.
- Secondly, Victoria's forests are the most carbon dense in the world. Given a chance to continue to grow, they are highly effective at removing carbon dioxide from the atmosphere.
- In the case of the Valley and surrounding area and transition in the native forest logging sector, there are employment opportunities in
 - Plantation establishment on farmland
 - Ecological restoration in areas currently harvested for timber
 - Fire control and management in native forests
 - In time, employment in harvesting native timber from plantations is an option



We need to protecting native forests and redeploy affected workers

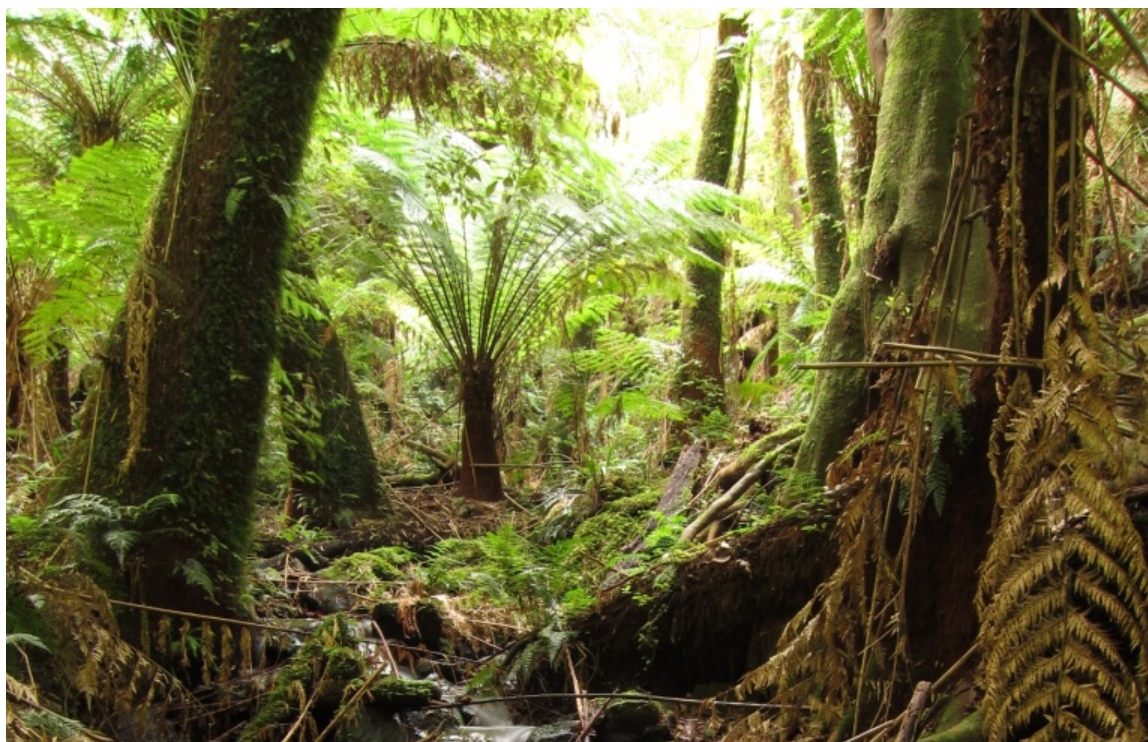
Climate change is making fire seasons longer and more extreme. What is clear from recent fires across Victoria which have destroyed plantations in places like the Strzelecki Ranges, is that Victoria needs increased capacity to fight wildfire. There is an argument for the establishment of a significant permanent wildfire fighting force based in the Latrobe Valley to manage and respond to fire risk in the *Strzelecki* Ranges, Central Highlands, East Gippsland and Central Alps region of the High Country.

Additionally, the creation of the Great Forest National Park (or equivalent) is expected to generate up to 760 FTE jobs. It will also result in a major increase in economic activity in the region, well in excess of existing financial returns from logging native forests in the area. Returns to the state budget, through tax revenue raised from this economic activity can, over time, ensure that restoration of these forests is cost neutral. This would mean that additional government contribution to emissions reductions by protecting forests can be cost neutral.

The cessation of logging will require a renegotiation of the government Resource Supply Agreement with Maryvale Pulp Mills (Nippon). This could be achieved by replacing the existing native trees that feed the mills at Maryvale with the mountains of recycled paper that are currently stored across Melbourne, and more widely in Victoria. This would ensure that existing jobs at the mill will be protected.

A major reduction in use of native forest timber for pulp production can be achieved by collaboratively developing strategies between the state government, Nippon and the NGOs and communities of Victoria. This would be aimed at increasing (again) Victorians' use of paper made from higher quality recycled paper, along with supporting a re-fit the pulp mills as appropriate for producing greater amounts of paper from recycled material.

In summary, there is a future for workers in forestry related industries in Victoria, based on a rethink of what these jobs look like, and what they are producing, with appropriate transition of workers into these new types of production (repairing forests for carbon sequestration, biodiversity protection, and new economic activity based on new reserves; producing paper from recycled resources rather than native forest wood).



The Kuark Forest in East Gippsland must be protected for future generations

Water and Regional Communities

Socio-economic decline has been seen in many regional communities with the automation and mechanisation of agricultural labour, reduction in services and lower farm gate prices for many commodities. The impacts of unsustainable agricultural practices are increasingly being seen through soil erosion, pesticide use, land clearing and unsustainable irrigation.

The poor condition of the Darling demonstrates the impacts of failed water management, unsustainable crop selection and over extraction of river water.

An economy in transition would assist communities move toward more community supported agriculture and local produce grown with consideration to water use in a changing climate as well as assisting irrigation economies to diversify.



Victoria should adopt a basin wide focus to restore health to the Murray Darling once and for all.

WHO SUPPORTS A FAIR AND JUST TRANSITION?

Shadow environment minister Tony Burke [has called for](#) the Labor party to adopt the 'Green New Deal' approach that has been developed by some leading US Democrats.

Greens climate change spokesperson Adam Bandt says that the Greens would support an approach that reflected the Green New Deal package.

A growing number of organisations, including: Earthworker, Friends of the Earth, 350.org, AYCC, LEAN, Environment Victoria and YOUNG Campaigns.

A growing number of unions, including: The National Union of Workers.



We need to ensure good, secure union jobs are created in the transition away from oil, coal and gas.

ABOUT THIS DOCUMENT

Prepared by Friends of the Earth (Melbourne). Many thanks to our allies in the trade union and environment movement and community members who provided invaluable feedback on early drafts of this document.

Friends of the Earth Melbourne have been advocating for environmental and social justice for more than 45 years. Our campaigns focus on building grassroots movements in Victoria, advocating for local solutions for local issues.

Friends of the Earth was awarded the Victorian Premier's sustainability award in 2017 for their work to bring about a permanent ban on unconventional gas mining in Victoria.

At the time of writing, we acknowledge the progressive policy and infrastructure already delivered by the Andrews government in Victoria. These include:

- The creation of the Victorian Renewable Energy Target (VRET) and the setting of targets for 2020, 2025, and 2030.
- Legislating the first ever Australian permanent ban on the process of fracking, and promising to enshrine it in the state's constitution.
- Maintaining a moratorium on any onshore conventional gas drilling
- Strengthening the Victorian Climate Change Act and enshrining a target of zero emissions by 2050 in legislation
- Committing \$1.3 billion to a visionary Solar Homes program, which aims to provide half price solar panels at no up-front cost to 650,000 homes
- Starting work on the Metro Tunnel.
- Committing to a 90 kilometre metro suburban rail loop
- Committing to run the metro tram network on renewable energy

In Gippsland, positive developments have included:

- Establishing a \$266 million Latrobe Valley transition package at the time of Hazelwood's closure
- Substantial funds for rail line duplication and other upgrades on the Melbourne to Gippsland rail line. As part of the Regional Rail Revival (RRR) package, \$530 million has been allocated to the Gippsland rail line project to upgrade the track and create 400 jobs.
- \$95 million for the rebuilding of the bridge over the Avon River, reconnecting Bairnsdale to the Melbourne train network.

FURTHER READING

Tony Maher: Why Australia needs a just transition (CFMEU)

<https://me.cfmeu.org.au/leadership-message/why-australia-needs-just-transition>

CFMEU Just Transition resources

<https://me.cfmeu.org.au/search/node/Just%20Transition>

Five reasons why 1.5oC is union business

<http://www.apheda.org.au/5-reasons-1-5-trade-union-business/>

Unfinished business: a 100 day plan for the Andrews government

https://www.melbournefoe.org.au/andrews_100_day_plan

Jeff Sparrow on 'what went wrong in the federal election'.

<https://www.eurekastreet.com.au/article/what-went-wrong-for-labor-on-climate>

What we need to do to keep warming below 1.5oC

<https://www.marketforces.org.au/info/key-issues/keeping-global-warming-to-1-5-c/>

What is the Green New Deal and how would it benefit society?

<https://www.theguardian.com/us-news/2019/feb/11/green-new-deal-alexandria-ocasio-cortez-ed-markey>

Get On Board: The community action plan for transport in Melbourne.

<https://www.getonboard.org.au/>

A Green New Deal for Victoria (2009)

<https://greennewdeal.wordpress.com/the-final-version/>

Zero carbon buses: the case for electrifying Melbourne's bus fleet. BZE.

Sea Change. Climate emergency, Jobs and managing the phase out of UK oil and gas investment. Friends of the Earth Scotland/ Greener Jobs Alliance and others (2019)

The Ruhr or Appalachia? Deciding the future of Australia's coal power workers and communities. CFMEU

Just Transition Centre resources

<https://www.ituc-csi.org/just-transition-centre>

The Green Economy at Work. Green America summer magazine 2019.

<https://www.greenamerica.org/magazine/green-economy-at-work>