



Powering the Regions Fund Consultation

Submission by the Australian Council of Trade Unions

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Introduction

About the ACTU

Since its formation in 1927, the ACTU has been the peak trade union body in Australia. It has played the leading role in advocating for, and winning the improvement of working conditions, including on almost every Commonwealth legislative measure concerning employment conditions and trade union regulation. The ACTU has also appeared regularly before the Fair Work Commission and its statutory predecessors, in numerous high-profile test cases, as well as annual national minimum and award wage reviews.

The ACTU is Australia's sole peak body of trade unions, consisting of affiliated unions and State and regional trades and labour councils. There are currently 43 ACTU affiliates who together have over 1.7 million members who are engaged across a broad spectrum of industries and occupations in the public and private sector.

Input on Powering the Regions Fund

The ACTU recognises the Powering the Regions Fund (PRF) as one important component of the Government's overall effort to transition Australia to a net zero economy while creating thousands of good jobs. As Minister Chris Bowen has said, "the world's climate crisis is Australia's jobs opportunity." The PRF should be structured to seize that opportunity, while making sure no worker or community is left behind.

To that end, PRF investments must be closely coordinated with an independent national Energy Transition Authority established in statute. The coordinating role played by such an Authority will be critical to ensuring PRF funds help drive a long-term just transition strategy that minimises risks to workers and communities, maximises the job creation and regional development benefits of the transition to clean energy, and avoids the confusion, redundancy, and piecemeal approach that is currently hampering transition planning in key energy regions across Australia.

The PRF's support for the development of new clean industries should also be preferentially targeted to traditional energy regions that are at the frontlines of the transition away from fossil fuel industries, including but not limited to the Hunter Valley, Latrobe Valley, Gladstone/Bowen Basin, Collie, Lithgow, Whyalla, and Illawara. Demarcation of these regions should be the responsibility of a new independent, national Energy Transition Authority. The scope of the Authority would focus initially on regions experiencing a phase-down of coal-fired power generation, with the ability to shift and expand iteratively as other fossil fuel industries and employers begin to phase out or transition. This ability should be built into the architecture of the Authority. For example, "Transitioning Regions" that come under ETA could be evaluated every 3-5 years. Metrics could be set for a "Transitioning Region" based on variables including projections of facility closure,

percentage of local jobs supplied by fossil fuel facilities, percentage of local economic activity represented by fossil fuel facilities, existing socio-economic indicators etc.

Any projects receiving PRF funding should abide by fair employment standards, including secure and well-paid jobs, safe working conditions, apprenticeship opportunities, and have either a current certified industrial agreement with the Fair Work Commission or have agreed to commence bargaining in good faith with the relevant union or unions to reach one. In order to ensure all Australians gain access to the benefits of the clean energy economy, PRF-funded projects should have minimum targets set for apprenticeships, women and Aboriginal and Torres Strait Islander workers, consistent with the Government's Apprentice Guarantee commitments. The Australian Government, in its role as the steward of the fund, should also set targets for regional and domestic procurement in applications for the PRF, to complement its overall industry policy goals.

Along with evaluating projects based on their emissions reduction potential and regional development benefit, the PRF should therefore give weight to the magnitude of potential job creation, the standards in place to ensure those jobs have fair wages, safe working conditions, support for collective bargaining and ready access to unionisation, and any commitments to workforce development, training, and apprenticeship—especially for women and Aboriginal and Torres Strait Islander workers. The Government's proposed secure jobs code should represent best practice in this regard and apply to the PRF.

The PRF's support for the development of new clean industries should be targeted in part to clean export opportunities identified in the [Sunshot Report](#), including green hydrogen and ammonia, green metals (including steel and aluminum), battery manufacture, and critical minerals refining and processing. Priority should be given to onshoring supply chains to capture more economic output and job creation in Australia.

PRF funds dedicated to decarbonising existing industries must be used for genuine, prove-able emissions abatement investments and technology, not to buy offsets. In particular, they could be used to address particular barriers to abatement that require collective effort and coordination, rather than be achievable by one company or facility acting alone. This includes the \$600M of PRF intended for TEBA-designated facilities under the Safeguard Mechanism.

PRF funds dedicated to assisting regional workforces should be closely coordinated with an independent national Energy Transition Authority as well as Jobs and Skills Australia and should consider options for the establishment of new TAFE courses and VET requirements, the establishment of new (or the expansion of existing) regional universities and vocational training centers, and the rejuvenation of critical academic pipelines, including geophysics and metallurgy. In all funding streams, the ACTU strongly prefers loans and equity as the correct types of financial support, as opposed to grants.

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