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Wednesday 6 June, 2018

Australian Energy Market Commission  
PO Box A2449  
SYDNEY SOUTH NSW 1235

Lodged online at: [www.aemc.gov.au](http://www.aemc.gov.au)

Dear Sir/Madam

**Re: ASU Submission in response to Amendment (Generator three year notice of closure) Rule 2018 - ERC0239**

**Australian  
Services  
Union**

**National Office  
Melbourne & Sydney**

*All correspondence to:*

Ground Floor  
116 Queensberry St  
Carlton South VIC 3053

T: (03) 9342 1400  
F: (03) 9342 1499

E: [info@asu.asn.au](mailto:info@asu.asn.au)  
W: [www.asu.asn.au](http://www.asu.asn.au)

FB: [www.facebook.com/  
australianservicesunion](https://www.facebook.com/australianservicesunion)  
TW: @ASUnion

**National Secretary**  
David Smith

**Assistant National Secretaries**  
Linda White  
Robert Potter

The Australian Services Union (ASU) welcomes the opportunity to make a submission on the consultation on a rule change request from Dr. Kerry Schott AO that would assist in managing the retirement of existing coal-fired generators as they reach the end of their economic lives.

The ASU is one of Australia's largest Unions, representing approximately 135,000 employees. The ASU is Australia's largest union in the energy/electricity industry with ASU members working in a variety of classifications across electricity generation, distribution, retail and transmission.

Workers in the energy industry, with their extensive expertise, have strong views on the importance of localised energy generation and developing regulation that ensures this. Whilst the ASU broadly supports at least three years notice of any cessation of a generator we need to ensure the whole process follows "Just Transition" principles.

### **Just Transition – An ASU perspective**

Without a Just Transition there will be no appropriate work opportunities; technical expertise and experience will be left unused; and surrounding small businesses will be gutted.

Indeed, even for the lucky former employees from high-carbon workplaces who do find work, without a Just Transition all likelihood is that they will have wound up in jobs unmatched to their skill sets and capacity, with insecure conditions, and much lower wages. The impact on the worker and their family is obvious. When extrapolated, the flow on effect to the local and national economy is significant.

In June 2015, the owners of South Australia's only coal-fired power station announced their shock decision to close. By May 2016, all workers had walked out of the gates for the last time. As the major union at the operation, we saw firsthand the impact of an absence of a Just Transition plan for workers and the community from the owners of power stations and governments.

Workers have been forced to retire early, or move intra or inter-state to seek out work. Many are just doing odd jobs. Some are completely unemployed. Few have moved directly onto full, like employment. Only a small proportion of those in full employment are in the same region.

The current rule change fails to include a Just Transition plan and we urge the AMEC to address this failure to support the jobs and livelihoods of workers in emission-intensive industries and ensure the costs and benefits of energy restructuring be shared equitably.

### **Generator closure notification**

Whilst the ASU supports the recommendation for power plants to provide three years notice before closing the current rule change is not explicit in its administration and enforcement.

Firstly the consultation paper does not outline how the three year rule will apply to several types of potential generator closures. As outlined in the ACTU's submission the consultation paper raises the question as to what exactly "closure" means, i.e. how mothball units should be treated, how to treat a single unit retirement, how to treat seasonal rather than full-time production etc.<sup>1</sup>

Furthermore it is not clear what would happen if a generator gave notice for closure but then did not close. For example a generator may give notice of closure due to market indicators only to find out that the plant is operating profitably when the notice expires.

Finally, the ASU is aware that several other Unions and affiliates are making submissions in response to the proposed rule change. The ASU supports those submissions and the recommendations contained within.

Yours faithfully



Tel: +61 2 9283 9280  
Mobile: 0448 203 392  
E-mail: [rpotter@asu.asn.au](mailto:rpotter@asu.asn.au)

Robert Potter  
ASSISTANT NATIONAL SECRETARY

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<sup>1</sup> <https://www.aemc.gov.au/sites/default/files/2018-05/Consultation%20paper.PDF>