

**The Services Union
Submission to
Queensland Productivity Commission Inquiry into
Electricity Pricing in Queensland**

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About The Services Union

We are the Australian Municipal, Administrative, Clerical and Services Union Queensland (Services and Northern Administrative) Branch and the Queensland Services, Industrial Union of Employees trading as The Services Union.

Our members are frontline staff and managers working in local authorities, the electricity, water, rail, travel, ports and shipping industries, community services, information technology, airlines, health, private clerical and the university sector. Our Union works everyday to build our community. We aim to ensure that vital public and community services reach everyone who needs them. Through our Union, we aim to make our industries better by fighting for increases in government funding, supporting the community to have its say and lobbying governments in the public interest.

Introduction

The Inquiry Terms of Reference

The Union acknowledges the following objectives of the current Inquiry into electricity pricing in Queensland, as set out in the Terms of Reference.

Objective

The objective of the inquiry is to examine electricity pricing in Queensland and provide the Government with options that improve outcomes for consumers, while balancing the objectives of:

- A competitive electricity market;
- Productivity growth in the energy industry and among energy users;
- Appropriate reliability, safety and security of electricity supply;
- Efficient investment and operation of electricity infrastructure;
- Environmental outcomes;
- Fairness and equity;
- Responsible and measured management of the State's finances.

The approach of the Union

Overview

The Union is aware that the electricity sector is undergoing significant transformation. Part of this transformation involves a shift away from the centralised systems of energy generation, reductions in energy demand as well as policy shifts away from reliance on fossil fuels.

A number of changes have been driving the shift away from the old traditional model of energy generation, transmission and distribution, including (but not limited to) concern about the production of greenhouse gasses, developments in renewable energy technologies and storage as well as related increased opportunities for more localised or stand-alone energy production and storage.

These changes, along with the expansion of competition and privatisation within the energy market present the government, communities and our members with considerable challenges. These include issues such as the following:

- How best to regulate pricing as well as the financing of infrastructure such as the distribution networks
- How to ensure that communities can access energy at a reasonable price
- How best to transition away from heavy reliance on fossil fuels in a way that can benefit communities and workers
- How to ensure the development of a system which does not increase inequality and disadvantage
- How to ensure the development of a system which places value on local democracy, transparency and accountability
- How best to expand and develop the skills of existing and future workers so they can make a valuable contribution to their local communities as well as the national economy in a clean energy future.

The Union is of the view that:

- Consumers have a right to access energy at a reasonable price.
- There is a need to address environmental issues and reduce harmful emissions which are having an impact on health, the environment and the climate.
- Planning should ensure that local communities and local jobs benefit in the transition toward a cleaner energy future.
- There is value in continuing to maintain a strong role for quality public services in the industry.
- Local government can make a significant contribution to the goals of helping to ensure reliability, safety and security of electricity supply, as well as assisting the government to achieve equity and environmental commitments
- The nation needs to maintain equity in its resource base while developing toward cleaner energy resources.

Survey of members

The Union conducted an online survey of members employed in the electricity industry in Queensland. The survey was conducted from the afternoon of 9 November to the evening of 11 November 2015. Members were advised that the Union was preparing a submission to the Queensland Productivity Commission Inquiry and were invited to provide their opinion on a range of issues. Despite this very short timeframe for the survey, the Union received 245 responses.

The Union will direct the attention of the Productivity Commission to the concerns of our members – which have been integrated into this submission.

Format for presenting the survey results

The survey findings as presented in this submission are not necessarily listed in the same order as the survey list of questions.

When referring to survey results in percentage terms, they may be rounded to the nearest point of a percentage.

Because many survey comments make a particularly valuable contribution to the issue, this report will include some fairly extensive lists of selected comments. It must be noted however that the views of participants are not always the views shared by the Union, nevertheless, they help to indicate the experiences and diverse perspectives of the survey participants.

Not included among lists of comments are names of employers (these have been deleted from any quoted comments) and any comments which contain offensive language.

Profile of survey participants

As noted above, the survey received responses from 245 people in the energy industry in Queensland. Not all survey participants answered every question.

Almost all of the respondents (244 out of 245) either currently work or previously worked in the energy industry in Queensland. Approximately 98.3% were employed in a government owned business and 1.7% in a private sector/profit making business.

Most of the participants were male – reflecting the male dominated nature of the industry. (Approximately 77% male; 22% female and less than 1% identified as “other”).

The table below indicates areas where survey participants have worked.

Union Survey Qn: In which areas do you or have your worked?

Answered: 233 Skipped: 12

Answer Choices	Responses	
Generation	13.30%	31
Transmission	24.89%	58
Distribution	57.94%	135
Energy Retail	3.86%	9
Total	233	

As can be seen from the above table, over half of the survey participants worked in energy distribution (approximately 58%), while approximately 25% worked in transmission, 13% in generation and approximately 4% in energy retail. However additional comments indicated that some people (23) worked in other service areas (such as business support, IT, metering, logistics or finance) or had experience across more than one work area

Very few of the survey participants had been employed in research/development or roll-out of renewable energy technology, as indicated below:

Union Survey Qn: Have you been employed in research/development or roll-out of renewable energy technology?

Of the 231 participants who responded to this survey question, most (approximately 92.7%) indicated that they had not been employed in research/development or roll out of renewable energy technology. Of the 7.4% who had, only a few provided supporting comments, for example:

Briefly involved with a researcher from CSIRO who developed an excellent design for a thermal energy storage device with a very high energy density.
scoping/site selection for wind farm
Energy Assessment, PV's, Storage
costing on distribution and solar site purchases
Rooftop Solar provider
I assessed and approved connection of roof top PV inverter energy systems to distribution network.
Yes in an administrative role and SME for my role, plus I have a keen interest in all renewable energies.

Views of survey participants

The remainder of the survey findings relate to a range of issues of relevance to the current Inquiry being conducted by the Queensland Productivity Commission and are integrated within the body of this submission.

Importance of quality public sector

The Union is concerned that the Productivity Commission Issues Paper does not appear to adequately come to terms with the difference between the broad range of concerns attended to by way of Government Owned Corporations (GOC) as compared to private sector considerations.

Government owned commercial business in energy and other resource areas were established on behalf of Queenslanders (as opposed to 'customers'). They were services recognised for their critical role in the economy and they provided critical infrastructure to the state. Because they were held in trust for Queenslanders, they are accountable to the electorates through the relevant Minister and monitored by Queensland Treasury on behalf of the Treasurer of the Queensland Government.

GOCs are commercial operations which have been corporatized by the government over a number of years. The website of the Queensland Treasury outlines some of the responsibilities of Treasury and the regulatory framework of GOCs in the following way:

- negotiating the annual performance contract and five-yearly plans for the businesses and monitoring performance against targets throughout the year
- assessing major investment proposals to ensure they fit the government's objectives for the community
- advising responsible and shareholding Ministers of critical current and emerging issues that may impact on government-owned businesses
- administering the process for appointments to boards of government-owned businesses.

All GOCs are bound by a regulatory framework that includes the *Queensland Government Owned Corporations Act 1993*, the federal *Corporations Act 2001* and the [Code of practice for government-owned corporations' financial arrangements](#). The code outlines approval requirements and guidelines within which GOCs must operate in entering into financial arrangements. A number of [other guidance documents](#) also guide how GOCs conduct business.¹

Requirements set out in guidelines, codes of practice and other documents reflect the commitment to transparency, accountability and service to Queenslanders which form part of the backdrop of the culture and training of public sector workers in these GOCs.

For example, the following are a few elements drawn from the *Queensland Government Owned Corporations Act 1993*:

- Transparency in relation to objectives - including specific financial and non-financial performance targets (see Key principles of corporatisation s16 (a))
- Community Service Obligations – identified and costed and set performance targets (see s16 (a) and more extensively discussed in Part 9 of the Act)
- Strict accountability for performance with elements outlined in 16 (c) including accountability to the shareholding Ministers and other requirements relating to monitoring, reporting and accountability.
- Ministerial responsibilities and oversight (particularly note Division 2, 3 and 4 of the Act)
- Regulatory requirements in relation to entities, committees, boards executives

¹ Queensland Government, 'Government commercial business', Queensland Treasury, <<https://www.treasury.qld.gov.au/economy/government-commercial-businesses/index.php>>, accessed 3rd November 2015.

- Corporate planning and charter development under the oversight of the Ministers
- Adherence to relevant public sector policies (Part 10)
- Payment of taxes or tax equivalents (Part 14)
- Payment of dividends (Division 3)
- Is an Equal Employment Opportunity agency (s148)
- Have an employment and industrial relations plan in place covering a range of provisions including employee consultations (s 149)²

Funding streams benefit wider community

Public sector ownership and operation of revenue generating business enterprises have played an essential role in the core business of government because they have helped ensure the supply of funds that enable the government to meet its broader obligations to the public. Such obligations are much wider than the commitments which private energy corporations have to their shareholders.

Failure to adequately take into account the contribution of government enterprises to the broader community can result in the introduction of scenarios (such as privatisation measures) which can have long term negative impacts on the public purse and local communities - particularly if it results in local job loss and profits going overseas.

Some analysts are now arguing that it is time to commit to the expansion of public sector business opportunities for raising funds (reversing privatisation strategies).³

At this point, it is worthwhile reiterating that many public assets generate ongoing income streams, which can be used to fund important public services and infrastructure. For example dividends and tax equivalents going toward the State Budget could be redistributed to valuable services such as public health and education.⁴

Retaining public assets and services

Professor John Quiggin⁵ explored evidence of the financial disadvantage faced by states that privatised their electricity sectors in the 1990s (Victoria and South Australia) compared to those that retained their public ownership at that time.⁶

Quiggin's extensive study concludes that:

*Privatisation has produced no benefits to consumers, but has resulted in large fiscal losses to the public.*⁷

² Queensland Government legislation is accessible from website: <https://apps.legislation.qld.gov.au>

³ John Quiggin Opinion and Consulting, *Electricity Privatisation in Australia: A Record of Failure*, Report Commissioned by the Victorian Branch of the Electrical Trades Union, February 2014, <https://www.etuvic.com.au/sites/etuvic.com.au/files/etu_electricity_privatisation_report-lr.pdf > accessed 16 December 2014.

⁴ By way of example, note Energex (the GOC providing electricity to South East Queensland) Annual Report (released in October 2015) the company paid a total of approximately \$1.3 billion to the Queensland State Government in the 2014-2015 financial year. See Energex Limited, *Energex Annual Report 2014/15*, Energex Limited, Brisbane, 2015 p8, p27 and Directors Report – p2, p5.

https://www.energex.com.au/data/assets/pdf_file/0009/283680/Annual-Report-2014-15.pdf

Accessed 3 November, 2015.

⁵ Professor John Quiggin is an Australian economist, and an Australian Research Council Federation Fellow and a Laureate Fellow at the University of Queensland.

⁶ John Quiggin Opinion and Consulting, Op Cit.

Dr Phillip Toner in his analysis of the electricity industry stressed the benefits of retaining public ownership. He also notes that where state government is itself a major consumer of electricity there can be particular advantages –

By retaining the assets government effectively internalises the expenditure and revenue to the direct benefit of taxpayers. By retaining the assets not only is government increasing its revenue base... It is also adding significantly to growth in its net asset base by helping to pay off infrastructure investments.⁸

The Union is firmly of the view that the rationale for government ownership and provision of a range of assets and services remains strong. This is particularly the case in relation to essential services needed by communities. Public Services International expressed the importance of quality public services in the following way:

Quality public services are the foundation of democratic societies and successful economies. They ensure that everyone has equal access to vital services, including health care, education, electricity, clean water and sanitation. When these services are privatised, maximizing corporate profits replaces the public interest as the driving force..⁹

In addition, there are strong social, economic, accountability and control reasons for maintaining public ownership and operation of a range of services. A well-resourced, quality public sector has an important role to play in sustaining living standards and helping to build fairness and socially inclusive societies.

Below is a summary of some of the advantages of having public sector ownership and operation of assets and activities:

- Maintains the reach and influence of public policy and democratic influence
- Maintains service delivery in response to market failure
- Safe guards the public interest e.g. where there are natural monopolies and the capacity to set high prices
- Provides a stable source of revenues from businesses which have characteristics of natural monopolies
- Provides capacity for wealth and resource redistribution where needed
- Is a more direct means of achieving social objectives and more resilient communities
- Avoids consumers being exploited by private sector control of monopolies providing basic services
- Can enable fair minded governments to set standards for employment practices, anti-discrimination and equal opportunity
- Can enable the planning for better integrated services without being derailed by competitive concerns of different units seeking profit for private owners
- Can enable a focus on safety issues as needed
- Enables public accountability and scrutiny instead of hiding things under “commercial confidentiality” clauses
- Allows flexibility to adapt for emergency community needs instead of sticking to limits of contractual clauses

⁷ Ibid p39.

⁸ Dr Phillip Toner, *Electricity Privatisation in Australia: A Briefing Note*, Department of Political Economy, University of Sydney, Australia, October 2012, p6.

⁹ This broad statement appears on the homepage of Public Services International. See the Public Services International website, < <http://www.world-psi.org/en/issue/privatisation> > accessed 20 January 2015.

- Enables long term investments in local infrastructure as opposed to profits shifting out of the nation
- Fosters the valuing of traineeships and staff development with a focus on quality outcomes
- Easier to regulate with checks and balances in place (compare to difficulty in regulating multinational corporations whose key interests are not with local communities)
- Knock-on longer term social benefits of a fairer society will cause less economic burden on the public purse in the longer term

Public sector enterprises which are natural monopolies or have oligopolistic structures should be considered particularly unsuitable for competitive markets and privatisation for a number of reasons. Chief among these is the concern that the market power gained by the private owner would give them the capacity to abuse their position in favour of shareholders but against the public interests.

Corporations, which gain control over assets or obtain contracts for services in areas of natural monopolies, can further strengthen their market dominance as they drive away competition or absorb competitors to form even larger conglomerates.¹⁰ Whilst natural monopolies (such as in the electricity industry) have been subject to competition and privatisation in various nations, it can be at considerable risk and cost to governments and their populations in the long term, particularly if there is not an adequate regulatory system in place.

In the current transition period, moving away from a reliance on fossil fuels and off the grid energy generation and storage is becoming increasingly attractive, local workers and their communities look to their government to plan carefully so that the beneficial objectives of public sector ownership and control are not jettisoned in the transition.

¹⁰For example discussion by Lyn Fraser, on the privatisation of waste management services contains relevant discussion on this topic in the publication, *Competitive Tendering and Contracting-out of Local Government Services in Australia*, Discussion Paper No. 26, Public Sector Research Centre, University of NSW, 1992, section titled 'Strategic Behaviour of Private Contractors' on p9f

Ownership and control

The Union is of the view that much of the rhetoric about the supposed benefits of increased competition are often used to accelerate the break-up of government owned corporations followed by their sale to the private sector (privatisation).

When public assets relating to essential services are put up for sale it is often the case that, control and ownership will eventually end up in the hands of large private sector corporations, often multinational corporations or foreign state owned companies (for example in Victoria the majority of electricity networks are now owned by Singapore and Chinese Government-owned entities).¹¹ For such essential industries, it is ironic that arguments in favour of competition and privatisation eventually result in the shift of concentration of ownership from the public sector to concentration of ownership in the private sector. This can come at a cost to local workers and their communities in the long run. To some extent this submission will further explore some of these issues in the pages that follow.

For Union members, particular issues of concern relate to the longer term impact of competition and privatisation on job security as well as pay and conditions. Concerns about these issues also affect their families and local businesses which are reliant on the spending capacity of local workers. Below, we begin by exploring the issue of public sector ownership and control in the energy industry – from the perspective of our members in the Queensland energy industry.

Keep public sector ownership and control

Union Survey Qn: Do you think it is important to keep some public sector ownership and control in the energy industry in Queensland?

The table below summarises the responses to the question about the importance of keeping some public sector ownership and control in the energy industry in Queensland.

As can be seen from the table, most of those who responded to this question (94.3%) answered in the affirmative.

Answer Choices	Responses	
No	3.07%	7
Yes	94.30%	215
Don't know	2.63%	6
Total	228	

A total of 73 participants provided supportive comments. The following are examples which reveal a range of issues and concerns.

I don't believe that our energy industry should be owned/controlled by foreign enterprises.
Electricity is an essential service. It must be retained by government to ensure there is balanced development of infrastructure throughout the State and to prevent price gouging and loss of service that frequently occurs when the private sector gets a hold of something and puts profits before the people of Queensland.

¹¹ See discussion in John Quiggin Opinion and Consulting, Op Cit. p7.

For the reason of ensuring a reliable energy supply to regional & remote parts of Queensland. Maintenance of the network should be a priority, not simply profit as the case may be with privatisation.
I still regard energy as an essential service which I have never supported becoming a profit centre. Distribution is a monopoly activity and monopolies in the control of private enterprise usually exploit their customers.
because government entities are safer for workers and the public.
Given the nature of our network and the environment it operates in, public sector control is required to ensure continuity of supply, eg. emergency response post storms
to ensure all areas of the state have a level of service maintained, not forgot because it is too small and not profitable
private shareholders profit is no 1 not planning for future
The setting of tariffs need to be controlled. The reliability of the network to supply base load needs to be controlled by a government enterprise, private enterprise will do as little maintenance as required to maintain profits.
It is a basic community service which should not be driven by profits alone
Monopolies and particularly essential services, such as the distribution/Transmission network, should never be privatised.
to retain public utilities as taxpayers have paid for them
Private ownerships has seen higher prices and slashed jobs
To keep the state in control and bring in Revenue
Utilities should not be owned by a foreign power. Government control will guarantee proper services to customers
Keep control of prices
Electricity is an essential service. Public sector ownership and control ensures that the needs of the community can be given precedence over profit.
Private enterprise can not be trusted to act in the best interests of consumers. For example: Enron purchased generators and transition lines in California back in the late 80s and used them to artificially inflate prices. In the process they nearly bankrupting the state of California and driving up the cost of electricity for consumers.
It's a great potential income generator for the government and also ensures that the public has control over the energy sector and we are not at the mercy of multinationals.
electricity and other essential services should be provided on a 'cost of service' basis
Infrastructure created by the people for the people should remain in control of the people. That's not to say that we should not have a healthy mix in partnering with the private sector. A good working partnership allows for growth and control of the entity whilst allowing much needed revenue to remain in control of the government to be used for the people.
Needs to stay Australian owned and affordable for all people.
Competition has pushed domestic prices through the roof. Any profits from the electricity industry goes into hospitals and the like. Private industry profits profits not only leave the state they also leave the country
To maintain a level of control in the energy sector
Government can provide investments with a long-term, non-profit driven view.
Private enterprise is ALL about money making and profit. The public sector should be playing a major role in renewables

<p>Most definitely. The electricity industry impacts a range of customers such as Pensioners and low-income households. It's important that we consider such groups to minimise any inequities across various customer segments.</p>
<p>revenue goes to the people of Australia, not offshore</p>
<p>Energy transmission and distribution is considered an essential service by all users. Same as Hospitals, Local Government services, Emergency services etc. It is not economical to duplicate existing network assets, therefore competition for ownership and operation of the asset is not possible. Private sector companies are driven by profit, as seen in other states and countries, private companies will not invest / maintain network to the required level for efficient and reliable operation.</p>
<p>Distribution and Transmission. We've seen what happens when infrastructure with 30-year-plus payoff times get privatised (e.g. British rail). There is no motivation for a non-public entity to have a 30-year vision, so the network gets run down.</p>
<p>It's an essential service for the public, similar to health. It went private, poorer and remote living people would be disadvantaged.</p>
<p>It is an essential service and my view is Governments should have control of essential services</p>
<p>I see electricity distribution and generation as economic infrastructure that enables the rest of the economy to grow. It's therefore government's role to own this, just like it owns roads.</p>
<p>It is a community SERVICE not a commodity. The only way to maintain appropriate controls, is to maintain Government ownership. In the future there may well be grid connected battery storage available to offset peak loading, this will need government policy and control to manage properly.</p>
<p>Making anything fully private always results in profiteering for a few and price increase for everyone else.</p>
<p>Privatisation opens the door to market manipulation. e.g. Enron in USA</p>
<p>Such a wide spread valuable service needs tight regulation and controls</p>
<p>Private industry is solely profit driven, and not capable of self regulation.</p>
<p>Handing essential services to the private sector, is handing the destiny of the state/country to private individuals and corporations, whose interest is profit motivated</p>
<p>The ownership is about all Queensland not about making money for someone</p>
<p>There are basic services like health, water, electricity that should be govt owned and funded but constant underfunding is the problem. Services cost money society needs these services and for them to be affordable to all</p>
<p>National security</p>
<p>Private sector is only interested in profit margins. Government should have the public interest in mind</p>
<p>Public ownership ensures skilled and knowledgeable employees. Not contracting out to unskilled staff. Not cutting corners. Reliability is important when public sector owned. Not just about the profit margin. Public sector ownership also ensures environmental compliance.</p>
<p>Otherwise costs will skyrocket.</p>

Shift to renewable energy

Because significant changes are likely to take place in the electricity industry as a result of shifts toward renewable energy, the Union asked members for their views on workplace issues in relation to this transition. Their responses are particularly significant as many of the employees are currently working in areas that are reliant on fossil fuel sources (particularly coal).

Union Survey Qn: As the economy moves away from reliance on coal and other fossil fuels, what can the State Government do to assist workers in the transition?

This question had a number of options provided and responses were received from 218 people. The table below indicates that a majority (around 62%) want the State Government to provide training for jobs in renewable energy.

Answer Choices	Responses	
Provide training for jobs in renewable energy	61.93%	135
Provide training for other job options	22.94%	50
Provide placement in another job	15.14%	33
Total	218	

A total of 38 people provided comments or additional options, of these 14 indicated that all of the above three options should be provided by the state government. However, many of the remaining comments presented diverse perspectives on the issue of government assistance, as can be seen from the following examples:

Offer redundancy
I don't believe that reliability of HV electricity supply to Cities, industry & commerce can be provided by renewable energy at its current level of development.
Look for way to utilize the existing infrastructure & workforce to integrate with the renewable energy
Re-introduce tariffs for incoming goods and services from external to compensate for jobs that are being lost overseas to countries who don't use renewable resources or who don't pay un-unionised workers a fair wage.
Provide training for other job options as well
Reliance on coal & fossil fuels for generation and network distribution will transition gradually over the next 20 years - time enough for government to transition affected workers thru policy & training programs
As we are all aware the current speed at which today's technology changes it is now time to start looking at nuclear sources of generation. It is sad to think that we are will to mine the product, store the spent product but not willing to adopt the product. We are being left behind again.
Weather the energy source is fossil or "renewable" the energy still needs to distributed. Small scale domestic installations have done little to reduce demand peaks.

energy GOC's should be investing in renewable technology

It's essential that we manage career transition to support the ever changing environment of the electrical industry. If companies are to truly adapt, we need career pathways which support the individuals who currently work within the existing companies therein preserving the knowledge and intellectual property developed within the companies to date.

The Government needs to support the renewable sector so that there is some sort of investment/job security.

The Queensland Government should look at other long term job producing industries rather than concentrating all their efforts in outdated environmentally destructive short term coal or other mining operations for the sole benefit of overseas corporations. The long term future of all Australian generations is more important than short term gain for a few.

The government could build renewable power stations like many other first world countries

Employees should take some responsibility for their own future. There are plenty of opportunities to get qualifications in growth industries, employees shouldn't be encouraged to sit back on their heels and wait for the Government or anyone else to serve everything up on a silver platter.

Do not subsidise renewables

The State Government is Labour right - so start looking after the people who voted them in - the coal mine workers, the power generators, transmission and distribution. That equates to thousands of people, families and children.
What are we all expected to do - polish solar panels? My answer to this question - none of the above, where is that option.

Upskilling those with a background in Energy would seem prudent

Environmental issues

The Productivity Commission issues paper noted at 1.5.4 the Queensland Government commitments in relation to renewable energy targets, solar panels on rooftops, a review of fair pricing and a trial renewable energy auction. The union is of the view that such commitments by the State Government are generally speaking, admirable and should be encouraged.

With regard to the nationally set Carbon Reductions Schemes however (as discussed in 1.5.2), the Union is of the view that a market based system that favours businesses may not have the long term beneficial impact that can come from consumer and community based awareness programs.

Growing Union membership interest in environmental issues

Like most workers, our members have an increasing interest in environmental issues – such as the quality of the air, water supply, as well as the impact of climate change. It is understood that climate change has a consequent impact on the severity and frequency of catastrophic weather events.

Members of the Union and Branches across Australia work in a diverse range of occupations – from truck drivers to beach inspectors, from administrative, social and community services and public transport in local councils, to checking-in services for airlines, in electricity generation and distribution and in the nation's water authorities. Many of them have been involved in workplace changes to reduce carbon emissions, improve energy efficiency, help safeguard water supplies and engage with communities about waste and emissions reduction. Furthermore, the Union is aware of the contribution which many of our members make in serving Australian communities in times of natural disasters. A significant number of Union members are volunteer bush fire fighters and others in local government, social and community services and utilities are from time to time involved in relief efforts following cyclones, floods and other extreme weather events – all of which are predicted to become more severe as a result of climate change.

In the energy industry, many union members are of the view that there are both positive aspects as well as risks associated with the shift toward renewable energy.

The development of off-the-grid power and isolated system options have the potential to flourish and are particularly attractive to communities in remote areas where mains electricity isn't available.¹²

State government power retailers can work toward assisting consumers to plug into alternative energy sources, such as new household solar batteries, that can save both money and carbon emissions. In Queensland for example, the state-owned power retailer Ergon Energy planned to trial solar batteries in 33 homes in the state. Despite the shifting political terrain and lack of commitment at the federal level, the Queensland Government has been able to set renewable energy targets of one million solar rooftops by 2020.¹³

¹² For example, see Des Jackson, Ergon Energy, *Isolated Systems powersavvy commercial case study*, in partnership with the Department of Aboriginal and Torres Strait Islander and Multicultural Affairs (DATSIMA), Queensland, January 2015.

¹³ Julian Bajkowski, 'Qld Government buys into domestic solar batteries', *Government News*, <http://www.governmentnews.com.au/2015/08/qld-government-buys-into-domestic-solar-batteries/> accessed 7 October, 2015.

The following discussion about renewable energy will draw attention to some of the views of members in Queensland who work in the energy industry. Their views indicate an awareness of positive aspects about the shift to renewable energy as well as possible negative aspects.

Union Survey Qn: Are there positive aspects about the shift to renewable energy?

Of the 236 participants who responded to this survey question, a large majority (86%) answered “yes”- there are positive aspects about the shift to renewable energy. See the table below which shows that only 13 people (approximately 5.5% of participants) did not think there were positive aspects about the shift to renewable energy.

Answer Choices	Responses	
Yes	86.02%	203
No	5.51%	13
Don't know	8.47%	20
Total	236	

Comments supporting this response often made reference to the environment and various opportunities which could arise from the shift to renewable energy.

See below, selected comments relating to positive aspects of the shift to renewable energy:

New career and learning opportunities
Keeping up with latest world trends
Possibly less pollution, land owner displacement
people thinking about environmental impacts
provides customers with the ability to use as much energy they want without guilt
Absolutely! We make a definite move to limit global warming which is a major threat to all of humanity. It is also the best form of energy to give Aussie industry a competitive edge because the cost of renewable energy is still falling while other forms are still rising.
longevity of industry
less impact on the environment, development of new technology, opportunity for local manufacturing
Less pollution. Keeping up with the rest of the world
Less reliance on fossil fuels which are a finite resource
Less greenhouse gases/environmentally friendly
Retraining should be provided
Cleaner air quality
Beneficial to the country & environment coal will last longer
Fossil fuels don't last forever and the move to renewables has the added advantage of reducing carbon emissions.
Cleaner working conditions than a coal fired power station
sustainable planet. renewable industry jobs.
Huge improvements in environmental factors, more dispersed generation lowers the stresses on our network, the use of newer technology means our industry has to learn to build and maintain it. More knowledge is a good thing.

A Cleaner environment
in the short term only
World changing development can only be achieved with the co-operation of many entities private and public working together to achieve a beneficial outcome to power the next generation and generations to come. We are on the cusp of change; there will be a major shift in how we deliver our service in the future.
Opportunity to learn new skills.
Environmental benefits
Environmental, de-centralisation
Environmental benefits; technology advances more likely to be beneficial to renewables than other forms of energy, particularly fossil and gas.
exciting new technologies to explore. greener economy
Generators should embrace the change utilise renewables
Reducing pollution is important to me.
We need it but all countries need to do the same
Opens new markets, providing consumers with more energy choices. Promotes technological advances in energy storage.
If anything, it provides the consumer with a range of choices to consider. That said, I think the industry does need to look at how we can better engage with the customer and educate them to better manage electricity use and cost.
The two things that threaten our very existence are human overpopulation and climate change. Anything that mitigates these problems needs to be implemented.
Any move away from burning stuff for power is positive.
to the environment
Coal will not last forever it is more responsible to transition to renewable than do nothing
Less CO2 emissions
The consumption of fossil fuels is not the leading cause of global warming
Of course there is, fossil fuel energy is a finite resource and new renewables need to be explored.
We must reduce our reliance on fossil fuel based energy
We need to change and move into the future
Yes - clean environment, new technology
Less pollution, cheaper power
New jobs, good for environment
Environment, opportunity
sustainable growth, public acceptance
Less pollution
In the city is good, to a certain extent - still need power at night. Most people cannot afford this energy. Lets use up our coal resource first, then gas, then solar and wind.
provide diversification of energy sources

cutting greenhouse

Union Survey Qn: Are there negative aspects about the shift to renewable energy?

Of the 233 participants who responded to this survey question, a majority (66%) answered “yes” – there are negative aspects about the shift to renewable energy. This can be seen from the table below.

Answer Choices	Responses	
Yes	66.09%	154
No	15.02%	35
Don't know	18.88%	44
Total	233	

The following selected comments indicate some of the thoughts of survey participants about possible negative aspects of the shift to renewable energy:

Is it a viable alternative 24/7?
Possible loss of job security and conditions
Coal is a cheap abundant source of fuels in Australia
Potential impacts to environment, including natural resources, & fauna, (degradation, contamination, noise etc), and to communities, (noise, pollution, etc). There is research, & current examples, to show renewable energy is not always the clean, environmentally friendly product it is sometimes marketed as!
Potential loss of continuity to HV supply to Cities, industry & commerce. False economy.
not enough development towards clean coal energy production
possible higher costs for electricity
... network infrastructure needs to be properly coordinated. Best practice models need to be developed to ascertain how to efficiently integrate.
There will be short-term 'pain' while displaced workers are re-trained and placed in jobs in new industries associated with renewable energy.
still largely unknown
Not properly understood, and more research needed
Renewable does not necessarily mean more economic and we still need the infrastructure of poles and wires to transport and distribute energy.
Job losses
Pricing of electricity to consumers
So far none of the various renewable energy sources provide a holistic solution. As such, complex, hybrid solutions will be required.
Declining demand means declining profits to keep the network maintained as the population grows.
One shifting coal power station for night load
No, not if managed well. Compassionate and intelligent people transition
Reliability of supply and storage issues, particularly for large consumers

Not enough solar rebate to newer customers.
cost and inability to crank up supply to meet additional demand
It is important that we maintain a constant presence in the technology that will alter the way we live our life for futures to come. Failure to do so can only result in Australia becoming a second in not, a third world country, resulting from substandard technology.
price, unless polluter pays is applied to existing industry which will increase prices anyway.
Except they need heavy subsidies to make them viable and we all pay for that whether we use them or not.
Less network reliability, increased complexity around planning
Increasing cost of power to consumer
Australia will assume the burden well above major polluters and less technologically advanced countries
possibly a downturn in the poles & wires businesses. but new businesses will arise to cater for more renewable tech like electric cars
It's an investment in the future and will have to be done one day - better before we destroy the earth, than after!
Until the Transmission Network can be completely abandoned, it will continue to cost the same, but the group of people paying for it will shrink. Currently, the rich/house owner with solar pay less, and renters pay more. This inequity is likely to get far worse before it gets better.
Job security and poor direction when making change
Cross subsidy of renewable energy users/generators by consumers who can't afford/don't own renewable energy generators.
Until the government gives the same incentives they give for coal, it will always be far more expensive.
Traditionally, network demand has been viewed as a product of temperature, humidity, day of the week and time of day at the network asset level (generalisation). Distributed renewable energy investment in the form of home-based solar PV present a new challenge to the network, for we'll also be concerned about the days where localised storm activity has greatly diminished Solar PV production for a specific network asset. This needs to be managed for this 'load type' is generally unseen.
Change to power transmission and change to power transmission jobs
In the short term there will be transitional and upfront cost issues, however in the long term the benefits will by far outweigh the short term pain.
Cost of development and management could be considered a negative aspect but can be managed with the right approach
costs to the consumer and changes to the industry
Loss of jobs, job security and employment conditions.
The control of network and customers micro generation will be much more difficult to manage

Depend on the resource that we harness and the transfer means, ie PV technology, Nuclear, Geothermal
With all the emotive statements about renewable, i have the feeling that any real savings will not be passed down to Joe Average consumer and it will end up just another profit grab by the big companies.
Less employment opportunities
Unproven technology, base load problems still remains
Negative effect of re-training
Job losses and older workers would find it hard to get new jobs
The car manufacturing industry is gone, cattle industry, now this. More unemployment across the country. Lets look after the majority of Australians, not the do gooder minority.
People with solar panels are not paying for the poles and wires.
People expect reliable power, there is uncertainty with renewable.
Still reliant on coal generated electricity as a back up to renewable energy, but due to reduction in use, it is getting more expensive to produce. Assets are being retained longer so there may be more risk of unreliable delivery of electricity. Renewable energy is still expensive and confusing to consumers.
Changed energy source and stranded assets ie coal fired generators
Need to better manage the network and reliance on the network.

Involvement of governments

As the Productivity Commission Issues Paper indicates, the state government has had a significant role in Queensland’s electricity supply arrangements (as indicated in Table 1, on page 4 of the issues paper and subsequent pages).

The Union wanted to know from members in the energy industry, what level of involvement they thought governments should have in the development and roll-out of renewable energy technologies.

Union Survey Qn: How much involvement should governments have in the development and roll-out of renewable energy technologies?

Of the 230 participants who responded to this survey question, approximately 68.3% thought that governments should play a big role in the development and roll-out of renewable energy technologies. Approximately 20.5% thought the role of government should be small. Only 9% thought they should have ‘no role’. See the table below for details:

Answer Choices	Responses	
Big role	68.26%	157
Small role	20.43%	47
No role	6.09%	14
Don't know	5.22%	12
Total	230	

A small number of participants made comments to explain their reasons why governments should not play a role in the development and roll-out of renewable technology. For example, note the following quotes:

Research and development as well as project costs should not be funded by the tax payer, If private companies want to profit from generation installations they need to be providing the funding, not tax payers
Let the market dictate
Any Govt cannot run an efficient business or a public service

But generally speaking, comments on this issue reflect the majority view and appeared to favour government involvement (albeit at varying levels). See examples below:

Governments should have major involvement from the initial stage, for the interests of minimising damage & impacts to communities, fauna, & environment.
Need for regulation
need to provide some feedback to the overall network configuration
Yes but they must get there involvement and decisions correct.
I don't think subsidies are needed *but* strong oversight and enforcement of standards is vital - an example is how the Clean Energy Council currently manages standards for solar PV consultants and installers. There is also a role for government to ensure that profiteering doesn't ruin the take-up of renewable energy. And there is definitely a role for government in committing to changes in the AER and the whole way that energy is managed in Australia.
Once industry becomes established, government can than withdraw
The market will not do it efficiently
Learn from countries that already have this technology and so informed, responsible governance can occur
Big role in strategy. A value decision role in investment where it makes sense. The mix will depend on what network users can afford at any point in time. where expensive for network users = more investment by govt

Electricity is an essential service so governments should be involved in all aspects of electricity supply. If they are involved in the roll-out of renewable energy technologies they can ensure that the future direction of the electricity industry evolves in a way that is of most benefit to the community and not just the interests of private companies.
There are some things that only a government organisation can be trusted to design and build properly.
We need to lead the way, we need to develop the industry further to engage the customer and benefit from the future revenue. To allow future funding to continue as a government driven priority to a successful country
Majority of energy sources in Australia are still owned by the states.
energy GOC's should be investing in renewable technology
regulation will be required or we will end up back in the 1960's with multiple voltage & frequency systems
Generation is an area where non-public capital can contribute efficiently. But we need to be careful that the government doesn't foot all the network costs whilst private enterprise only reap the rewards of the energy marketplace.
In the case of renewable energies, I think we need to play a leading role for the reality is that network assets can have an estimated life of +40 years and we need to really understand what impact distributed generation assets with lesser estimated lives have on our network. One of the unknowns with distributed renewable energy is whether consumers would renew a system when the system reaches its end of life. This presents a challenge for the network for if the consumer does not renew their system, the load automatically comes back onto the network. In terms of larger installations, I think this needs to be managed very carefully, investment should take place in the areas where the greatest financial benefit exists. All in all, I think there is a part to play for governments in leading industry to adopt new technology whilst also stepping through the challenges of managing network risk and safety to both the network and customer.
Subsidise rooftop generation, not transmission networks.
Government must be able to influence responsible investment and regulatory decisions by having a fundamental understanding of the negligible effect renewable energy currently has on peak demand.
allow the change to be affordable and not shoot from the hip when making decisions for long term solutions
If they have no role, then industry might not take up the mantle, too big an involvement may go the same way.
As was seen with the solar PV scheme in Queensland the cost of the renewable PV halved in a very short time due to scaling of manufacturing processes. in time it will be not only be environmentally better, but soon less costly.
Heavily subsidise the technology

Government needs to create the financial incentives to pursue clean renewable technology (burning anything for power is not clean even if it is "renewable"). Jobs in that industry would naturally follow.
Every business and community is reliant on electricity these days so the government should have a major role in developing strategies to ensure that we have access to safe, reliable efficient energy at a reasonable cost to every consumer.
should be market leaders
Government should act to support but leave it up to the market to determine the roll out as it becomes viable
Government can provide stability to research and development in the area
Establishing an appropriate feed in tariff so the cost of poles and wires are paid by all.
The feed in tariff was stupid. They should have been putting it on schools, not houses.
A wholeistic approach to integrating these measures is the only way proceed effectively
Howe can lower income families afford the large upfront costs.
State govt should retain type 5-6 metering

It is imperative that the Queensland State Government continues to play a pivotal role within the Queensland Electricity Industry. Existing Government Owned Corporations need to be provided with sufficient funding to continue to expand and evolve their businesses. Dedicated resources need to be provided to allow the necessary technological changes these organisations need to undertake to ensure their future relevance and purpose.

Electricity prices and consumer issues

In various states, consumer groups have raised concerns that the energy consumer protection framework has not been keeping up with changes in the energy market – particularly where there has been extensive privatisation and price deregulation. The rate of disconnections in some states (particularly in South Australia and Victoria) has been of particular concern to consumers who faced dramatic increases in energy prices.¹⁴

A number of community advocacy groups have raised the issue of the disproportionate impact that increased energy costs has on vulnerable groups. For example the South Australian Council of Social Services made this point in a submission to the Retail Competition Review in South Australia.¹⁵

More recently, other advocacy groups have called for increased protections in the interest of consumers, particularly resulting from cost increases.¹⁶

Some of the concerns raised by the Public Interest Advocacy Centre have included the need for enhanced consumer representation and improved governance arrangements to make them more democratic, transparent and accountable.¹⁷

CASE STUDY: electricity disconnections

A report by The Essential Services Commission Victoria provided information on customer service that retailers provided to Victorian electricity and gas consumers in 2012-2013. The report included comparative data from different states and included data on the number of disconnections per state. Below is an extract of this information, showing the rate of residential electricity disconnections for the period 2011-12 and 2012-13

Disconnections, by Jurisdiction – Residential Electricity Per 100 customers, 2012-13		
Jurisdiction	2011-12	2012-13
Victoria	1.02	1.07
New South Wales	0.80	na
ACT	na	0.05
South Australia	1.35	1.50
Queensland	1.16	0.94a
Tasmania	0.08	0.46
Western Australia	0.87	0.72

Source: Extract from Essential Services Commission, *Energy Retailers Comparative Performance Report – Customer Service, 2012-13*, Table 3.2 p31, citing Data sources including Independent Pricing and Regulatory Tribunal (IPART), Essential Services Commission of South Australia (ESCOSA), Economic Regulation Authority (ERA), Department of Energy and Water Supply (DEWS), Australian Energy Regulator (AER).

¹⁴ For discussion on this issue in the context of the privatisation of electricity see Lyn Fraser, *The Privatisation Betrayal: Losing the things we value*, Australian Services Union, 2015, p 33f.

¹⁵ SACOSS submission to Australian Energy Market Commission, in relation to the 2014 Retail Competition Review Approach Paper, dated 26 February 2014 <<http://www.aemc.gov.au/getattachment/fd384bb1-c7a5-4b42-a337-b1e59501ccd8/SACOSS.aspx> > accessed 20 January 2015.

¹⁶ See Brian Robins, 'Call for more power to the people', *SMH*, 5/10/15.

¹⁷ Brian Robins, *ibid*.

As can be seen from the table above, energy companies in South Australia have initiated the highest number of disconnections, at the rate of 1.50 per 100 customers. This is followed by Victoria which had a rate of 1.07 per 100 customers.

Price controls in SE Qld

Union Survey Qn: Do you think the government should continue to have electricity retail price controls in place in South East Queensland?

Of the 222 participants who responded to this survey question, a majority (approx. 82%) were of the view that the retail price controls should remain in place in South East Queensland. See table below for details:

Answer Choices	Responses	
No	18.47%	41
Yes	81.53%	181
Total	222	

The reasons provided to substantiate the retention of retail price controls largely related to concerns of possible price gouging, equity concerns and likely negative impact of escalating costs to be faced by various groups if controls were removed.

For examples see the following comments:

To maintain equity between urban and rural consumers.
There must be some balancing applied by the government to ensure people in isolated communities are not disadvantaged when weighing-up the cost to provide electricity to those areas.
Prevent increases when unjustified
The government should control it for the benefit of people - not for profit
some control over pricing would be preferable to open slather private enterprise pricing
Insufficient service providers to ensure competition control of prices
Yes / No - in Brisbane no. Outside of Brisbane in the South/East yes
It is an essential service that needs to remain at affordable levels.
Regulation to stop uncontrolled increases and a then subsequent rush to off-grid. strive to keep affordability by 50% of the normal distribution of workforce earners
It provides a safeguard.
Retailers will always increase their prices and act as a cartel, unless actively controlled.
electricity is an essential service which provides input to enterprise. It should not be a 'profit winner' in it's own right as this artificially inflates the cost of profitable production of goods & services
Regulation of the unit price allows the government to control and determine what a fair and reasonable price is for the consumer. Privatisation across the globe has seen customers pay higher prices with a reduction in services
To ensure affordable for pensioners & low income earners
Private retailers are not for the financial benefit of small customers. They benefit shareholders.

Should be the entire state! Why just the SE corner?
For-profit retailers will always seek to make a profit
i believe the govt needs to maintain a guide to ensure that prices are not artificially increased and this will effect low income families and pensioners
Private enterprise is ALL about money making and profit.
otherwise people living out side cites would pay a fortune for power.
The alternative is to have different pricing structures for different regions. Consumers not living in population centres will pay more for energy, reducing incentive to live in regional communities and creating economic hardship in those areas.
Without some price equality there'll be even less reasons for industry/people to move into regions.
As an essential service, Governments should control pricing to recover 80% to 90% of costs with the balance subsidised from Government funds. Regional Queensland is sparsely populated and this primary productive area needs to be subsidised and supported by Governments. The private sector would quickly kill it!
Its required to ensure fairness
Government should do more for regional Queensland
Private industry is not focused at all on customer requirements or fairness and equity.
keep it under control / accountable
As pricing in the south affect the rest of qld.
Competition will lead to a decline of service. Profits always come before reliability and maintenance.
Widespread Electricity distribution has benefits the entire state and everybody should contribute.
the infrastructure in place has a life span, controlled pricing should assist in the covering of replacement of these things
To keep a lid on private sector pricing, as is the case with private retailers.
To provide price stability and certainty
Continue subsidising customer in rural areas.
If there is no regulation to pricing the private retailers will continue to raise electricity prices & the consumer will have no recourse.
To safeguard lower income earners
Provide a no frills base level price to ensure low income people can have access to the lowest price option

Disadvantaged customers under price deregulation

Union Survey Qn: Do you think there are risks for disadvantaged customers if prices are deregulated?

Of the 228 participants who responded to this survey question, a majority (approx. 87.7%) were of the view that disadvantaged customers would face risks if prices are deregulated.

See table below

Answer Choices	Responses	
No	6.58%	15
Yes	87.72%	200
Don't Know	5.70%	13
Total	228	

The following is a sample of supporting comments:

They will not be able to afford power
Remote consumers will pay more for services
Significant risk to the continued provision of affordable electricity to those customers and a higher risk that a reliable supply of electricity will be cut altogether.
Deregulation usually means that marginal interests are mostly ignored, and disadvantaged customers are not profitable and are therefore marginal.
For some time i understand rural customers have been subsidised by other consumers across qld this needs to be maintained to support western regions.
will get expensive for less reliability and service
Obviously the price would go through the roof.
Remote or low income customers will be at the mercy of the DNSP
Yes, DO NOT DEREGULATE completely. my understanding is that there is already an increase in disconnections for debt
Private retailers motivation is PROFIT. They are not interested in the welfare of the community unless it has some impact on their profit.
Yes, deregulation has proven time and time again that profit driven organisation if given the chance will use every loophole available to increase revenue by increasing unit prices.
It is quite likely that we'll have a duplicate of grocery duopoly but in energy as large multi-nationals make takeovers too good to refuse for smaller locally-owned ones.
When profit is the only motive, the disadvantaged are the first to suffer.
Without Government subsidisation remote regional areas may be slugged significantly under a private commercial arrangement.
They will either be reduced maintenance or service, or increased prices to offset the expected shareholder dividends.
Competition will lead to a decline of service. Profits always come before reliability and maintenance
In Regional areas particularly western QLD
Less profitable areas of the network would undoubtedly fall into disrepair or tariff increases would eventually force people not in the "Great South East" out of business.
Private companies are only interested in profits, not people.
Deregulation has already shown evidence of price gouging and manipulation
Electricity prices are already way too high. Low income earners are struggling to pay their bills.

The government shall keep control of this, otherwise we will end up like America, power blackouts to the consumer while big business has no interruptions. Also the Government with the profits gets to pay off the loans and build new power stations. We actually made a big profit this year

like the banks they will charge what the market will bare but as it is an essential service people will suffer if they are forced to use a greater proportion of their household budget

Large families, elderly and unemployed are likely to use more electricity and have less options for shifting there use to the middle of the night

lots of risks, safety of installations, quality of metering being installed will deteriorate, new tier of regulation and charges leading to increased pricing. This is not in the best interest of Qld electricity customers, this only benefits meter providers and retailers.

Local Government

The Union notes the brief section on the Role of Local Government in the Productivity Commission's Issues Paper and various associated questions summarised below:

Question 4.19 – The existing arrangements of supplying local communities and making them more effective

Question 4.20 What alternatives might be considered to ensure the efficient delivery of electricity to meet local requirements?

Question 4.21 What factors should be considered to support any transition to alternative service delivery models or provider as the more efficient means to meet localised energy supply?

Questions 4.22 and 4.23 The issue of local governments becoming more involved in the supply of electricity

The commentary provided by the Union in this chapter will touch on issues relating to all these questions and will generally highlight the strong position local government can play in localised energy supply, efficiency improvements and engagement with local community and business.

The Issues Paper correctly notes that “Queensland local governments were among the very first providers of electricity supply and were instrumental in developing local supply well into the twentieth century, councils no longer have a central role in the production or sale of electricity” (p50) However, despite its reduced role in energy supply, the Union is of the view that the various roles and responsibilities of local government put councils in an ideal position for to work with the existing corporations in generating local commitment to innovative projects - particularly the shift to renewable energy sources and reducing carbon emissions. Some of the relevant activities of local government working with existing corporations, including the following examples, can provide an indication of opportunities for an expanded role for local government in the clean energy future:

- Electricity generation
- Support local community switch to renewable energy
- Improving energy efficiency and reducing emissions
- Community engagement, education and advice
- Standard setting and leading the way locally

These are discussed in more detail below.

Electricity generation

In 2009 the Union launched a discussion paper titled *Quality public services – opportunities to address climate change in Australia*. This paper set out to provoke discussion on the significant opportunities for various industries (including electricity, water and local government), as Australia seeks to address issues of climate change and shift away from reliance on fossil fuels.

In July 2015, the CEO of Local Government Association of Queensland, Greg Hallam, observed that a growing number of rural councils will indeed be turning to innovative technologies and off-the-grid

power options and these moves will help to strengthen the local economies, pay for services (such as hospitals) and support struggling regions.¹⁸

From the example of Winton council, it is expected that millions will be saved by launching their own geothermal power station - enabling them to build and operate much needed hospitals in the area as well as other important services.¹⁹

Whilst the PC Issues Paper refers to the Winton case as “a notable exception”, it may be more appropriate to consider it as a useful example which could be followed by other councils hoping to improve the financial standing of their local economy.

However, other energy sources such as solar and wind power could be tapped into where it is deemed to be more appropriate or preferable.

The Union notes that Brisbane City Council was named Australian Sustainable City 2014 in addition to winning the national Energy Innovation award.

Brisbane City Council committed to the 100% Green Power project. This is particularly noteworthy as it commits the council to rely on 100% renewable energy sources, reduce greenhouse gas emissions, and fulfil various environmental objectives. The council is also active in encouraging other business to access 100% green power sources as well.²⁰

It is clear that there is considerable room for councils to expand further in renewable energy and low carbon technology however such activity is often inhibited due to capital constraints, despite longer term benefits. These constraints provide opportunities for other levels of government to work collaboratively where possible, to assist councils in helping communities transition to renewable energy while supporting local jobs and innovative projects.

Supporting the switch to renewables

A number of councils are already assisting local business and community groups to switch to renewable energy.

Townsville City Council is a notable example with its successful Citysolar Program. The programme has a whole-of-community approach with a collaborative framework for action that includes community involvement sustainability initiatives and programs as well as building the community's

¹⁸ Local Government Association of Queensland < http://lgaq.asn.au/weekly-speak-ceo-column/-/asset_publisher/U3wmn7ZNDI23/content/this-week-it-s-all-about-the-bush/pop_up > accessed 10 November 2015.

¹⁹ Shane Rodger, 'Councils think 3D to tackle debt', The Australian, Technology Spectator, 21 October 2015, < <http://www.businessspectator.com.au/news/2015/10/21/technology/councils-think-3d-tackle-debt> > accessed 10 November, 2015.

²⁰ See Brisbane City Council website, <http://www.brisbane.qld.gov.au/environment-waste/green-living/green-homes/take-action/greenpower>.

capacity to manage its future. Under this program the Townsville community has implemented various solar initiatives to reduce the impact of climate change.²¹

Australian councils (in rural and metropolitan areas) are increasingly co-ordinating innovative, local sustainability projects through the engagement of business, industry, residents as well as other levels of government. Examples of this are evident in the reports of the not-for-profit organisation International Council for Local Environmental Initiatives – Local Governments for Sustainability (ICLEI). For example, an article in Ecos Magazine, April-May 2007, noted the following:

Since 1997, local governments across Australia have saved the equivalent of 8.8 million tonnes of carbon dioxide through local actions – comparable to taking 2 million cars off the road for one year. As part of this effort, one, the City of Melbourne, was last year recognised as a key player in the global fight against climate change because of its domestic and international impacts. Increasingly, local governments are taking the initiative on economic, social and environmental sustainability issues within their own operations and in the communities they serve, with impressive results²²

In summary, examples of strategies used to reduce emissions can include such things as increased use of renewable energy (solar, wind, electric vehicles); improvements in energy efficiency, where appropriate the use of decentralised power/water systems, solar PV; use of biofuels, greening, waste reduction, improved urban planning and other measures.

Community engagement, education and advice

Councils engage in community education and activities to assist communities to reduce carbon emissions and energy consumption in preparation for a low carbon future. Further engagement with the community is encouraged and with the support of existing government owned electricity entities the Union believes the shift towards renewables will be supported even further.

Setting standards and leading the way locally

In Queensland there is opportunity for the development of forms of local generation capacity with democratic participation involving local government and existing corporations - with transparency and accountability measures in place. This latter point is fairly significant as consumers increasingly value good governance, transparency and accountability. Indeed, consumer advocate organisations have raised this in relation to the rate of transformation of Australian energy markets.²³ Some have called for enhanced consumer representation and insistence on governance arrangements which are democratic, transparent and accountable.

It is likely that efficiency improvements in the current system could be made as a result of promoting electricity generation closer to the communities and with their participation.

By working with communities, the expansion into renewables energy sources could feed directly into current and/or localised grids or be in isolation from the grid, whatever is the effective way that

²¹ See Local Government Association of Queensland (LGAQ), Awards Showcase, <http://lgaq.asn.au/awards-showcase>.

²² Wendy Pyper, 'Council achievers have a global reach', in Ecos Magazine, April- May 2007, p135 , <http://www.ecosmagazine.com/?act=view_file&file_id=EC136p10.pdf> viewed 10 November 2015.

²³ See Brian Robins, 'Call for more power to the people', The Sydney Morning Herald, 5 October 2015, Businessday p21.

maximises benefit to communities. Advances in storage systems/battery systems would propel some efficiency advances but in some cases access to the wider electricity grid will continue to be needed. With a focus on community participation and local jobs, the results can bring long term benefits for the communities and such an approach is preferred to simply going for market based solutions to increase the role of the for-profit sector.

The accountability and transparency measures available through public sector/local government provisions can help secure longer term benefits to the communities as they transition toward renewable energy and the reduction of carbon emissions.

However, as many councils themselves face economic difficulties, funding assistance could lead to significant savings in the long term with respect to a range of economic, social and environmental objectives.

If community clusters or townships are not already linked to the main grid system, the installation of locally based energy systems, set up by or with the support of local government can lead to significant savings and reduce the waste from the rolling out of kilometres of kilometres of electricity cable to reach the isolated townships. It should also encourage greater efficiency from local maintenance and control.

In addition, perhaps there could be some investigation relating to the feasibility of whether regional cities or towns could be linked together to cross-support one another; perhaps even in using the existing local electricity grid which may be available to one town, being used as back up for another town which is accessing renewable energy sources.

As has already been indicated however, in many cases back-up from the main grid is likely to be required, at least in the medium term. This suggests that there will be a need to continue to adequately fund and maintain the main grid. The Union is of the view that private sector expansion and billing systems should not allow for the system to be fleeced of profits while leaving the government short of sufficient funds to finance upgrades of necessary infrastructure.

Despite the many and varied complications involved in the shift toward renewable technology and the provision of services feeding into the grid or separate from the grid, it is clear to the Union that Local governments have an opportunity to provide practical and innovative solutions to emissions reductions and the application of renewable energy sources. There is therefore a strong argument that local governments and existing corporations should be provided with financial incentive to continue and expand work in these areas.

In addition, funding increases should be direct toward the extension of employment and training opportunities for workers to ensure that local communities benefit from the transition to renewable energy future and a reduction in greenhouse gasses.

Workplace consultation and participation of unions can assist in making the best of opportunities that are available.

This submission of The Services Union was prepared with assistance from the Australian Services Union – National Office.