

CEDA media release

Australia must act now to ease net-zero jobs transition: CEDA

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Governments should support workers and communities rather than subsidise businesses to get the best employment outcomes in the transition to net zero, the Committee for Economic Development of Australia (CEDA) has found.

Powering the transition: The net-zero workforce challenge, calls for the Federal Government's new Net Zero Authority to focus on supporting communities affected by the energy transition by: ensuring all affected workers receive personalised support; improving and updating training and education; and investing in locally-driven projects in the most severely affected communities.

The report's author, CEDA Senior Economist Andrew Barker, says governments and businesses must act now to ensure affected workers can move jobs and retrain, given the unprecedented size and speed of this shift.

"Unlike previous structural shocks like the end of car-making, this is a transition from one industry to a new industry," Mr Barker said.

"We must focus on how to help as many people as possible to find new jobs – because there will be plenty of opportunities.

"The level of disruption to workers in the affected industries will be determined by how easily they can transfer their skills or retrain."

Modelling suggests the energy transition will change the nature of jobs across a broad range of sectors, without having a big impact on the total number of jobs.

The report finds that jobs in fossil-fuel generation and renewables require similar skills, making it easier for workers in high-emissions industries to retrain to seize opportunities in clean energy.

But it will be easier for high-skilled workers such as engineers to find new work than those in highly specialised roles.

The report also finds that in several key fossil-fuel and high-emissions manufacturing sectors, wages are significantly higher than average, meaning those with low or medium skill levels will struggle to find jobs with similar wages.

The report's other recommendations include:

- Governments must take immediate action to update and harmonise relevant occupational licences to reduce barriers to worker mobility where this will not jeopardise safety.
- The Federal Government should progress its planned reforms of temporary skilled migration to enable fast, simple visa pathways to bring highly skilled clean-energy workers into Australia, including via intra-company transfers.

- Governments must do more to communicate the transition challenge through forward-looking policies to cut emissions, detailed jobs-market modelling and clearly outlining what the transition will look like in the most affected communities.

Uncertainty around energy policy over the past 15 years has contributed to a shortage of power system skills, highlighting the urgent need for clear communication of the many job opportunities in the transition.

“As concerns grow that Australia might not be able to meet its 2030 climate targets, there is a real risk that skill shortages in clean energy may delay the energy transition and undermine energy security,” Mr Barker said.

“This makes it critical to enable workers in traditional energy industries to retrain and reskill wherever possible.”

Experience in Australia and overseas shows support for the most affected communities should work with rather than seek to delay this transition.

“Australia’s low job mobility and mixed success during past adjustments mean we must do all we can to enable as many people as possible to take advantage of new opportunities,” Mr Barker said.

CEDA Senior Economist Andrew Barker and Chief Executive Melinda Cilento are available for further comment and interviews.

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CEDA has more than 620 members from a broad cross-section of industry, government, community and academia. Our members span every state and territory.

CEDA was founded in 1960 by leading economist Sir Douglas Copland. His legacy of applying economic analysis to practical problems to aid the development of Australia continues to drive our work today.