

# **CLIMATE CHANGE AND EMPLOYMENT RELATIONS IN AUSTRALIA**

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# Introduction

- Workplaces a major source of carbon emissions
- Public policy to mitigate emissions likely to impact on productivity, employment relations, job quality, skills
- Labour market shifts occurring with decline & expansion in certain jobs & industries
- Might expect labour market actors' interest in this area
- Various estimates & debates regarding skills & green jobs
- But limited research into impact at workplace level
- We examine role of ER actors in Australia: government, employers, unions & employees

# Highly contested policy context in Australia

- 2007-10 Labor Party governments' carbon price policy with eventual floating price
- Negotiated support of major industry groups & Opposition—\$10 per tonne, with floating price in 2012 & industry assistance
- Liberal/National Party leadership changed & opposed; Greens in Senate also opposed because too weak & legislation failed
- 2010 minority Labor government legislated with Greens support: fixed price \$23 p.t. til ETS in 2015, industry & household assistance
- Lib/Nationals mobilised opposition to 'carbon tax' & win 2013 election: abolish 'carbon tax' & replace with 'Direct Action' funding for incentives to business to reduce emissions: target of 26% reductions on 2005 levels by 2030 –weak commitment
  - Uncertainty for industry

# Method

1. Review of policies of 25 key labour market institutions: employer associations, unions, some employers – plus interviews
2. Review of 1280 enterprise bargaining agreements (EBAs) in government database with ‘environmental clause’ since 2009
  - Definition changed, so 2009/10 & 2011/12 reported separately
3. 2013 Survey of 682 organisations employing 20 or more: 466 businesses, 216 government agencies: mainly HR managers
  - Nature & extent of carbon emission practices
  - Motivations to reduce emissions, including employee/union influence
  - Ways employee participation contribute to reducing carbon emissions

# Stakeholders

- Unions generally more optimistic than employer groups over business & employment impact of climate change mitigation
- Australian Council of Trade Unions (ACTU) advocated action from 1991 & supported Labor Party: *Climate Change is Union Business* linked 'green' job creation & climate change action –cf. ILO & others
- Some unions less positive: Australian Workers' Union (AWU) concerned for employment in manufacturing & resource sectors –assistance wanted
  - Construction, Forestry, Mining & Energy Union (CFMEU): Forestry Division opposed mitigation policies, but Mining & Energy Division supported
- Business groups emphasised costs of Labor policy

# Climate Change Activities in Organisations: Examples

- National & State governments' practices in public sector: mandatory standards in procurement practices; NSW 'leads by example' in waste management, energy use, specific targets, training & technical training system
- Victorian Trucking Association's sustainability covenant with Environmental Protection Agency to improve energy efficiency
- Linfox's Green Fox strategy to reduce emissions by 50% by 2015:
  - Green energy, reduced energy usage, technology to improve vehicle design, optimising supply chain practices & vehicle usage, Eco Driving training program
  - complements Transport Workers' Union 'Safe Rates' strategy
- Energy companies reduce & monitor emissions to improve competitive advantage & attract employees – AGL e.g.
- Anticipation of ETS led energy use reductions from 2008
- Skills & training: key feature of EU programs, but Australian employer survey showed 60% 'would' invest in this with ETS, more large than small business

# Employee participation (EP)

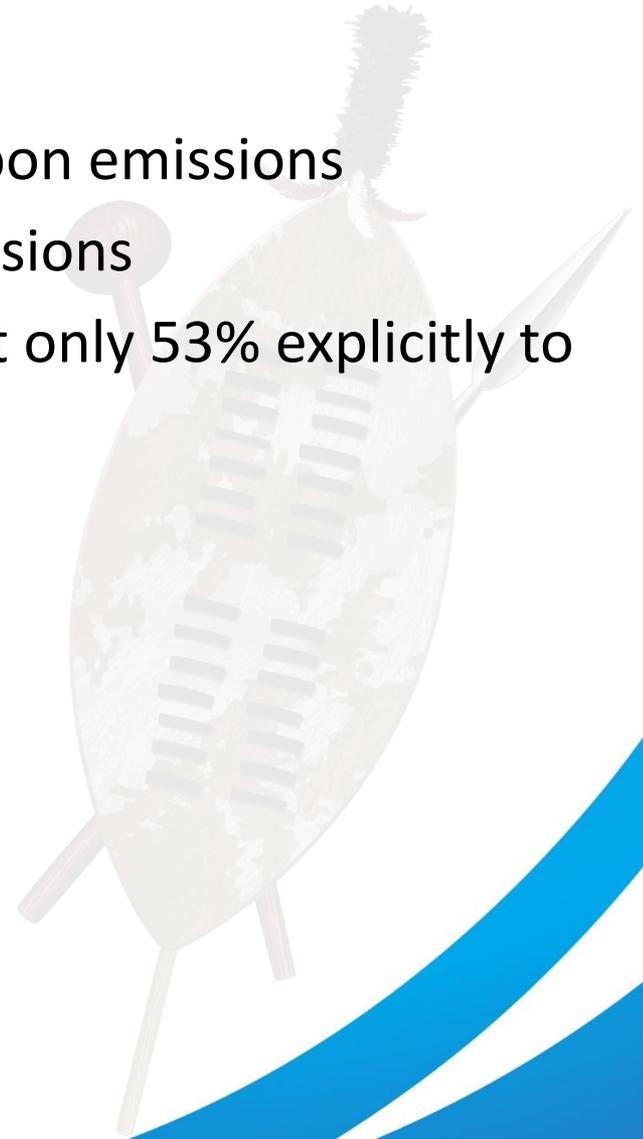
- **Direct:** individual or team based focus on job or task; or
- **Representative:** works councils, joint consultative committees (JCCs), unions
- **Consultative** forms: consultation without say in decision-making
- **Substantive:** some influence in decision-making
- Case study research on voice in environmental management emphasises substantive direct forms e.g. teams with problem solving & decision-making remits; specialist environmental teams (Linfox), quality circles
- **Representative forms notable in EU public policy:** expanded remit of OHS committees (Germany, Belgium, France, Italy), works councils (Germany)
- Environmental delegates in Argentina & UK TUC's 'green workplaces'
- **Collective bargaining:** Germany, Belgium, UK,
- ACTU advocates but some legal restrictions
- Australian National Tertiary Education Union (NTEU) bargaining agenda recently

# Environmental Clauses in EBAs

- **Incidence** low overall, but sectoral variation:
  - 2009/10: 1.7% all agreements (n=322) covering 8.7% employees
  - 2011/12: 6.7% agreements (1007) covering 11.3% employees
  - **Education**: 6% of 2009/10 EBAs, covering 31% of its employees & 46% of all – mainly universities
  - **Public administration**: 27% employees covered 2009/10, 44% 2011/12 = 38% & 65% all employees covered respectively
- **Content**: little detail in many, referring to unspecified existing policy – significant minority place onus on employees
  - 25% facilitated representative EP in emissions reduction –mainly through existing JCC, some dedicated environmental reps.
  - 67% of all these in higher education & high % in public admin.
  - High % in these 2 sectors also specified activities: waste reduction, recycling, R&D etc. Also in utilities & manufacturing, but few refer to climate change as such

# Survey data

- 94% undertook a behaviour to reduce carbon emissions
- But only 63% did so to reduce carbon emissions
- E.g. 77% reduced energy consumption, but only 53% explicitly to reduce carbon emissions
- Similarly for waste reduction & recycling



## reduction behaviours

<b>Behaviour</b>	<b>Total %</b>
Reduced energy consumption (to reduce emissions 53%, or other)	77
Increased recycling (to reduce emissions 50%, or for other reasons)	78
Reduced waste (to reduce emissions 34%, or for other reasons)	71
Changed formulation of products or services to cut emissions	15
Changed the physical packaging of any products to cut emissions	12
Introduced new equipment to cut emissions	40
Introduced new technology to cut emissions	28
Made changes to supply chain to cut emissions	18
Introduced new work practices to cut emissions	39
Had staff training or skills development to cut emissions	24
Changed the mix of skills in your workforce to reduce emissions	9
Bought carbon credits to offset its carbon emissions	4
Others	12
<b>Explicitly taken steps to reduce carbon emissions</b>	<b>63</b>
<b>Total</b>	<b>N=682</b>

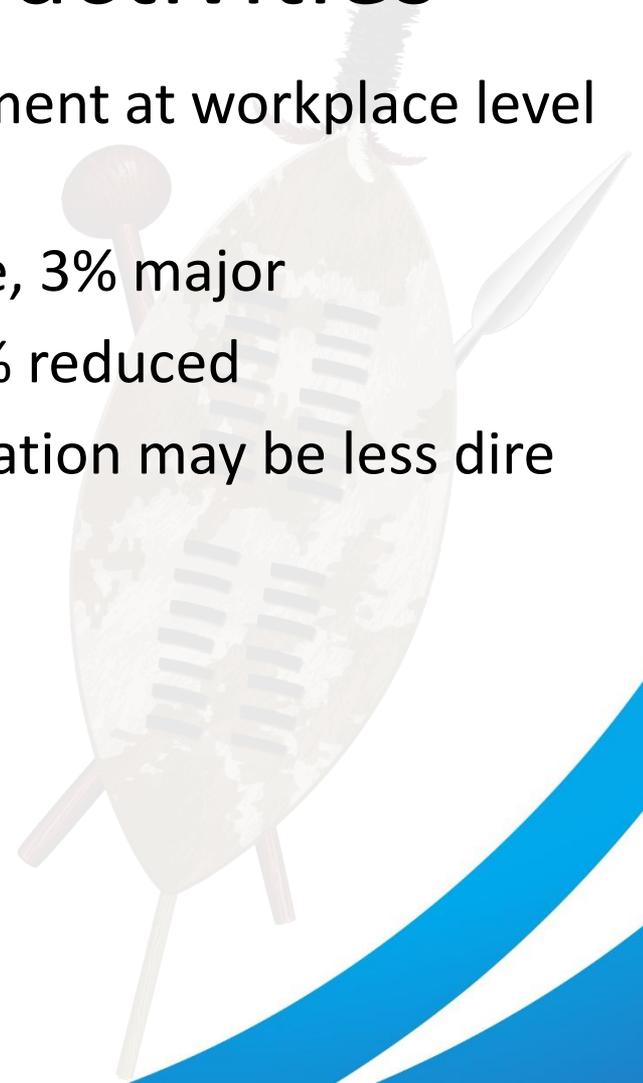
# Sectoral spread of mitigation activities

- ***Education & training*** by far most proactive: 92% explicitly took measures, & large spread of types of activities
- Business services 77%
- Government: 73%
- Manufacturing: 71%
- Primary: 70%



# Impact of mitigation activities

- Minimal impact on operations or employment at workplace level reported
- Operations: 66% very little, 31% moderate, 3% major
- Employment: 92% none, 3% increased, 4% reduced
- Indicates impact of carbon emission mitigation may be less dire than often anticipated

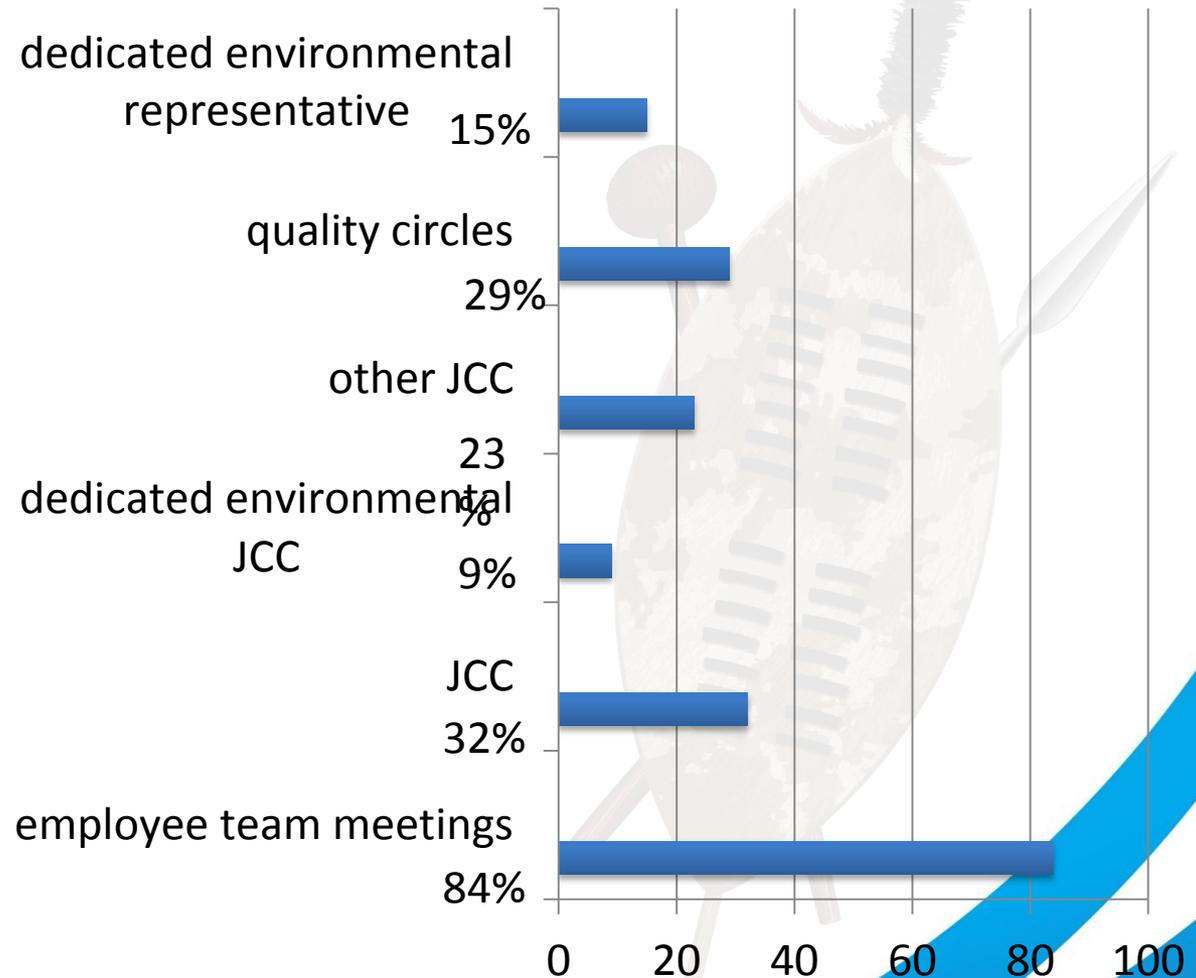


# Motivations to reduce carbon emissions

- **Reduce costs:** 82% - 82% business, 80% government agencies
  - Only 40% in Transport, Postal, Warehousing
- **CSR policy:** 69% - 69% business, 80% government agencies
  - But only 18% had formal written policy, &
  - 7% motivated by ethical/environmental responsibility
- **Part of marketing strategy:** 41%
- **Supply chain requirements:** 31%
- **Carbon tax:** 27% - 27% business, 15% government agencies
  - Timing: 78% since 2008 when Labor canvassed carbon price
- **Employee requests:** 20% - 20% business, 41% government agencies
  - 46% Education/Training
- **Union requests:** 1% - 1% business, 4% government agencies
  - 19% Education/Training

## climate mitigation at workplaces

- 63% all organisations surveyed took explicit steps to reduce emissions;
- 59% indicated some means EP in emissions reduction
- Dedicated environmental mechanisms, teams or employees particularly rare



# Participation in climate mitigation at the workplace: Sectoral Differences

- Education and training sector high in several methods: JCC (61%), dedicated JCC (27%), dedicated environmental employee representatives (49%), and quality circles (47%). Also more likely to be motivated by requests from employees (43%) and unions (18%)
- Government agencies high in JCCs (46%)
- Manufacturing and utilities had relatively high rates of quality circles (34%)
- Other dedicated teams higher in wholesale trade sector (13%)

# Conclusions

- Australian unions & employer groups have nominally supported action on climate change but moderated by traditional goals
- Unions generally more positive about carbon pricing
- Significant degree of engagement with carbon emissions reduction in workplaces – most undertook some activity
- Extent of these practices less clear, though some exceptional – low impact on operations & minority invest in skills development
- Reduction of energy costs most important motivation, though only 27% acknowledged impact of carbon tax – anticipation important

## Conclusions 2: EP potentially critical

- Majority of workplaces reducing emissions have some EP mechanism involved in this process
- Mostly team meetings & direct informal forms, & most probably consultative rather than substantive
- But 20% workplaces motivated by employee initiatives/requests
- Representative EP through JCCs more likely to be strategic but only in a minority of workplaces – even fewer dedicated representatives or JCCs, & collective bargaining
- Education/Training & Government Agencies exceptional: higher incidence of EP across range of forms including collective bargaining – scope & depth (Blyton & Turnbull 2004) - & greater range of activities to reduce emissions
- Indicates potential of EP & trade unions in this sphere
- Employment relations systems can be harnessed to reduce carbon emissions