Clean Energy Bills Committee

- CFMEU interest
- Involved since 1992 Rio meeting, Kyoto, COP meeting
- Active in ACTU, ICEM, ITUC
- Always accepted the science
- Understand that price necessary to drive abatement technology
- In 2006 when concern in community was at it's highest and both parties committed to ETS, developed a union policy supporting a carbon price through an ETS, more renewable energy for new capacity, heavy investment in Carbon Capture and Storage and a fair outcome for low and middle income earners. National plebiscite overwhelmingly in favour.
- National Convention resolution in 2007 in similar terms also adopted in plebiscite.
- Policy reaffirmed in 2010
- Adopted by whole CFMEU at 2008 and 2010 National Conferences
- I was appointed to the Carbon Storage Taskforce, Prime Ministers Energy Efficiency taskforce Advisory Group, and the various stakeholder committees and

roundtables for the CPRS and CEB. Consultation was extensive and balanced.

- Union advocated a ‘soft start’, extensive industry assistance and generous, effective and permanent compensation for low and middle income earners. This is well reflected in the CEB package. The assistance for pulp and paper, petrochemical, electricity, cement and other emissions intensive industries is crucial at a time when the high $A puts pressure on manufacturing. Assistance for gassy coal mines was strongly advocated by us as was extra assistance for the Steel Industry.
- Union continues to advocate complementary industry policies to ensure the maximum jobs dividend from the carbon price. The CEB package goes some way toward this with the Clean Technology Fund and the Clean Energy Finance Corporation.
- CFMEU does not support employer scare campaigns such as those run by the Minerals Council of Australia or the Australian Coal Association. Their claims of job losses are false and misleading. Their modelling shows jobs growth in all scenarios. A carbon price will slow growth slightly which may not be a bad thing given the

adverse impact the resources boom is having on other sectors of the economy.

- The coal industry has its future in its own hands. It can provide corporate leadership and finance to ensure a long term role for fossil fuels as a low emission product for both energy and as a hydrocarbon feedstock. Alternatively they can make a ‘dash for cash’ and plunder our resources while prices are high for the next 20 years and rely on government to provide a future for the industry and mining communities.
- Much is made of the $1b ‘Coal 21’ fund. It’s a mere 20 cents per tonne. Only 10% of the allocation has been expended. While the permit liability of coal companies is from fugitive methane emissions, they have not spent one dollar on abatement measures for fugitive methane emissions.
- The jobs scare campaign is having little effect on miners. It is at odds with the physical reality of expansion all around us.
- We are well aware of the cost structures of many operations as companies routinely explain cost structures to employees in order to gain support for measures to contain costs. They also explain their

position to the union when lobbying for assistance from government or for wage restraint. Given current and foreseeable commodity prices, the margins are at an all time high. This is reflected in ground breaking profit announcements and company annual reports. The decision by the Government to tailor assistance to the most emissions intensive mines is entirely appropriate.

- Since the CEB announcement, members have reported increased installation of methane drainage and gas power turbines in the gassy mines. One major company has told employees that they haven't yet made an assessment of the impact of a carbon price on their operations. Another said that they have been factoring in a carbon price for years. This is at odds with the scare campaign.
- The union has also made it clear that any 'contracts for closure' in the electricity industry will have to be based on 'no forced retrenchments' and a major industry development plan for affected regions. We have discussed these and other options with members and made our views known to the Government. We would take the same approach to the inevitable closures as a result of the Coalitions Direct Action Policy.

- All power stations are replaced by others. That's where it differs from other industries. A steel mill may close and not be replaced. A power station is always replaced and each time there are fewer jobs. All existing power stations replaced earlier, older, less efficient plants.
- In conclusion we support the passage of the bills because it meets the key requirements we advanced on behalf of members and it will enable a carbon price to drive investment over the medium and long term. The shape of our economy in 2050 is influenced by the investment decisions made in the next 20 years. Starting now, with a soft start, with generous industry and household compensation delivers an investment signal without economic and social dislocation. Those countries which start later risk sharp economic shocks as well as failing to provide the investment environment for low emission and abatement technologies.