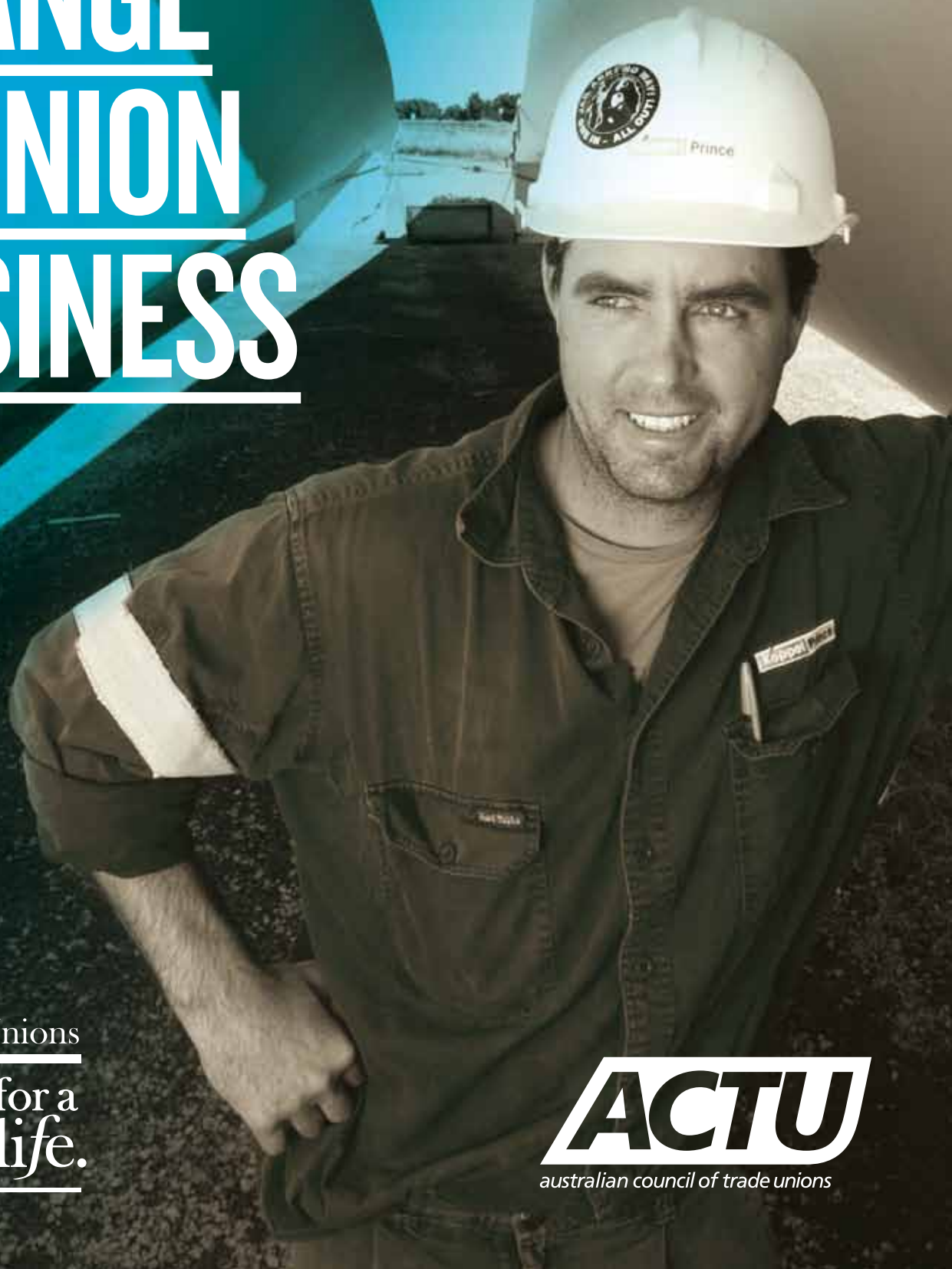


CLIMATE CHANGE IS UNION BUSINESS



Australian Unions

Working for a
better life.

ACTU
australian council of trade unions

WE ARE UP FOR THE CHALLENGE



Climate change is union business.

Setting a price on pollution will be the biggest change to the structure of the economy since the 1980s. Unions have to be part of this major economic reform to make sure working people and their families get a fair deal.

Unions need to be in the game arguing for industry plans that promote sustainable jobs and businesses. To safeguard the future of manufacturing industries and jobs, and to ensure the introduction of programs that encourage investment in clean energy and new technologies.

Revenue from a price on pollution must be spent to assist low and middle income households to pay for any increase in living costs.

The task of shifting to a lower pollution future is urgent: if Australia does not act now, we will miss out on the jobs and investment opportunities of the future.

Australian unions accept the science on climate change. We cannot leave an irreversibly damaged planet as a legacy to our children.

For several years now, unions have been actively involved in the debate about how to best mitigate the dangers of global warming and how to make our economy a low-polluting one.

Tackling climate change will require changes to different industries. It will require on-going legislative interventions; investment in new, cleaner industries;

Our greatest asset has always been our people. We work hard, have big ideas and have a culture that ensures that no one is left behind.

re-training of workers and measures to off-set impacts on the low paid and disadvantaged. These are going to be really big changes over time.

And like any structural changes to the economy and our industries, we've seen how without union involvement workers can lose out.

But action on climate change is also a huge opportunity. Drawing on our reserves of innovation, a skilled and productive workforce, and our natural resources, Australia can become a world leader in renewables and clean energy.

Unions know that hundreds of thousands of secure and rewarding jobs can be created in the future if we get it right now. So there is an extra incentive for climate change to be union business, because unions want to ensure Australian workers are beneficiaries of visionary climate change policy.

Unions will advocate for a price on pollution that is fair on workers, fair on families, fair on the community and fair on the environment.

An orderly transition to a low pollution future must include:

- » support for emission-intensive and trade-exposed industries,
- » measures to protect existing jobs,
- » programs to attract investment in clean energy and production, and
- » assistance to low income households.

This means ensuring a fair share of the money raised from a price on pollution goes to supporting workers to gain the skills and training needed in a clean energy economy.

This means ensuring a fair share of the money raised maintains the competitiveness of Australian industry.

This means ensuring a fair share of the money raised goes to the development of clean energy technology.

This means ensuring that a fair share of the money goes back into the community to support low income households.

In 2008, the Australian Council of Trade Unions formed the Southern Cross Climate Coalition in partnership with the Australian Conservation Foundation, The Climate Institute and the Australian Council of Social Service because we realised that our different constituencies had mutual interests in the climate change debate.

Together with the Southern Cross Climate Coalition, the ACTU has publicly supported strong and decisive action on climate change, and commissioned research to demonstrate the economic opportunities available and showing that there are decent jobs in the new low-pollution economy.

However, without union involvement there are no guarantees that workers' interests will be fully considered.

Union involvement was vital to ensuring that workers' interests were considered at last year's international climate change summit in Cancun.

Unions now have a clear role in the climate change consultation mechanisms that have been established by the Gillard Government. Unions, including the ACTU, have a seat on the community consultation panel, and it is essential that government consultation and public debate on the issue of responding to climate change includes the voice of all stakeholders, including workers.

Unions know Australian workers are up for the challenge. Australians have always achieved great things in the national interest. Acting on climate change is no different.

Our greatest asset has always been our people. We work hard, have big ideas and have a culture that ensures that no one is left behind.

Let there be no doubt: climate change is union business.

Ged Kearney
President
Australian Council of Trade Unions
April 2011

Man-made climate change is real.

The scientific debate is over. Whether it be through unusual weather patterns, increased pollution, the destruction of natural habitats or the increased frequency of natural disasters, the signs of global warming are all around us.

For many years, there has been a global consensus that not only is climate change real, but that urgent action is needed to reduce carbon emissions. No credible scientific evidence has been produced to counter this conclusion.

In a recent update of the Garnaut Climate Change Review, the position was strengthened that the Earth is warming and that human emissions of greenhouse gases are the primary cause.¹ Global temperatures continue to increase, and sea levels are rising faster than previously anticipated.

There is an environmental imperative to act. The introduction of a price on carbon pollution is fundamental if Australia is committed to shifting to a low carbon economy. But there is also a clear national interest in Australia taking action on climate change. Most Australians would agree we should do what's best for Australia, as opposed to letting important decisions like this be made by other countries.

We know it's in Australia's national interest to develop our clean energy resources like wind and solar. The technology is available right now, and the resources will last forever. Industry just needs the incentive to make it happen.

Until we provide industry with an incentive to change the way we produce energy, our pollution levels will continue to rise and change won't happen.

Acting without a price on pollution will ultimately cost more to achieve the same cuts to pollution. Delay and unclear signals on climate change policy risks postponing long overdue investment in essential infrastructure and opportunities to supply and build the economy of tomorrow.

Unions broadly agree with the timetable for a pollution price mechanism proposed by the Multi Party Climate Change Committee of a fixed price beginning in 2012 followed by an emissions trading scheme within three to five years.

The pollution price system must:

- » Reduce carbon pollution .
- » Provide assistance to low and middle income households
- » Cover a broad section of the economy.
- » Safeguard workers, communities and regions dependent on emissions-intensive industries.
- » Provide support to emissions-intensive and trade-exposed industries to remain globally competitive.
- » Invest in skills and training so workers can make the most of the opportunities the low carbon economy can provide.
- » Include industry policy to help industries adopt low carbon and energy efficient processes and products, and to invest in new low carbon and clean energy industries.
- » Support low-income households.

Unions believe in a price on pollution that is fair on workers, fair on families, fair on the community and fair on the environment. Because that is union business.

¹ Garnaut Climate Change Review Update Paper 5: The science of climate of change, March 2011



**Acting without a price
on carbon will ultimately
cost more to achieve the
same cuts to pollution.**

**ACTION ON
CLIMATE CHANGE
IS NECESSARY
AND URGENT**

UNLOCKING CLEAN ENERGY INDUSTRIES & JOBS

With the right policy drivers to cut pollution, it is estimated that an additional 770,000 jobs could be created across the Australian economy by 2030.



Job creation and action on climate change are closely connected.

Modelling commissioned by the ACTU and the Australian Conservation Foundation demonstrates the employment creation opportunities of acting strongly on climate change.

With the right policy drivers to cut pollution, it is estimated that an additional 770,000 jobs could be created across the Australian economy by 2030².

Research commissioned in 2008 analysed 30 green industries globally and identified six sectors for Australia to focus on: renewable energy, energy efficiency, sustainable water industries, biomaterials, green buildings and waste recycling.

Australian workers' innovation, can-do attitude, and commitment to teamwork gives us an edge that could see our nation become a global leader if the right decisions are made now.

These are big numbers and big opportunities, but if we don't take strong action on climate change and invest now, the economic opportunities will pass us by.

Germany created 140,000 new jobs in renewable energy (to reach a total of 300,500) between 2004 and 2006, underpinned by their strong renewable energy laws and complementary Green Skills programs. It expects to have more than 400,000 people employed in the sector by 2020³.

And although Germany is known for its car giants like BMW, Mercedes and Volkswagen, by 2020 jobs in the field of environmental technologies are projected to exceed the entire car industry.

And we're not talking niche jobs.

These new jobs include large scale, heavy industry jobs that exist now. It's estimated that the renewable energy sector worldwide already employed more than 3 million people by 2009 – more than the total number employed directly by the oil and gas industry.

The global 'low carbon and environmental goods' sector is now valued at A\$6.1 trillion.

We can generate more jobs if we take strong action on climate change. But we have to be the leader now – with new technologies and industries.

In the La Trobe Valley they're already investigating ways local communities can take advantage of the changes to the economy. The same is happening in other communities around Australia. Take the Illawarra region, for example, where communities are working collaboratively to develop new technology initiatives.

Plus there's work happening in Newcastle and the Hunter region.

But to ensure that there are real outcomes for workers and their families it's vital that unions continue to play an active role in the debate. Without the union voice, workers' interests won't necessarily be fully articulated or even thought about.

The transition to a low pollution economy must focus on investing in clean energy jobs, 'greening' current jobs and protecting existing jobs. We must start now identifying and prioritising the skills development, knowledge and work needed for a low-pollution economy.

Comprehensive and active industry policy to generate the necessary investment is an integral part of the response to climate change.

This is our opportunity to do big things, to build our economy and jobs.

The pollution price and complementary measures must include:

- » A plan for skills development and training needed for workers to participate in the low carbon economy by learning new skills.
- » Allocating revenue to fund investment in low carbon technologies and clean energy options to support the development of domestic industry.
- » Support for industries to improve current practices through the adoption of low carbon and energy efficient processes and products, while also supporting Australian industries to maximise the opportunities that the transition to a low pollution economy presents.
- » Industry policy to help industries adopt low carbon and energy efficient processes and products, and to invest in new low emissions and clean energy industries.
- » Planning – that involves government, unions and business – that ensures these new jobs are focused in communities where jobs are most in need.

Ensuring that workers and jobs benefit from economic change is union business.

² ACTU & ACF, *Creating Jobs – Cutting Pollution: The Roadmap for a Cleaner, Stronger Economy*, 2010.

³ See p. 27 at http://www.erneuerbare-energien.de/files/english/pdf/application/pdf/broschuere_ee_zahlen_en_bf.pdf



HELPING OUR INDUSTRIES TO ADJUST

The job security of workers is always a top priority of Australian unions.

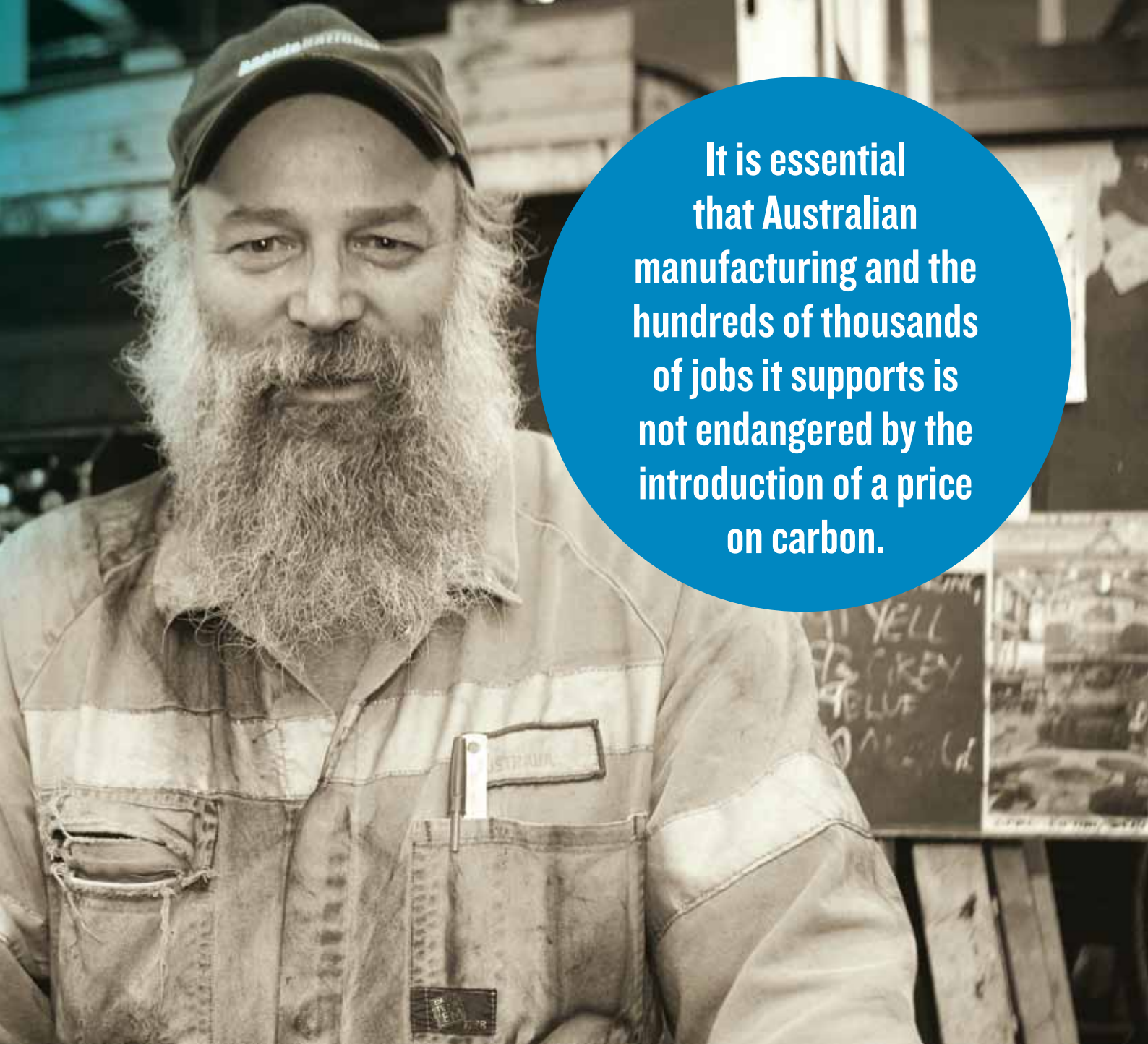
A price on pollution is crucial to combating man-made climate change, but tackling climate change will involve the most significant structural economic changes to take place in Australia for a generation.

It is essential that Australian manufacturing and the hundreds of thousands of jobs it supports is not endangered by the introduction of a price on pollution.

A comprehensive industry plan that prevents the leakage of existing jobs overseas and creates opportunities for a whole range of new jobs around energy efficient technology must be part of the package for a price on pollution.

This discussion will take place not only with the government, but with employers.

In this complex and important debate over a price on pollution, unions will work sensibly, and constructively, to protect Australian industry and the hundreds of thousands of jobs that it supports.



It is essential that Australian manufacturing and the hundreds of thousands of jobs it supports is not endangered by the introduction of a price on carbon.

The pollution price mechanism that is implemented must safeguard workers in emissions-intensive trade-exposed industries while supporting these industries to adopt low pollution technologies, activities and behaviours.

There will be no blank cheque of support for a pollution price that does not protect jobs.

A comprehensive industry plan that leads to the creation of new clean energy jobs and prevents the leakage of existing jobs overseas must be part of the package for a price on pollution.

Action to introduce a price on carbon must:

- » Safeguard workers and communities dependent on heavy polluting industries by supporting them to adopt best practice in terms of lowering emissions.
- » Provide support to heavy polluting industries to make sure they remain competitive with business from other countries who don't yet have a price on carbon pollution

- » Provide generous assistance for affected workers and their communities to access all the opportunities in a low carbon economy.
- » Support efforts globally to reach international agreement on climate change.

Fighting for good jobs today, tomorrow and into the future is union business.

**A price on pollution
is not a tax in the
ordinary sense.**

About 1000 of Australia's heaviest polluting companies will be charged for each tonne of carbon pollution they produce.

It's the big polluting companies that will have to pay the "tax", not households.

But it is true that households may incur some extra expense if the big polluters decide to pass on part of the cost.

That is why it is important revenue raised from a price on pollution is used to provide assistance to low and middle income households for any increase to living costs.

Most reputable economic modelling says that increases in electricity bills will be minimal due to a price on pollution. The estimated impact on inflation is likely to be less than 1% - and less than the impact on households of the introduction of the GST in 2000.

Household electricity expenses have already risen in the past couple of years because of underinvestment in infrastructure over many years.

However, even if it is only a few extra dollars a week, households need to be protected.



SUPPORTING HOUSEHOLDS & COMMUNITIES

Over time, however, extra household costs will be limited because competition will force the big polluters to look for the most affordable, low polluting options.

In fact, most of the increases in energy costs in the last few years has been because there has not been a price on pollution. Energy companies are putting off investing in new infrastructure until there is certainty in how climate change is going to be tackled.

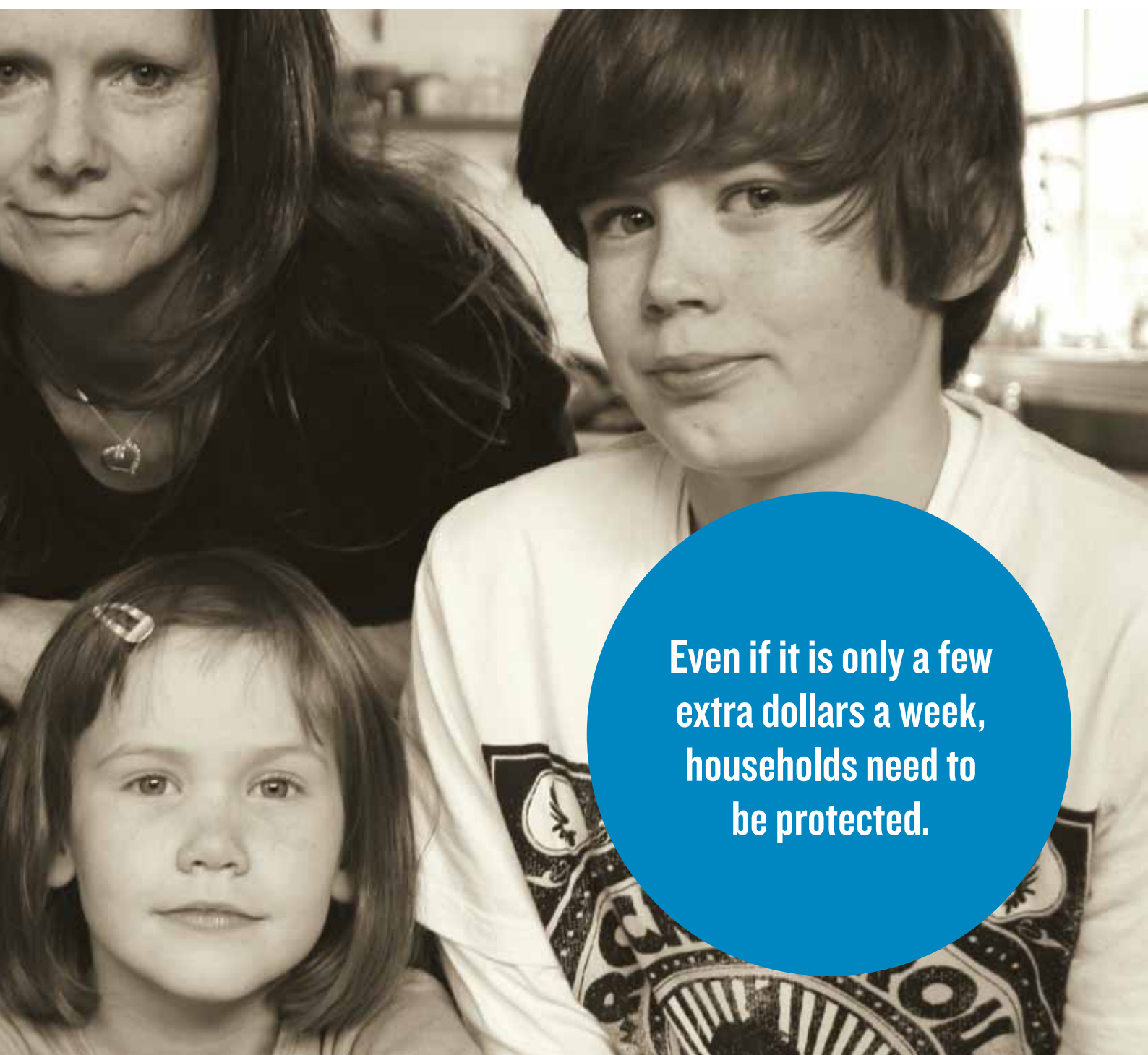
One proposal floated by the Government's climate change adviser, Ross Garnaut,

has been to direct some of the revenue from the scheme to households through changes to personal income tax for low income earners.

Any cuts to personal income tax - whether funded through revenue from a price on pollution or elsewhere - should be targeted to those who need them most, must not increase taxes on middle income working people or cut taxes for high income earners and should not reduce the overall progressivity of the tax system.

Not all eggs should be put in the tax basket, however. Support will need to be provided to households not in the tax system, such as pensioners. Furthermore, support should be provided for energy efficiency programs that will minimise energy bills.

With our history of advocating a strong social wage of publicly-funded education, health, and other services, unions have always stood up for low and middle income households. That is union business.



Even if it is only a few extra dollars a week, households need to be protected.



SUPPORT REAL ACTION ON CLIMATE CHANGE

Climate change is one of the most pressing economic, social and environmental challenges we face.

Australians will be hit hard if we do not respond with urgent and decisive action to reduce carbon pollution, improve energy efficiency and support the move to a low pollution economy.

Unions representing workers in all sectors and industries are more than willing to make a strong start on the move to a low pollution economy, which includes investment in new industries and compensation for households.

We need to tell the Australian Government that workers understand the challenges and opportunities ahead, and support action on climate change.

Unions know Australian workers are up for the challenge. Australians have always achieved great things in the national interest. Acting on climate change is no different.

Climate change is union business. Here's what you can do:

1. Find out more

Visit www.actu.org.au/Campaigns/ClimateChangeJobs to learn more about the future of clean energy jobs.

2. Spread the word

When you've finished with this booklet, pass it onto a friend or colleague, or send them the link to download it from www.rightsatwork.com.au

3. Be heard

It is crucial that we tell the government and the opposition that we support a price on pollution. Sign the petition to let our politicians know that Australian workers want action on climate change at www.rightsatwork.com.au/Home/Campaigns/Climate-Change-and-Jobs.aspx

4. Get connected

Join the online Your Rights at Work community. Connect with other union members and supporters to help all of our campaigns at: www.rightsatwork.com.au/Register.aspx



Australian Unions

Working for a
better life.

The Australian Council of Trade Unions is
the nation's peak body for organised labour,
representing Australian workers and their families.

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