

Introduction

It is an inescapable reality that combating climate change will mean Australia uses and exports less coal. It is in the interests of coal miners and coal-dependent communities that all political parties acknowledge this, and begin to plan for it.

Coal production in Australia generates 33,000 jobs in an economy of more than 10.3 million workers. Stopping dangerous climate change is essential for the social, economic and environmental wellbeing of all Australians, and we cannot justify doing nothing to protect 33,000 jobs - 0.3% - of the workforce.

Let's have a real debate about jobs and climate change

Different actors in the debate are insisting that these jobs be protected at any cost. What is being overlooked is the catastrophic impact that unchecked climate change would have on industries that employ many thousands more than the coal industry. The latest IPCC report of leading scientists warned that within decades the Great Barrier Reef could be "functionally extinct" if climate change is not addressed: the tourism industry centered on the reef sustains the equivalent of 54,000 full-time jobs¹. Unchecked climate change will see droughts become more frequent in Australia: a study by the Federal Treasury estimates that the 2002-3 drought reduced agricultural employment by about 100,000 people².

The scale of the transition needed in Australia to deal with climate change will inevitably lead to job losses, and job creation, as have many other economic reforms championed by both major parties. The question is not if this will happen, but how to plan so that those whose jobs are affected are looked after. As with all aspects of dealing with climate change, the longer we wait the harder, more expensive and more disruptive it will be.

The Great Barrier Reef is threatened by climate change. The reef's tourism industry employs 54,000 people.

¹ www.gbrmpa.gov.au.

² www.treasury.gov.au/documents/817/HTML/docshell.asp?URL=03_article_2.asp.

Jobs in clean energy

Australia could generate thousands of good, permanent jobs if it were serious about making the transition from dirty coal to clean and safe renewable energy. Other countries who have provided incentives to their clean energy industries have created thousands of jobs. Germany's wind industry employs 70,000 people and its booming solar industry employs 35,000 people³. Overall employment in the German renewables sector is currently 170,000 and the Government expects that to reach 300,000 by 2020⁴. Australia, once a world leader in technologies like PV, can replicate these figures. A 2004 'roadmap' for the Australian photovoltaic (PV) industry financed by the Commonwealth Government found that the PV industry could employ 31,600 people in Australia by 2020⁵.

In some areas, clean energy industries are already competing with coal-based ones in creating employment. In the past 5 years 400 manufacturing jobs have been created in the wind industry in Portland, Western Victoria. This includes 70 jobs at the Vestas blade manufacturing plant⁶ and over 300 jobs at the Keppel Prince tower manufacturing plant. This rivals, and will soon overtake the number of jobs at Alcoa's Portland aluminium smelter.

The German renewable energy industry employs 170,000 people.

Australia's solar PV industry could employ over 31,000 alone by 2020.

The coal industry is destroying jobs

The booming coal industry in the Hunter Valley is seeing unprecedentedly large new mines being opened up which are squeezing out other industries and using massive amounts of water. If the current expansion plans are approved, many more jobs will be lost than created. The controversial Anvil Hill proposal is a case in point. The developer, Centennial Coal, claims that it will create 200 jobs, yet the coal industry frequently overstates employment potential to win support. The recently opened Wilpinjong mine claimed that it would employ 160 people, but currently employs only 70.

If Anvil Hill goes ahead it will have a serious impact on the local wine, tourism and horse industries, which between them employ hundreds. These industries have made it clear that the expansion of coal mining in the Upper Hunter threatens them. A submission by the Hunter Valley Thoroughbred Horsebreeders Association warned "*The expansion of coal mines, including the proposed Anvil Hill mine, threatens the viability of [our] businesses and the families that they support to remain in the area*".

³ www.renewableenergyaccess.com/rea/news/story?id=47322.

⁴ www.bmu.de/english/renewable_energy/press_statements_speeches/pm/37957.php.

⁵ www.bcse.org.au/docs/Publications_Reports/PV%20Roadmap-web.pdf.

⁶ www.bcse.org.au/docs/Renewable%20Energy%20Page/Manufacturer%20Profiles/Vestas

Overlaying all of this is the impact of climate change in the Hunter Valley, fuelled by the region's coal mines. It is estimated that climate change could devastate the Hunter Valley's wine industry, an industry which employs 3,000 people⁷.

Reducing coal use is inevitable

The debate about moving away from coal is currently a phoney one with both major parties arguing that they will achieve deep cuts in greenhouse gas emission while protecting, indeed expanding, the coal industry. This is akin to an anti-smoking policy which does not foresee a reduction in cigarette consumption.

In reality, policies that lead to reductions in greenhouse gas emissions will lead to less coal being used in Australia and overseas.

The NSW Labor Government has pledged to cap greenhouse gas emissions at 2000 levels by 2025. Greenhouse emissions are currently near 2000 levels, meaning they cannot rise from their current level. This is effectively a de facto moratorium on new coal-fired power plants. It would be simply impossible for a new baseload coal plant to be built without a large rise in emissions. Given the inevitable increases in population and vehicles traffic that will take place by 2025 it is also likely that this target could not be met without reducing use of coal at NSW's power stations through co-firing with

“The only way the world can meet its carbon reduction targets is to burn a lot less coal.”

Professor Ian Lowe
President
Australian Conservation
Foundation

renewables, or actually replacing some units with gas or renewables. Regardless, the stated policy of the state labor party is one which will either cap or reduce use of coal in NSW.

Both major parties and the CFMEU – which represents most of Australia's coal miners - are also committed, at least rhetorically, to the development of an international climate regime that will see all countries committing to reducing their emissions. Given that coal is the most carbon-intensive of the fossil fuels it is inevitable that this will result in a reduction in demand for Australia's coal exports. Both major parties and the CFMEU are also in favour of a domestic emissions trading scheme which would put a price on carbon emissions. Again, this inevitably will make it is less likely that coal will be used to generate electricity.

“Clean coal”?

Both parties and the union movement believe that rather than use less coal we can “clean it up”, particularly through use of carbon capture and storage (CCS). Yet it will be decades before we know if CCS

The World Coal Institute recently conceded that, by 2020, it was likely that only nine projects using carbon capture and storage (CCS) would be operating.

⁷ The Newcastle Herald, 14.8.06.

will actually work, and many more years after that before it is commercially available. The next 10 years have been identified as a critical time in which deep reductions in greenhouse gas emissions must begin, leading to a reduction in emissions of 30% below 1990 levels by 2020. We will not even know if CCS works in this timeframe, nevertheless have it ready for use. In the absence of CCS, there is no way of achieving reductions in greenhouse gas emissions domestically and internationally without reducing our use of coal. And this will mean jobs losses in the coal industry.

Conclusion

A real debate about climate change and jobs has to go beyond just the impact on coal mine workers. It has to take into account the thousands of Australians who will lose their jobs if dangerous climate change is not addressed, and the thousands of jobs that will be created in the clean energy industries that will grow in response to real climate protection policies. Effective and equitable climate policies must include provision for assisting displaced coal mine workers to move to alternative jobs. But climate policy must not be held hostage by the threat of job losses in the coal industry. There is no greater risk to Australian workers and their families than dangerous climate change.

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