



A PRICE ON POLLUTION: WHAT IT WILL MEAN FOR WORKERS

Unions support real action on climate change.
Now, with the release of the carbon price package, we have the facts.

A price on carbon pollution on about 500 of Australia's largest companies will begin in the middle of next year. This will force companies to reduce their carbon pollution and transform our economy to be more energy efficient.

Unions have successfully argued that the carbon price package:

- » **Safeguards workers and industries.**
- » **Unlocks clean energy industries and jobs.**
- » **Supports households and communities.**

The announcement of the carbon price package will provide certainty to Australian workers and their families and allow them to begin planning for the largest economic adjustment for a generation.

The rest of the world is already moving to cut their carbon emissions, and delay for Australia will only cost the economy and the environment more in the future.

Unions know Australian workers are up for the challenge. Let's get on with the job.

How will a price on pollution work?

The price on pollution will only affect 500 companies. From the middle of next year they will pay a fixed price of \$23 per tonne of carbon emissions. This price will rise moderately until 2015, when a full emissions trading scheme will begin.

This cost will encourage them to reassess the way they operate and consider alternatives that consume less energy and have less of an impact on the environment.

All revenue raised will support households, workers and industries in the move to a low pollution economy.

Supporting households and communities

The carbon price is not a tax on all Australians, but on 500 of the largest companies.

Nevertheless, some of these costs will be passed on to consumers, at an average of \$9.90 a week. This is equivalent to a 0.7% increase to inflation (the GST was 2.5%).

That's why the package includes assistance for households to ensure that any impacts on workers and their families are minimised.

The package:

- » Allocates more than 50% of carbon price revenue to assist households.
- » Assists 9 out of 10 households. For 2 of 3 households, this assistance will cover their entire average price impact.
- » Assistance is permanent, will rise over time, and be reviewed annually for adequacy.
- » Will reform the tax system by increasing the tax free threshold to \$18,200 from July 2012. As a result every Australian worker earning up to \$80,000 will receive a tax cut, with most receiving \$300 a year.
- » For recipients of the pension and allowances, payments will be increased by 1.7 percent.
- » \$200 million over 7 years to assist strongly affected regions and communities.

Safeguarding workers and industries

It is crucial that the carbon price protects jobs in emissions intensive industries.

Heavy industries, especially those that face international competition, must be helped through a period of adjustment to the carbon price.

Unions have successfully argued for an allocation of \$9.2 billion worth of industry assistance over three years to help industries such as steel, aluminium, cement and zinc manufacturing to remain internationally competitive while providing incentives to invest in clean energy technologies.

In recognition of the particular pressures on the steel industry, manufacturing more generally, and a small percentage of coal mines that are particularly "gassy", the package also includes a:

- » Steel plan of \$300 million to encourage investment and innovation in the steel industry.
- » Coal plan of \$1.2 billion over 6 years to help a small number of coal mines to reduce emissions, and develop and deploy new technologies.

Unlocking clean energy industries and jobs

A significant proportion of the money raised from the carbon price will be allocated to ensuring that clean energy technologies continue to be developed and deployed in Australia, creating new industries and unlocking new jobs.

This is an exciting prospect for Australia, our chance to harvest our natural resources and invest in something big while strengthening and building our economy and jobs.

The package includes:

- » \$10 billion *Clean Energy Finance Corporation* to invest in renewable energy, energy efficiency and low pollution technologies.
- » The establishment of an independent agency responsible for research and development of renewable energy technologies, valued at \$3.2 billion.
- » A \$1.2 billion *Clean Technology Program* that will drive investment in low emission technologies in manufacturing industries contributing to local opportunities and jobs growth.
- » A focus on improving energy efficiency in households, communities and businesses, including \$330 million to improve the energy efficiency of community and council buildings.

These are big changes to our economy, but a price on pollution is the responsible thing to do. Let's get on with the job.

Find out more, take action and spread the word at:

www.rightsatwork.com.au/Home/Campaigns/Climate-Change-and-Jobs.aspx

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WHAT A PRICE ON POLLUTION WILL MEAN FOR WORKERS:

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#1

SUPPORTING HOUSEHOLDS & COMMUNITIES

- ✓ An average of \$10.10 a week extra per household in assistance
- ✓ Tax cuts for 9 out of 10 households
- ✓ Support for affected regions
- ✓ Major tax reform benefitting workers and households

Unions successfully ensured that low and middle income households are compensated for any increase in their cost of living.

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The price on carbon will only be paid by 500 of Australia's largest companies. But some costs will be passed onto consumers at an average of \$9.90 a week (less than 1% of inflation).

Unions believe it is important that low and middle income households, especially the most vulnerable, are cushioned from rises to their costs of living.

The compensation package for the price on carbon will result in average assistance of \$10.10 a week, and means 6 million Australian households will be either no worse off - or even better off.

The climate change package includes:

- » Compensation that includes tax cuts and payments for 9 out of 10 households to assist in any change in prices.
- » Every Australian worker earning up to \$80,000 will receive a tax cut with most receiving \$300 a year.
- » Tax free threshold will increase from \$6,000 to \$18,200 from July 2012.
- » \$200 million over 7 years to assist strongly affected regions and communities.
- » \$330 million to improve the energy efficiency of community and council buildings.

This means, for instance, a double income household with two kids, earning \$100,000 a year, will come out in front under the measures announced in the carbon price package.

It is only reasonable and fair that compensation should be directed at lower income earners, for whom energy costs are a sizeable proportion of their household expenses.

It is also only reasonable and fair that higher income earners should be expected to bear their share of the burden – by adopting more energy efficient lifestyles, they will reduce their costs.

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SAFEGUARDING WORKERS & INDUSTRIES

- ✓ Assistance for heavy industries
- ✓ Industry package for coal
- ✓ Steel innovation plan
- ✓ Training and new skills for workers

**Protecting jobs
through the move to a
low carbon economy
is a top priority
for unions.**

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The announcement of the carbon price package will provide certainty to Australian workers and their families and allow them to begin planning for the largest economic adjustment for a generation.

Protecting jobs through the move to a low carbon economy is a top priority for unions. This is particularly important for carbon-intensive manufacturing industries, which are already facing competitive pressures from overseas, and for coal. Industry planning and assistance will help those industries to adjust, and safeguard jobs at the same time.

Industry assistance plans

The climate change package includes:

- » \$9.2 billion in support for jobs in heavy industries to ensure they are assisted through the adjustment to a low pollution economy. These industries include steel manufacturing, aluminium production, pulp and paper manufacturing, glass making, LNG industry and cement production.

The support is designed to maintain competitiveness while also providing incentives for local industry to invest in clean energy and energy efficient technologies. The financial assistance will ensure that they remain viable and internationally competitive through the transition.

- » The *Coal Sector Jobs Package* will provide \$1.3 billion over 6 years to assist a small number of particularly "gassy" coal mines to reduce emissions, and develop and deploy new technologies.
- » The *Steel Transformation Plan*, valued at \$300 million will assist the steel industry to invest and innovate.
- » Currently, 75 percent of Australia's domestic electricity is generated from coal. To effectively tackle climate change we need to reduce the power industry's emissions. Unions are committed to being involved in this process to ensure workers and communities are the central focus.

A commitment to retrain and up-skill workers

The package includes a \$32 million allocation to assist education institutions and industry train and educate workers to ensure we have the expertise and materials needed to promote clean energy industries and jobs.

Helping communities

The package also recognises that the move to a low polluting economy will affect certain regions and communities. Therefore an allocation of \$200 million has been made to support initiatives such as employment and training support, community development and initiatives to encourage the development of new industries.

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UNLOCKING CLEAN ENERGY INDUSTRIES AND JOBS

- ✓ Investing in clean energy
- ✓ Making manufacturing more energy efficient
- ✓ Helping households cut their electricity use

Real action on climate is a huge opportunity for Australia to create new clean energy industries bringing with it hundreds and thousands of jobs.

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Real action on climate change presents a huge opportunity for Australia to become a major player in the global clean energy and renewable economy. A significant proportion of the money raised from the carbon price will be allocated to ensuring that new technologies continue to be developed and deployed in Australia, and there is investment in new industries, unlocking new jobs.

The climate change package includes:

- » A \$10 billion *Clean Energy Finance Corporation* to invest in renewable energy, energy efficiency and low pollution technologies.
- » The establishment of the *Australian Renewable Energy Agency (ARENA)*, to oversee government support for renewable energy technologies, valued at \$3.2 billion.

- » The \$1.2 billion *Clean Technology Program* will also drive investment in low emission technologies in manufacturing industries. This fund is designed to help improve energy efficiency within sectors such as manufacturing while supporting research and development in low pollution technologies.

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