

Climate Change

The world needs Australia's coal. But emissions from its use are contributing to climate change. They must be substantially reduced

Purpose

There is underway a very important debate about climate change and global warming. An important aspect of that debate is the role energy production plays in creating greenhouse gases. The principal means of energy production in today's world is the burning of fossil fuels such as coal. Australia is the world's biggest coal exporter.

The CFMEU Mining and Energy Division has a responsibility to protect and advance the interests of its members, most of whom work in the coal mining industry.

Indirectly we have a responsibility to the quarter of a million Australians, mostly in regional areas, who rely on the coal industry for a large proportion of their livelihood.

Our members are stakeholders in the broader Australian and global community. We must contribute responsibly to seeking solutions to the clear threats presented by human-caused climate change.

It is undeniable that there is a scientific consensus that human activity is causing climate change and that this poses a grave threat to the environment.

The union appreciates that our members and all Australians need to be mobilised in their homes, communities and workplaces to discuss climate change and how to combat it.

Many climate change measures can best be devised and implemented through "rank and file" ideas and action. Informing and mobilising people to think about the consequences of their actions (including climate change measures) on other people and communities is an important part of building consensus, comprehensiveness and social justice in the responses to climate change.

This discussion paper is designed to assist in that process.

The Kyoto Protocol

The United Nations started looking at global warming at the Earth Summit in Rio de Janeiro in 1992. That summit produced the United Nations Framework Convention on Climate Change (UNFCCC). Australia has ratified this Convention.

The ultimate objective of the UNFCCC and the Kyoto Protocol is to stabilize greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous human interference in the world climate system.

The Kyoto Protocol is a necessary step in combating climate change. Australia must ratify the Protocol immediately. The failure of the Australian Government to do so is a blight on our international reputation. It demonstrates a lack of political will to address a problem to which we contribute. It is appallingly short-sighted.

But ratifying the Protocol is only the first step because in its current form it is not comprehensive enough. It doesn't adequately deal with all sources and sinks of greenhouse gases and it doesn't deal with the social justice implications. As a nation we should be engaging with the international community under the auspices of the Kyoto Protocol in a way that helps ensure that the Protocol develops in both an effective and realistic way.

Renewable energy

Renewable energy technologies and fuels - wind power, solar thermal, photovoltaics, ethanol, biodiesel, etc - have a major role to play in reducing net greenhouse gas emissions to the atmosphere.

Many renewable energy technologies are currently expensive relative to fossil fuel technologies, though the trend to substantially higher oil prices is changing that. Many renewable energy technologies currently have inherent limits with respect to reliability and availability that then limit the contribution they can make to energy supply that is required to be 100% or near 100% reliable (notably, electricity supply, which is an essential service).

The role of Australian coal

The vast majority of Australian coal - about 75% - is exported and it is coal exports that are experiencing and likely to continue to experience substantial growth. Domestic use in power generation and steel making is growing relatively slowly.

The low price of electricity in Australia is based on the availability of coal and its efficient extraction and utilisation. Modern lifestyles rely on safe, reliable, low cost electricity, and a substantial proportion of Australian industry is also based on coal-fired electricity.

Australian black coal is relatively "clean" by world standards in that it is low-sulphur (a cause of acid rain), high in energy content and low in impurities that impair burning.

There is high demand for Australian coal and it is a key component of global energy supply and security, especially given the lack of security for much current oil supply. As a responsible member of the global community Australia has no right to unreasonably withhold the supply of energy to those who need it.

The union specifically rejects the notion that Australian coal mines and/or companies should be directly accountable for the emissions of their customers and other countries. (Which is what is sought in campaigns that oppose new coal mines on the basis of emissions from coal use in overseas destinations.) Under the Kyoto Protocol, accountability for emissions is at point of energy use or emission creation. Placing accountability at point of extraction would, for example, result in a large proportion of US emissions from oil use being shifted to the Middle East.

Climate change policies and measures that seek to penalise coal and favour renewables in a simplistic way will impose unnecessarily high costs on coal-producing communities, on Australian industry and on the broader Australian community. They will also be less than optimally effective in reducing emissions.

What should be done

The union supports ratification of the Kyoto Protocol.

The union notes and broadly supports the commitment by the federal parliamentary ALP to work towards an indicative target of a 60% reduction in Australian greenhouse gas emissions below the 2000 level by 2050.

Comprehensive measures to mitigate climate change must deal with the predicted reality - fossil fuel use will increase rather than decrease, irrespective of the growth in renewable energy use.

Energy policy must therefore not only foster renewable energy technologies and demand side management, but include a major commitment to substantially reduce emissions from increasing fossil fuel use.

With respect to coal, the first step is to improve the efficiency of coal-fired power generation through the deployment of new technologies such as Integrated Gasification Combined Cycle (IGCC).

The next step is carbon capture and storage (CCS), together with modification of existing power stations through technologies such as oxy-fuel combustion in order to facilitate CCS.

The union is strongly supportive of CCS. However, these technologies are currently immature and require extensive demonstration and commercialisation. Provided that this effort occurs, CCS offers realistic medium to long term prospects of large reductions in carbon dioxide emissions on a cost-effective basis.

The Australian coal and power generation industries should shoulder a large part of the cost of developing CCS technologies. Governments should strategically facilitate that effort.

The union supports the use of stretching targets for the deployment of renewable energy technologies and fuels in energy supply and transport. While this will inevitably require cross-subsidisation from conventional energy, the financial incentives should be designed so that renewable energy producers / manufacturers do not have a "blank cheque" from government and consumers, and are required to become commercially viable and cost-effective.

All climate change policy should be analysed in terms of its social impacts. Where policies have adverse social impacts they should be discussed with those adversely affected (and/or their representatives) prior to their implementation and mitigation / compensatory measures agreed upon. It should be a fundamental tenet of climate change measures that both the benefits and costs be equitably distributed.

The union supports:

Energy Production

-Stretching emission targets and/or use of carbon offsets for new coal-fired power stations, but no absolute ban.

-An extension of the Minimum Renewable Energy Target (MRET) for power generation from 2% to 5% and possibly 10% and beyond over a reasonable time frame.

-A domestic greenhouse gas emissions trading regime for major energy producers, with the strong proviso that it facilitates deployment of technologies to reduce emissions from fossil fuel use rather than simply penalising coal, and does not act as an effective ban on new industrial development.

-Extensive Australian participation in carbon capture and storage research and deployment, notably through the Coal21 and associated programs.

Energy Use

-Energy efficiency targets for buildings, vehicles and equipment.

-Reform of electricity tariffs for domestic users, and complementary new technology (eg smart meters) to discourage exponential growth in household energy consumption.

-Greater use and/or targets for deployment of oil alternatives in transport - natural gas, ethanol, biodiesel.

Agriculture and land use

-Controls on land clearing -Encouragement of forestry as a carbon sink/offset -
Measures to reduce methane emissions from livestock and nitrous oxide

loss from farm soils

Climate Change adaptation

-Changes to building design and location to cope with extreme weather

events (more hailstorms and cyclones) and sea level rise -Creation/reservation of
pathways for ecosystem relocation -Public health programs to cope with changes in
illness/disease patterns. -Special consideration to our Pacific neighbours

Community and workplace engagement

Australians need to be mobilised in their homes, communities and workplaces to discuss climate change and how to combat it. Many climate change measures can best be devised and implemented through "rank and file" ideas and action. Informing and mobilising people to think about the consequences of their actions (including climate change measures) on other people and communities is an important part of building consensus, comprehensiveness and social justice in the responses to climate change.

A continuing dialogue

The union believes that a major element in addressing the threat of climate change is an ongoing dialogue among stakeholders. A constructive and continuing dialogue between producer interests, consumers, environmental lobby groups and Government is essential to building the consensus needed to take the steps required to reduce carbon emissions.

It should also not be controversial to observe that no one interest group has a monopoly on knowledge or moral certitude on the question of climate change. In this regard, the union welcomes any comment or constructive criticism of this discussion paper.

We invite interested parties to engage in a dialogue over the issues raised in this discussion paper.

If you want to accept this invitation, please contact:

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