



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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