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factsheet

JOBS GROWTH IN A LOW POLLUTION ECONONY

MYTH

A pollution price will see the demise of the mining and other industries. There will be massive job losses.

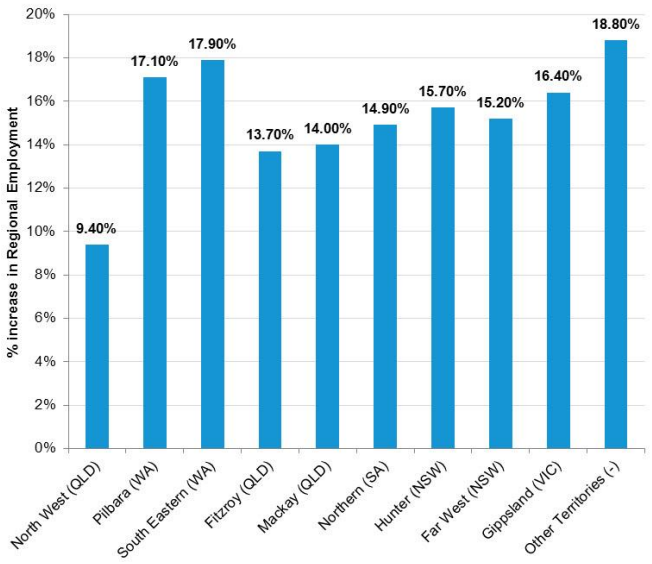
FACT

Pollution reduction and jobs growth are not mutually exclusive. All credible studies show strong employment growth under a pollution price and in the transition to a low carbon economy. It's estimated we'll see an additional 1.6 million jobs between now and 2020, whilst cutting pollution by at least 159 million tonnes. Even the coal industry is expected to see between 10,000–16,000 new mining jobs above 2008 levels.

Some polluting industries have made extreme claims that reducing Australia's dependence on pollution and unlocking our world class clean energy resources will lead to job losses. On the contrary, all credible studies show that employment continues to grow strongly as Australia moves to a low pollution economy. For example:

- Commonwealth Treasury: Modelling by Treasury finds that an additional 1.6 million jobs would be created by 2020, with an additional 4.4 million in the years to 2050—even as national emissions are cut by 80 per cent over the next four decades. Under the same scenario, average annual incomes are also expected to rise by $9,000 by 2020.[1]
- Access Economics: Modelling for the Council for the Australian Federation shows employment growth of over 1.4 million jobs by 2020, under a scenario where Australia reduces its emissions by 5 per cent below 2000 levels by 2020.[2]
- CSIRO: CSIRO finds that employment growth is likely to remain strong, even under much stronger pollution reduction policies than those being proposed currently. For example, under a scenario where Australia reduces its pollution by 100 per cent by 2050, economy-wide employment is projected to grow by 29 per cent by 2025.[3]

Figure 1: Projected regional employment growth in energy-intensive regions with a carbon price (Access Economics)



Several studies have also looked at the regional and sectoral impacts of pollution and climate policies on:

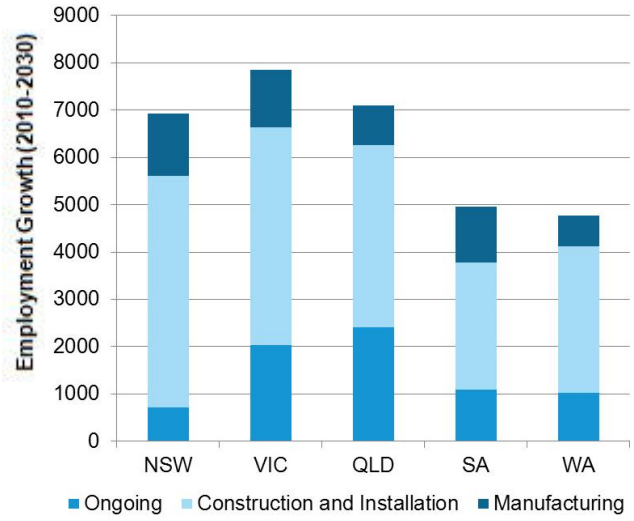
- Regional employment: Access Economics also finds employment in the regions will grow strongly between 2008 and 2025—this includes those regions currently heavily dependent on polluting industries. For example, modelling shows employment in the Hunter Valley increasing by 15.7 per cent, in Gippsland by 16.4 per cent, and in Mackay by 14 per cent *(see Figure 1)*.
- Coal mining jobs: A number of different studies have looked at the impact of a carbon price on coal mining jobs. While jobs growth is slower with a carbon price, these studies show a projection of around 10,000–16,000 new mining jobs above 2008 levels. These figures contrast strongly with misleading claims by industry—which rely on the same studies that coal mining jobs will be lost because of a carbon price.[4]

- Energy jobs: Using modelling by SKM-MMA, The Climate Institute found that the shift away from coal to cleaner energy over the next two decades will have a *net* positive impact on employment in the electricity industry, with Australia's power sector supporting close to 34,000 new jobs by 2030[5] *(see Figure 2)*.

The reality is that strong climate and pollution policies will see a shift in employment from pollution intensive industries to low-pollution sectors, but, overall, there will be strong net jobs growth at the national, state and regional levels. Putting a price on pollution and clean energy and energy savings policies can actually help drive job and job skills development in areas other than just mining dependent areas.

Some regions and industries will see less jobs growth than would have otherwise occurred. While this will be largely offset by stronger growth in low-pollution industries, assistance will be needed for affected workers and communities. This assistance must be provided to support sustainable local economies as well as provide access to employment opportunities. To maximise employment opportunities it is also vital to include support for up-skilling and re-training of the existing workforce.

Figure 2: Net growth in power sector employment



[1] Treasury (2011), *Strong Growth, Low Pollution*, www.treasury.gov.au.
[2] Access Economics (2009), *Report 2: Impacts on disadvantaged regions*, Report to the Council for the Australian Federation Secretariat, available online at: http://www.caf.gov.au/documents/AccessEconomicsCPRSReport2.PDF
[3] Hatfield-Dodds, S. et al, (2008), *Growing the Green Collar Economy: Skills and labour challenges in reducing our greenhouse gas emissions and national environmental footprint*, CSIRO, available online at: http://www.csiro.au/resources/GreenCollarReport.html.
[4] MMA (2009), *The CPRS and Employment in the Australian Black Coal Industry*, Report to CFMEU, http://www.cfmeu.com.au/sites/default/files/downloads/%5Bfield_download_state-raw%5D/%5Bfield_download_type-raw%5D/mmacoaljobs19nov09.pdf
[5] The Climate Institute (2011), Clean Energy Jobs in Regional Australia, http://cleanenergyjobsmap.climateinstitute.org.au/