

Emissions Trading Scheme Policy Statement

CARBON POLLUTION REDUCTION SCHEMES

AMMA recognises the importance of sustainable development and environmental policies which maintain Australia's society, economy and environment. AMMA believes this policy framework should also be applied in order to maintain existing and future mining operations, and acknowledges that Australia's unique circumstances, including a large land area and resources rich in fossil fuels, will make the reduction of emissions difficult.

OBJECTIVES

The implementation of a Carbon Pollution Reduction Scheme (CPRS) and related domestic policy must minimise costs and provide suitable measures to ensure international competitiveness of trade exposed industries such as the resource industry and allied industries are not disadvantaged. Any costs are likely to be exacerbated where a CPRS operates with restrictive targets, and trade competitors remain outside of such arrangements.

Accordingly, AMMA believes the adoption of any policy should be administratively simple, and:

- provide a measured transition to a low emissions economy and not be implemented at the expense of Australian jobs;
- maintain the competitiveness and efficiency of Australian industry at all costs;
- be aligned with the development of a global protocol to ensure Australia's economy is not negatively affected;
- ensure Australia assumes only its fair share of the international responsibility for the reduction of greenhouse gas emissions; and
- include commitments from large emitters such as India, the USA and China.

APPROPRIATE STRATEGIES

Achievement of these goals is dependent on government policy and a regulatory framework conducive to realistic goals being met. Any environmental policy such as a CPRS must be framed around a constructive dialogue between industry and government.

Accordingly, AMMA believes such policy should be based on:

- environmental standards and goals appropriate to Australia's own circumstances and industrial and natural base;
- scientific assessments, research and reputable data;
- maximum cooperation and consultation among appropriate government agencies and industry and community representatives;
- a phased approach to the 'auctioning' of carbon permits, and ultimately a commitment to both equitability and affordability for industry over the longer term; and
- realistic commitments to international greenhouse gas reduction.

AMMA'S CONCERNS

AMMA is generally concerned that the implementation of the Carbon Pollution Reduction Scheme Bill 2009 as proposed, without sufficient consultation and agreement of industry representatives, will risk reducing the productivity of Australia's resource industry, a major contributor to Australia's Gross Domestic Product. This would ultimately have negative flow on effects for the general Australian economy.

For example, research produced by Concept Economics for the Minerals Council of Australia shows that 23,510 jobs will be lost in the minerals industry by 2020 under the CPRS and 66,480 jobs by 2030. Any scheme's environmental effectiveness must be evaluated in terms of the economic burden placed on industry.