Multinationals and the Miner's Union
Confronting a Carbon-Constrained Environment in Australia

Darryn Snell
Centre for Sustainable Organisations and Work
RMIT University Melbourne, Victoria
Energy Systems & Climate Crisis
Climate Change as a Sociological Problem

‘The unabated combustion of the known commercial resources of oil, gas and coal will easily surpass the environmental limits calculated for a secure climate and a healthy ocean' (*New Scientist*, 2011, vii).

Nature has become 'a source of raw materials and a depository for waste' (Carter and Charles, 2010: 12).
The Social Conditions of Production

• Climate change is an example of a 'naturally mediated unintended consequence' (Benton, 1992: 57) of production which has been exacerbated by a particular social condition of production in which combustion of fossil fuels in industrial production without responsibility contributes to changes in atmospheric conditions.

• Climate Change Mitigation Policies seek to bring about a change in these social conditions of production.
MNCs and Unions in the ‘dirty’ economy:

• Carbon Mafia?

• Advocates for Environmental Action?

• Victims of a ‘Carbon Lock-In’?
The Carbon Crisis in Australia

Figure 1  Carbon intensity for the year 2005 (kilograms of carbon dioxide emitted per US$1000 of economic output).
The Carbon Crisis in Australia

The Geographical Dimensions

Overall carbon intensity of electricity generation by state, 2008 & 2009

Source: Climate Group, 2009)
Top 20 power stations by CO2 emissions in 2009

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Power Station</th>
<th>State</th>
<th>Emissions (million tonnes CO₂)</th>
<th>Generation (GWh)</th>
<th>Change in generation/ emissions on 2008</th>
<th>Emissions Intensity (CO₂ / GWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Loy Yang A</td>
<td>VIC</td>
<td>19.81</td>
<td>17,071,000</td>
<td>1.0%</td>
<td>1.10</td>
</tr>
<tr>
<td>2</td>
<td>Hazelwood</td>
<td>VIC</td>
<td>16.25</td>
<td>11,862,000</td>
<td>3.4%</td>
<td>1.37</td>
</tr>
<tr>
<td>3</td>
<td>Yallourn W</td>
<td>VIC</td>
<td>15.00</td>
<td>11,620,000</td>
<td>2.5%</td>
<td>1.28</td>
</tr>
<tr>
<td>4</td>
<td>Bayswater</td>
<td>NSW</td>
<td>14.92</td>
<td>10,286,000</td>
<td>1.2%</td>
<td>0.92</td>
</tr>
<tr>
<td>5</td>
<td>Eraring</td>
<td>NSW</td>
<td>13.96</td>
<td>15,225,000</td>
<td>-3.8%</td>
<td>0.92</td>
</tr>
<tr>
<td>6</td>
<td>Liddell</td>
<td>NSW</td>
<td>10.65</td>
<td>10,652,000</td>
<td>-13.3%</td>
<td>1.01</td>
</tr>
<tr>
<td>7</td>
<td>Loy Yang B</td>
<td>VIC</td>
<td>9.80</td>
<td>6,553,000</td>
<td>-3.5%</td>
<td>1.15</td>
</tr>
<tr>
<td>8</td>
<td>Vales Point B</td>
<td>NSW</td>
<td>8.01</td>
<td>8,335,000</td>
<td>-8.1%</td>
<td>0.94</td>
</tr>
<tr>
<td>9</td>
<td>Stanwell</td>
<td>QLD</td>
<td>7.44</td>
<td>8,886,000</td>
<td>3.9%</td>
<td>0.84</td>
</tr>
<tr>
<td>10</td>
<td>Mt Piper</td>
<td>NSW</td>
<td>7.19</td>
<td>8,247,000</td>
<td>-13.6%</td>
<td>0.67</td>
</tr>
<tr>
<td>11</td>
<td>Tarong</td>
<td>QLD</td>
<td>7.07</td>
<td>6,333,000</td>
<td>30.6%</td>
<td>0.65</td>
</tr>
<tr>
<td>12</td>
<td>Gladstone</td>
<td>QLD</td>
<td>6.85</td>
<td>7,904,000</td>
<td>-9.0%</td>
<td>0.90</td>
</tr>
<tr>
<td>13</td>
<td>Wairauang C</td>
<td>NSW</td>
<td>5.35</td>
<td>5,629,000</td>
<td>21.4%</td>
<td>0.95</td>
</tr>
<tr>
<td>14</td>
<td>Millmerran</td>
<td>QLD</td>
<td>4.98</td>
<td>6,862,000</td>
<td>-12.6%</td>
<td>0.66</td>
</tr>
<tr>
<td>15</td>
<td>Callide C</td>
<td>QLD</td>
<td>4.85</td>
<td>5,531,000</td>
<td>-0.9%</td>
<td>0.66</td>
</tr>
<tr>
<td>16</td>
<td>Kogan Creek</td>
<td>QLD</td>
<td>3.97</td>
<td>4,744,000</td>
<td>-8.3%</td>
<td>0.84</td>
</tr>
<tr>
<td>17</td>
<td>Callide B</td>
<td>QLD</td>
<td>3.57</td>
<td>4,111,000</td>
<td>-15.2%</td>
<td>0.87</td>
</tr>
<tr>
<td>18</td>
<td>Northern Power</td>
<td>SA</td>
<td>3.35</td>
<td>3,754,000</td>
<td>-7.2%</td>
<td>0.69</td>
</tr>
<tr>
<td>19</td>
<td>Swambirrk B</td>
<td>QLD</td>
<td>1.98</td>
<td>2,009,000</td>
<td>-4.5%</td>
<td>0.99</td>
</tr>
<tr>
<td>20</td>
<td>Tarang North</td>
<td>QLD</td>
<td>1.85</td>
<td>2,290,000</td>
<td>-33.7%</td>
<td>0.81</td>
</tr>
</tbody>
</table>

Source: Climate Group, 2009
Power Generation in the Latrobe Valley, Victoria
Power Generator Ownership in the Latrobe Valley

From State Ownership to an Internationalised & Privatised Production System

Loy Yang A

Hazelwood & Loy Yang B

Yallourn
Carbon Reduction Policies

• In 2008, the Kevin Rudd-led Labor Government ratified the Kyoto Protocol, introduced renewable energy targets and set out to introduce an emissions trading scheme (ETS).

• In April 2010 the Rudd-government shelved the legislation and its election promise of introducing an ETS.

• In 2010, the Victorian Labor Government introduced its own Climate Change Action Plan.
  – a 20% reduction in CO2 emission by 2020
  – Use of direct funds to close down a portion of the Latrobe Valley's coal-fired power generation units.

• In early 2011, the newly elected Coalition Victorian Government shelves plans to close a power generation unit and distances itself from carbon emissions targets.

• In 2011, the Gillard Labor Government proposes to introduce a new scheme consisting of a transitional fixed price on carbon by July 2012 that will move in 3-5 years to a full market based ETS.
Responses of Latrobe Valley Generators

• Corporate owners recognise the need to reduce carbon emissions. Actions are being taken.

• Strongly opposed to an ETS and carbon pricing

• Lead a public campaign against the Rudd-Government’s ETS.

• Demand compensation:
  – Free permits
  – Loss of asset value
  – Electricity assistance fund.

• Companies look for additional ‘transition’ assistance:
  – Yallourn = Gas fired generation
  – Hazelwood = Nationalisation of ‘dirty assets’
  – Loy Yang = Government backed loan guarantees
OK BIG POLLUTERS... A SHOW OF HANDS FOR WHO THINKS PUTTING A PRICE ON CARBON IS THE BEST WAY TO TACKLE GLOBAL WARMING.
Trade Unions Advocating for Government Action on Climate Change

‘With the right policy drivers to cut pollution, it is estimated that an additional 770,000 jobs could be created across the Australian economy by 2030’ (ACTU, 2011).
The issue of whether Australia needs a price on carbon is far too important for our economy and Australia’s future to be treated like a political football. The stakes are too high to allow Tony Abbott to get away with a false scare campaign that suits his short-term political ambitions at the expense of a secular future for all Australians.

Australians are not a timid people easily scared from doing the sensible and right thing when they know the facts. It requires political leadership and commitment to act now and create the conditions in which Australia can build a secure and prosperous future for all our people. So, let the debate begin…
CFMEU Mining and Energy Division

- Tony Maher, National President of the CFMEU M&E is one of Australia's leading trade union spokespersons on climate change policies.
- Carbon pricing is needed to stimulate badly needed innovation in the electricity generation industry among corporations and provide a badly needed revenue stream to government for the funding of ‘clean coal’ research.
- The union has lobbied strongly for Government and industry funding for carbon capture storage pilot projects and has also supported the building of new more efficient black coal-fired power generation plants in New South Wales.
- Does not support direct compensation for the mining and energy sector which they have labelled a 'grab for cash' by the corporations.
CFMEU Mining and Energy Division

In the Latrobe Valley:

• Membership support for the union’s policy position is unclear.
• Declining support for the Australian Labor Party
• Corporate ‘scare’ campaigns are working and the threat to jobs by the closure of a power station are perceived to be real.
• Unlike in other states where the majority of M&E jobs are affiliated with the lucrative black coal export trade, M&E workers in the Latrobe Valley are tied to the domestic electricity generation industry.
• Growing corporate interest in the region’s lignite reserves for export is contributing to some cautious optimism.
Victims, Resistors or Agents of Environmental Action?

- Categorising corporate actors or trade unions as victims, resistors or agents of change is not analytically useful or necessarily empirically accurate.

- The action of MNCs and trade unions is continuous and flows over time.

- MNCs and trade unions, because of their structural and causal configurations, tend to have a typical way of acting; possessing powers to do certain things but not others (Fleetwood, 2004).

- Corporations and unions are exercising their powers in ways that social conditions of production are coming into the fray with potential effects on the established relationships between the social and natural world.
Latrobe Valley Futures