



# MEDIA RELEASE

## MINERALS COUNCIL OF AUSTRALIA

---

### MINERALS EXPORT FORECAST PUTS NEW PRESSURE ON KEY POLICIES

Statement by Mitchell H. Hooke, Chief Executive Officer

Today's ABARE commodity forecasts further highlight the need for a fundamental re-think of the Federal Government's proposed emissions trading scheme and workplace relations laws.

Both will impact investment, competitiveness and employment at a time when more than 10,500 jobs have already been lost in the minerals sector as a result of the global recession.

The value of Australia's minerals exports will fall by \$35 billion in 2009-10, according to ABARE. Australia's three most important minerals exports will contract sharply - coking coal exports are forecast to fall 42 per cent, thermal coal 28 per cent and iron ore 20 per cent.

This dramatic price slump will be compounded in 2010-11, when Australia's coal, gold and iron ore producers face emissions trading permit costs of billions of dollars. In the first five years of the proposed ETS, Australia's coal exporters alone face \$5 billion in new carbon costs. None of their competitors in rich or poor nations will face such costs.

Meanwhile, ABARE's report also highlights how other nations that don't face carbon costs are gearing up production of key commodities. For example, Indonesia's exports of thermal coal will reach 230 million tonnes in 2012, up 87 per cent since 2005.

The outlook is straightforward. Export returns are being slashed in an intensely competitive global commodities market. While other nations are gearing up, Australia is preparing to impose the world highest carbon costs on 90 per cent of its minerals exports. The result is easy to predict - fewer jobs and projects in regional and remote Australia, but little if any environmental dividend.

A simple delay in the start of the ETS is not the answer. That would simply be a stay of execution for jobs and projects in the minerals sector. Our concerns with the ETS are that it is out of step with other world schemes, the deployment of low emissions technologies and the development of a global emissions protocol.

The proposed workplace relations laws are also in need of fundamental change to ensure they are better aligned with the Government's election mandate. The Fair Work Bill introduces new rights of entry and access to private records, establishes unions as the default bargaining agents and creates a platform for representational turf wars.

Minerals Council of Australia members consider that key aspects of the new laws wind the industrial relations clock back to an era when workplaces were dogged by disputation and confrontation, when better pay and conditions were obtained through long-winded and often bitter arbitration and third parties external to the workplace had primacy over the concerns of the employee. It will unwind 25 years of industrial relations reforms spanning Governments of both political parties.

The ultimate cost of disruption in the workplace and new carbon costs will be jobs.

---

**Media Contact:**

Director Public Affairs Ben Mitchell

T: 02 6233 0634

M: 0419 850 212

E: [ben.mitchell@minerals.org.au](mailto:ben.mitchell@minerals.org.au)

W: [www.minerals.org.au](http://www.minerals.org.au)

D: 3 March 2009