



Coal Mining Industry (Long Service Leave Funding) Amendment Bill 2009

House of Representatives

23 November 2009

Sharon Grierson MP

Ms Grierson: (Newcastle) (5:40 PM) —I too rise today to support the Coal Mining Industry (Long Service Leave Funding) Amendment Bill 2009. The coalmining industry is intrinsically tied to my electorate of Newcastle and to the Greater Hunter region. I am the granddaughter of a coalminer and, although we are now a dynamic and diversified city, I think you may still struggle to find any Novocastrian who is not linked to somebody involved in the coal industry in one way or another. Just as coal originally laced the beds of the Hunter River, coal is in the bloodstream of our region, and that is the case for many regions around this country. That is something that this government recognises, and the government and I will always make sure we legislate for the benefit of this great industry, of those who work in it and of those who depend upon it.

This legislative amendment looks at improving and streamlining the long service leave funding agreement in the national coal industry and preserving the continued operation of existing unique long service leave arrangements in the black coal industry. To quote from the legislation:

Employees in the coal mining industry are entitled to long service leave on the basis of service in the industry, rather than their service with a particular employee. Funding of long service leave entitlements is supported by an industry scheme established by the Coal Mining Industry (Long Service Leave Funding) Act 1999 (the Funding Act) and related legislation, including the Coal Mining Industry (Long Service Leave) Payroll Levy Act 1992 and the Coal Mining Industry (Long Service Leave) Payroll Levy Collection Act 1992.

In the black coal industry formerly, long service leave was always portable, moving with the individual miner. That has been the case since 1949, as recognition that often miners work between one mine and another, depending on the scaling up or scaling down. The legislation continues:

Under the Funding Act employers are reimbursed from the Coal Mining Industry (Long Service Leave) Fund (the Fund) for any long service payments they make to eligible employees in respect of their long service leave entitlements.

However, from 1 January next year the present industry awards prescribing this long service leave are set to be superseded by more modern awards in line with the Australian government's Fair Work Act 2009. These awards are not permitted to include long service leave entitlements. Rather, existing award based entitlements will be preserved as a statutory entitlement under the National Employment Standards pending development of national long service leave arrangements. Our movements towards some harmonisation have been very well received. But, because the funding act does not currently cover entitlements determined by the National Employment Standards, employers will not be entitled to reimbursements from the fund in respect of the long service payments that they make to employees. This is obviously not a desired outcome for coal industry employees.

The amendments contained in this bill address this situation. They ensure that from 1 January 2010 employers will be entitled to reimbursement from the fund in respect of long service payments they make to employees pursuant to the preserved entitlements in the Fair Work Act in addition to the current arrangements for reimbursement of entitlements paid under industrial instruments and contracts. This is a technical amendment which will not affect employees' long service leave entitlements or employers' long service leave fund obligations. The bill also aligns the definition of 'black coal mining industry' in the funding act, which flows through to related legislation, with the definition in the coal award. It amends the definition of 'eligible employee' and introduces definitions of 'employee' and 'employer' to ensure that the scheme applies universally in the black coal industry.

I wish to congratulate the Deputy Prime Minister, Julia Gillard, and the Rudd government for recognising the unique historical circumstances surrounding long service leave in the black coal mining industry and ensuring through this amendment that existing arrangements are present and preserved for employees and that employers are reimbursed from the fund in respect of the long service leave payments that they make to eligible employees. I would also like to put on the record my appreciation to Graham Kelly, the secretary of the United Mineworkers Federation northern district, for his strong advocacy on this issue on behalf of coalminers in the Hunter Valley.

We are all aware of the importance of a coal industry to our local, state and national economy. The mining of black coal is one of Australia's most important industries, creating significant employment in regional Australia, providing fuel for low-cost electricity generation and steel making, and creating vital export income. Australia is the world's biggest coal exporter and black coal is Australia's largest export. The coal industry in Newcastle is thriving. The Rudd government contributed \$580 million to improving the coal chain between the Hunter Valley and the port of Newcastle, one of the most important arterial lines in the country. The construction at the port of the third coal terminal, the NCIG terminal, is almost complete, and there are plans for a fourth terminal with Port Waratah Coal Services. There has been significant private investment, with \$1.4 billion for the expansion of coalmines under way as well as rolling stock and export infrastructure, and negotiations are happening now around a further \$5 billion expansion.

Some recent articles from the Miningcoal website shed further light on the bright outlook for the coal industry in Newcastle. The website reported in September that coalmining companies that use the port of Newcastle say they are confident of doubling exports within seven years—that is, going from the current 100 million tonnes to 200 million tonnes. There are also longer term plans to triple coal exports to 300 million tonnes. The news came following the Australian Competition and Consumer Commission's re-approval of the port's coal export quota system. A further report in October said that coal exports from Australia's Newcastle port have jumped 35 per cent as mining shipments with Japanese utilities increase.

There has of course been a scaremongering campaign coming from some within the coalmining industry regarding the impact an emissions trading scheme would have on the industry. I have talked about it in the House before, so I will not go into all that again; however, when you note the developments and expansion that the industry is planning for in Newcastle—\$1.4 billion now and a further \$5 billion over the next decade—then you can see that coal and the coalmining industry are strong and sustainable in the Hunter region. One need only turn to perhaps the real representatives of the coal industry, the Construction, Forestry, Mining and Energy Union, to see that much of what has been said about the ETS by the business end of the industry is unfounded. In an article that appeared in the Australian newspaper last month written by Matthew Stevens, CFMEU president, Tony Maher, accused the Australian Coal Association of running a deceptive scare campaign. Maher said the coal industry would continue to grow with an ETS, even if not as quickly.

Today I congratulate the Prime Minister, the Treasurer, the Minister for Climate Change and the Minister Assisting the Minister for Climate Change in releasing the Carbon Pollution Reduction Scheme in its now revised form—in particular, its support for the coal sector. A total of \$1.5 billion in transitional assistance will be provided to the coal sector over five years. This is an increase from the \$750 million previously—so a doubling—and the government will commit \$270 million to the coalmine abatement fund through the Climate Change Action Fund to assist gassy coalmines reduce their emissions. In addition, the current COAG renewable energy target review process will consider whether the new waste coalmine gas project should be eligible. This is a considerable investment into the future of people like those in Newcastle, the coalminers of the Hunter Valley. It is very welcomed and it gives us great confidence.

Resistance to the ETS—and it has been considerable—is something that I am amazed at. I represent the city of Newcastle and we just commemorated the 10-year anniversary of the closure of the BHP steelworks. At that time it was said that we were ruined—our economy would be ruined. It was said that the loss of jobs would be staggering and that we would never recover. At that time, state and federal governments provided some adjustment funds. I now point to our economy which shows 4.4 per cent unemployment during a global financial crisis; I point to the productivity and growth within Newcastle and the fact that its greatest employment sectors and growth sectors are knowledge based.

We have nothing to fear from an ETS and much to embrace. It will be the catalyst for wonderful change. It will be the catalyst for new investment, and it is something in our region that we have been preparing for for some time. In valuing our coal industry while also appreciating that there will be pressures on energy provision, we have invested—as has this government—into the clean energy sector and the renewables sector. We are preparing. We know what it is like to be resilient. It is now that an ETS will provide that adjustment catalyst for industry to make those adjustments, to diversify, to enrich their economy, to enrich their activities and to remain totally productive and to potentially create greater industries around the country.

I have to say to the many people who have feared for the loss of their job, because of the Australian Coal Association's campaign, that I do not think we have anything to fear from our adapting to this changing world environment and to change that is supported so strongly through our ETS and, in this case, with particularly strong support for the coal industry. This bill, though, is further demonstration of the commitment by the Rudd government to supporting not just the coal industry but the jobs and employment rights of people around this country. It is recognition of the importance of the coal industry to our nation's economy and to my region's economy. It will provide invaluable support and assistance to those involved in the industry and it will give them comfort that their entitlements—ones that they have been committed to since 1949—will be protected and that their long service leave provisions will not be diminished in any way. I commend the bill to the House.