

The Secretary
Senate Environment and Communications Legislation Committee
Parliament House
Canberra ACT 2600

Dear Secretary,

The Wynnum Manly Stop Adani group strongly supports the Galilee Basin (Coal Prohibition) Bill 2018, as introduced into the Australian Senate on 5 December 2018 by Senator Larissa Waters, Senator for Queensland. Our group and supporters support this Bill for many reasons:

- Our climate change commitments
- Financial risk associated with fossil fuel projects
- Negative economic impacts of coal mining
- The jobs of the future are in clean energy
- Coal costs jobs
- The Bill as good governance
- Environmental risks
- Coal: Not needed, not wanted

These reasons are all detailed in the following sections.

Our Climate Change Commitments

Passing this legislation will contribute to Australia's efforts to keep global warming below 1.5 degrees above pre-industrial levels by 2100. This is consistent with the 2015 Paris Climate Agreement, as per our responsibilities as signatories. This legislation is a small step towards a more suitable response to our climate obligations of legislating a moratorium on new coal mines and expansions. A very strong case was made for this in the open letter for 'No New Coal Mines'¹. Australia currently is not on track to meet our commitments², and in fact has broken emissions levels for the third consecutive year³. With the current focus on continued favour for extraction Australia was rated as 'very poor' on the 2017 annual Climate Change Performance Index⁴, and our pollution levels are set to increase between now and 2030⁵. We can do much better.

Financial Risk Associated with Fossil Fuel Projects

Opening the Galilee Basin to coal mining entails significant financial risk. Early mine closures are likely. This is particularly so in the case of the Adani Carmichael coal, which will be too polluting for use in India as a country already facing an air pollution crisis. Early closure will likely see greater remediation costs to taxpayer funds

¹ [https://www.nonewcoalmines.org.au/open letter](https://www.nonewcoalmines.org.au/open%20letter)

² <https://www.news.com.au/technology/environment/climate-change/australia-likely-to-miss-2030-paris-emissions-target/news-story/085fbdf76a2ede46cf8c54a2b8312135>

³ <https://www.theguardian.com/australia-news/2018/sep/14/australia-on-track-to-miss-paris-climate-targets-as-emissions-hit-record-highs>

⁴ CAN Europe, Climate Change Performance Index Results 2017, November 2016, p.13

⁵ 28 Reputex, Framing Australia's 2030 Energy and Climate Policy Mix, September 2016, p.4

incurred than will be recovered through royalties and taxes in the few short years before the mines are closed. In contrast to this significant risk associated with coal mining, Deloitte Economics estimated the Great Barrier Reef was worth \$56 billion alone. This value is sustainable over the long term provided we take all action possible to protect the Reef from climate and pollution damage. Even in our duty in protecting our iconic natural treasure, however, a single Galilee Basin project alone has been modelled to lead to 520 extra ships/year transiting through the Great Barrier Reef (Adani Abbot Point Terminal EIS, 2013).

There are numerous additional reasons why mining in the Galilee Basin may cost Australia dearly. The future cost of stranded assets such as coal mines to nation states and corporate entities has been raised repetitively across the globe⁶. In addition to stranded assets risks, coal mining projects are increasingly unviable. The Institute for Energy Economics and Financial Analysis (IEEFA), says the Carmichael project is likely to be “cash flow negative” for the majority of its operating life, even with concessional loans⁷. Corporate entities at the forefront of risk such as banks and insurance companies are already refusing to fund coal mines^{8,9}.

Negative economic impacts of coal mining

There is little reason why Queensland should support mining either, with coal royalties accounting for just 4% of Queensland government revenue. Instead, 96% of Queensland’s services are paid for by other parts of the economy¹⁰. And yet, Queensland taxpayers paid for \$8 billion worth of coal infrastructure between 2009–2014. It is unclear why taxpayers’ money is being prioritised in this way. The Queensland Treasury noted that “Governments face budget constraints and spending on mining related infrastructure means less infrastructure spending in other areas, including social infrastructure such as hospitals and schools.”¹¹. This legislation may go some way to rebalancing government expenditure and basing it on a solid evidential foundation incorporating our extensive understanding of both the Queensland economy and the risks of climate change.

Without legislation, citizens cannot trust that governments will work for the common good rather than vested interested. For example, the Galilee Basin will require heavy subsidies to begin production. Adani was offered \$450m from the Newman government to help fund a rail project¹². Royalty “holidays” or “ramp ups” (aka free coal) have been, and may still be, Queensland government policy.^{13 14} Furthermore,

⁶ <https://www.afr.com/business/mining/coal/coal-stranded-asset-warning-takes-on-fresh-edge-with-adani-goahead-20181129-h18ifd>

⁷ <https://www.theguardian.com/environment/2017/apr/24/adani-coalmine-at-heightened-risk-of-becoming-a-stranded-asset-report-says>

⁸ <https://www.nytimes.com/2016/03/21/business/dealbook/as-coals-future-grows-murkier-banks-pull-financing.html>

⁹ https://www.huffingtonpost.com/2015/05/06/bank-of-america-coal_n_7226830.html

¹⁰ <http://www.tai.org.au/content/mouse-roars-coal-queensland-economy>

¹¹ https://cgc.gov.au/index.php?option=com_attachments&task=download&id=1727

¹² <https://www.theguardian.com/commentisfree/2015/feb/03/why-was-newman-was-handing-out-billions-to-an-indian-coal-mining-company-that-didnt-need-it>

¹³ Queensland Government (2013) Galilee Basin Development Strategy November 2013, no longer posted on web, copy available on request.

¹⁴ All reproduced from <http://reneweconomy.com.au/coal-wars-a-fact-check-for-the-turnbull-government-73788/>, off The Australia Institute

the Adani mine gained conditional approval for a \$1 billion loan through the NAIF for its railway line¹⁵. Adani previously had an agreement with the Newman government for a 'Royalty Holiday' for the initial stages of the mine, meaning the state government would receive no revenue.¹⁶

The Jobs of the Future are in Clean Energy

In fact, a renewable energy boom is already underway in Queensland. For example, Solar Citizens released the [Renewable Energy Across Queensland's Regions](#) report, which was written by Tristan Edis from Green Energy Markets. Some of the key findings of the report include:

- There are 27 new solar and wind farms under construction across the state and another 69 renewable energy projects in the development pipeline.
- Combined, these projects would create 40,000 construction jobs and 1,800 ongoing jobs, and
- All this clean energy activity could inject investment to the tune of \$28 billion into the state.

There are 80 Queensland utility-scale energy projects on the books or underway;

- 2115MW currently under construction, employing over 5000¹⁷
- First seven projects equate to over 2000 jobs, exceeding Adani's 1464;
- All 80 projects are equal to many thousands of Queensland jobs in renewable energy.

We need to prioritise renewable energy urgently. This is because climate change is already inflicting significant damage to other vital parts of our economy. Recent CSIRO modelling shows 27% lower Aus. wheat yields since 1990¹⁸. The effects of climate change in Australia have been worse than globally, due to major changes in rain patterns. Declines in winter rainfall in southern Australia have heavily hit major broad-acre crops like wheat, barley and canola. Recent bushfires in Northern Queensland are unprecedented. Widespread drought devastates communities and economies. As such, we need to drive the transition away from climate change causing fossil fuel projects towards renewables: especially since we already have evidence that large scale renewable energy projects are best suited to regional areas.¹⁹

Coal employs less than 1% of Australia's labour force. The rapidly decreasing cost of renewables is moving investment away from coal, shown by 25 of the biggest international banks and Australia's big 4 who have all rejected investing in Adani's Carmichael mine. In total, there were 47,000 full-time coal jobs across Australia (2016), with 25,738 in Queensland, mainly in the Bowen Basin (2016). This is less than the around 69,000 jobs connected to reef industries²⁰. As mentioned above, in

¹⁵15 <https://www.theguardian.com/business/2016/dec/03/adani-coal-mine-green-groups-fume-over-plan-for-1b-federal-loan>

¹⁶ <http://nqcc.org.au/2016/adani-coal-mine-addressing-facts/>

¹⁷ Renewable Energy Index February 2018

¹⁸ 4. <https://theconversation.com/australian-farmers-are-adapting-to-climate-change-76939>

¹⁹

https://d3n8a8pro7vhmx.cloudfront.net/auscon/pages/1520/attachments/original/1481498173/Qld_jobs_brief_8-12-16.pdf?1481498173

²⁰ Deloitte Access Economics 2013, Economic contribution of the Great Barrier Reef, Great Barrier Reef Marine Park Authority, Townsville. Available at <http://www.environment.gov.au/sustainability/publications/>

2009 and 2014 the Qld government spent \$8 billion of tax payers' money on mining – and yet there was only a 4% increase in jobs.

Coal costs jobs

International market dynamics and climate change governance make coal prospects even less sustainable in the future. In fact, the mining boom is actually bad for jobs overall in regional Queensland. This report by The Australia Institute stated that “employment and jobs growth fell in regional Queensland during the mining construction boom. Despite an unprecedented 400 percent increase in mining investment from 2010 to 2013, by 2015 employment in regional Queensland fell to below 2010 levels. While employment increased in a few mining intensive regions including Mackay and Outback Queensland, these jobs came largely at the expense of jobs in non-mining regions such as Cairns and Wide Bay and overall unemployment rose.”

Developing new Galilee Basin coal mines will cost 12,500 jobs in existing coal mining regions in NSW and Queensland.²¹ Investment in renewables will generate more jobs than the fossil fuel sector.²² International and domestic tourism is a big economic contributor – bigger than mining. It is highly vulnerable to climate change, risking thousands of jobs in our nation's five top tourist attractions - beaches, wildlife, Great Barrier Reef, wilderness, & national parks. Jobs in The Great Barrier Reef are most vulnerable, with Australia's most valuable tourist icon is valued at \$5.7 billion; Persistent bleaching would reduce annual reef-dependent visitor numbers from 2.8 million (2015) to 1.7 million per year, = \$1 billion in tourism loss²³; 10,000 tourism jobs in regional Queensland are directly threatened. As such, job losses are actually predicted if the Great Barrier Reef dies²⁴. Coral bleaching events could cost up to \$1b of lost tourism.²⁵ To compare, mining is the third lowest of all industries for employment in Queensland. During the “mining boom”, skilled workers were drawn from other industries, causing declines in those sectors²⁶.

The Bill as Good Governance

This bill provides a legislative framework for taking action to meet our commitments to combat global warming while ensuring due process and upholding the rights of sovereign governments to enact statues in the best interests of their population. It upholds State and Federal processes to set the rules for responsible development of each States and the nation's resources, a precedent set by the management of the Murray Darling Basin. This bill does not preference one State over another, and in this regard is similar to local planning structure plans and other legislation defined by regional boundaries. It will provide a vehicle to protect and conserve a huge volume of Queensland's economic prosperity and environmental richness. As such, it

economic-contribution-great-barrier-reef-march-2013

²¹ The Australia Institute [report](#) 'The impact of Galilee Basin development on employment in existing coal regions'

²² The Climate Council of Australia. (2016). *Renewable Energy Jobs: Future Growth in Australia*. Retrieved from: <https://www.climatecouncil.org.au/uploads/9bbeec4336c0f87f7e04205516b3cfa7.pdf>

²³ Icons at risk: Climate change Threatening Australian Tourism (2016)

²⁴ <https://www.abc.net.au/news/2016-06-21/reef-bleaching-could-cost-billion-in-lost-tourism/7526166>

²⁵ <http://www.abc.net.au/news/2016-06-21/reef-bleaching-could-cost-billion-in-lost-tourism/7526166>

²⁶ The Australian Institute – The mining construction boom and regional jobs in Queensland (2016)

provides a framework for good regulation, as per the Council of Australian Governments' requirements, as well as leadership and commitment to the health and security of our common good. In fact, we argue that the bill does not have a wide *enough* scope, and instead should include all new mining proposals and mine extensions.

Environmental Risk

There are three final very important additional points to note. Firstly, the Australian population do not want the Carmichael coalmine to proceed.²⁷ And secondly, mining in this area poses significant environmental risk. The Doongmabulla Springs are at risk.²⁸ Numerous studies highlighting the risk to ecological communities and threatened species such as the Black-Throated Finch from mining.^{29,30} The Great Artesian Basin is the largest groundwater resource in Australia and supports a variety of endemic species.³¹ Half of the Great Barrier Reef's shallow water corals have died in consecutive heatwaves, and bleaching and mortality affected almost a quarter of deep water corals.³²

The Adani Carmichael project has been granted 12 million tonnes of water from local rivers and unlimited groundwater use³³. Qld has already gifted to Adani in a big way: 50,000 mega litres of free water a year for 60 years (value \$100M), alongside a mining bond of just \$375M and a 5 year royalty payment holiday. Yet, environmental damage has already been shown to have occurred. Coal from Adani Abbot Point port contaminated nationally significant wetlands during cyclone Debbie³⁴. Adani has been fined \$12,900 for water contamination breaches in Australia, including releasing into the ocean more than 8 times the coal levels allowed under its license³⁵. The company has also been found to have falsified laboratory results, and is still disputing the fine³⁶.

These are not isolated incidents either. In 2010 Chinese tanker Shen Neng 1 ran aground on the Great Barrier Reef off Gladstone, carrying 60,000 tonnes of coal. In '13 in South Africa the bulk carrier MV Smart broke apart while carrying more than 140,000 tonnes. Researchers have been looking at the impact of coal dust and

²⁷ <https://www.smh.com.au/politics/federal/big-surge-in-opposition-to-adani-new-polling-reveals-20180131-p4yz4o.html>

²⁸ (ref <https://www.abc.net.au/news/2018-03-21/adani-groundwater-planrisks-permanent-damage-to-desert-springs/9569184>, ABC, Online 21 March 2018)

²⁹ <https://www.theguardian.com/environment/2018/dec/15/galilee-mine-plans-understated-water-impactgovernment-report-says>

³⁰ <https://www.bioregionalassessments.gov.au/assessments/5-outcome-synthesis-galilee-subregion>

³¹ Department of Agriculture and Water Resources (2016). *Economic output of groundwater dependent sectors in the Great Artesian Basin*, Retrieved from: <http://www.agriculture.gov.au/water/national/great-artesianbasin/economic-output-groundwater-dependent-sectors-great-artesian-basin>

³² 1 <https://www.uq.edu.au/news/article/2018/09/coral-bleaching-great-barrier-reef-runs-deep>

³³ EDO, 2017. Adani Carmichael Project receives water licenses – what does this mean?

www.edoqld.org.au/news/adani-pending-water-licence/

³⁴ Qld Government; Department of Science, Information Technology and Innovation: Caley Valley Wetlands; July 2017

³⁵ www.abc.net.au: Mark Willacy; 3/5/17

³⁶ www.theguardian.com 2 Feb 2018

corals and said coal dust can enter the marine environment at loading and storage facilities and during transport. Research showed that coal dust in seawater can kill coral, stunt the growth of fish and seagrass, and those with the highest concentrations died within two weeks. Most died after 4 weeks.³⁷

Coal: Not Needed, Not Wanted

Lastly, we address the myth that coal is needed in India, and particularly coal supplied by the Adani company. In fact, the Indian Government is currently investigating Adani's use of 'black money' (illegal earnings of wealth; i.e. laundering money).³⁸ Adani uses complex company structures, including low tax regimes in Singapore and tax havens of the Cayman Islands³⁹, to avoid paying tax. This includes falsifying information for tax advantages. This low grade coal is not needed in India. There is no growing demand from Asian customers.

In general, clean coal is a misnomer. Globally the world is shifting towards renewable energy investment, with more than 70 per cent of investment (over \$290 billion) in new power plants is going towards renewable energy sources. Allowing mega coal mines in Australia will result in a very high risk of stranded assets. The coal proposed to be mined by Adani has an energy content of 4,950Kcal compared to the benchmark of 6,000Kcal, and the ash content is estimated to be 26% – more than double the average of 12% for Australian thermal coal. With an energy content of only 4,950kcal and 26% ash content, Carmichael is only 10% above the average quality of domestic Indian thermal coal in terms of energy content. Furthermore, this coal will need to be transported 5-10 times the distance of domestic Indian coal as well, adding to the environmental impact.

Instead, the sharp decline in solar and wind costs mean scaled up distributed renewables are the cheapest and quickest way of reaching electricity poor households, and increased use of coal will make poverty worse, as twelve leading international development agencies recently argued.⁴⁰

In summary, we argue that for these reasons above the Bill should be supported and passed into legislation as soon as possible.

Yours sincerely,

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³⁷ <http://www.news.com.au/technology/environment/conservation/research-shows-the-devastation-of-a-potential-coal-spill-on-great-barrier-reef/news-story/3ca92001ca9cb074f680a55ad6893b6f>

³⁸ <http://the.wire.in/books/black-money-investigation-a-feast-of-vultures>

³⁹ www.abc.net.au Stephen Long; 13/3/17

⁴⁰ <http://reneweconomy.com.au/coal-wars-a-fact-check-for-the-turnbull-government-73788/>