

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Tourism and Resources Portfolio
2006-07 Additional Budget Estimates Hearing
15 & 16 February 2007

AGENCY/DEPARTMENT: INDUSTRY, TOURISM AND RESOURCES

TOPIC: *Coal Exports*

REFERENCE: Hansard 16/2/07, Page E16

QUESTION No. AI-23

(Hansard 16/2/07, Page E16)

Senator JOYCE asked:—Who are our major markets for coal?

Mr Paterson—Our resources and energy people were here last night. They were excused from appearance today, having concluded the questions last night, so I do not have those people here.

Senator JOYCE—Did they give any inference last night about what the effects of signing the Kyoto protocol would be on our major export markets for coal?

Mr Paterson—Those questions were not put to us.

Senator JOYCE—Can I put them on notice.

Mr Paterson—You can.

ANSWER

Australia's coal exports were \$23.19 billion in 2006 (source: Australian Bureau of Statistics data).

Australia's major export markets for coal in 2006 were Japan (\$9.57 billion), India (\$2.54 billion), Republic of Korea (\$1.93 billion) and Taiwan (\$1.65 billion).

Australia is largely on track to meet its Kyoto target of 108% of 1990 levels over the period 2008-12. If Australia ratified the Kyoto Agreement the additional impact on Australian coal and resource exports is expected to be minimal over the Kyoto commitment period. This is a reflection that Australia is already on track to meet its Kyoto target, with the resources sector (including coal exporters) already adopting measures to reduce their emissions as part of Australia's overall greenhouse abatement strategy.

The main impact on the value and volume of Australian coal and resource exports is potentially due to reduced import demand by importing countries required to meet their Kyoto commitments (e.g. Japan and Europe). This is happening regardless of whether Australia ratifies Kyoto but the effects are being overshadowed by the strong global demand for resources. Modelling done by the Australian Bureau of Agricultural and Resource Economics also suggests that the shift of industry from Kyoto constrained countries to countries where there are no Kyoto constraints, such as China and India, will make up some of the initial loss in export income.