31 August 2016

Hon Dr Steven Miles MP
Minister for Environment and Heritage Protection and the Great Barrier Reef
Via Office of Climate Change
Department of Environment and Heritage Protection
Sent via email only: climatechange@ehp.qld.gov.au

Dear Minister Miles

Submission on discussion paper: Advancing Climate Action in Queensland

We congratulate your government for taking steps to implement a climate change policy in Queensland, and for moving to reinstate vegetation clearing controls to limit emissions. We appreciate the opportunity to make this submission on this discussion paper.

The Sunshine Coast Environment Council (SCEC) is a regional conservation council with over 50 member groups, each with volunteer members working across the spectrum of conservation and natural resource management activities and issues. SCEC has a geographical coverage from Bribie Island north to Kin Kin, across the hinterlands and through the coastal lowlands.

As a coastal and hinterland community, the Sunshine Coast is particularly vulnerable to the weather, coastal and agricultural impacts of climate change. We believe it is imperative that real action to reduce carbon emissions is taken to minimise the impacts (and costs) of climate change on our community and future generations.

We also recognise that if we do not show leadership, then how can we expect other communities across the globe to take the global action that is necessary to protect our extraordinary Great Barrier Reef?

Minister, this year our Reef has suffered the worst bleaching it has ever faced on record, our northern wetlands suffered unprecedented large-scale dieback,¹ and the Bramble Cay melomys has become the first Queensland mammal to be declared extinct as a result of climate change.

Further in this submission you will find our responses to the questions in your discussion paper. **However, there is no question regarding whether to continue mining coal.** While it may be unfashionable to say it, we also believe we have a moral obligation not to expose the poorest people in the world to the impacts of climate change such as rising sea levels, melting glaciers, flooding, drought and cyclones. The export of our thermal coal to the remaining coal fired power stations across the globe does exactly that. For that reason, we have added a Question 24 examining this issue.

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To date Queensland wrongly refuses to take responsibility for the emissions caused by its exported coal and gas. Just as your government reinstated the ban on uranium mining, so should your government institute a ban on all future thermal coal mining. We have therefore provided brief additional comment on why such a ban should occur, and the transition mechanisms which must accompany it.

The need for this ban has become even more evident and a source of great concern for SCEC with a motion that included a call on the Palaszczuk Government to “prioritise its commitment to Land Court reform to expedite the consideration of resource projects in Queensland” passed by Queensland Parliament on 30 August 2016.

Adding to the incredulity of this contradiction was the support of Carmichael and other future thermal coal mines in this ‘successful’ motion. This demonstrates inconsistency of policy direction and extreme hypocrisy whereby the government is supposedly supporting necessary action on climate change while also supporting new mega coal mines.

We have also attached a copy of a submission originally provided to The Hon. Dr. Anthony Lynham and senior Ministers in 2015 by QCC which canvasses in more detail the reasons why this action should be taken.

We implore you to seize the challenge and take the strong, urgent actions outlined in this letter to ensure Queensland is a world leader, not a laggard, in ensuring the world stays below 1.5 degrees Celsius increase.

Our 4 key requests are that you:

1. **Set a clear binding framework with strong emissions targets and binding monitoring**
2. **Stop supporting fossil fuels, plan for closure of coal-fired power stations and support just transitions for our communities to fresh employment**
3. **Strengthen support for renewable energy, demand management and energy efficiency**
4. **Reduce emissions through transport planning and vegetation protection, and protect our coast**

**RESPONSES TO DISCUSSION PAPER QUESTIONS**

1. **What should Queensland look like in 5, 10, or 30 years in a low carbon global economy?**

Queensland should be renowned as a leader in low carbon communities across the state, the encouragement and implementation of renewable energy opportunities, and partnership with leading communities across the globe.

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2 ‘THE MYTHS OF COAL’: The Structural Decline Of Coal Mining In Queensland And Its Consequences

April 2015 – Queensland Conservation Council
2. What do you think are the benefits and costs of taking action to address climate change in Queensland?

The global economy of the future will be based around renewable energy and low carbon initiatives. Put simply, we should aim to be at the forefront of this transition, in order to position Queensland for the benefits of innovation. We are ideally placed to do this. The costs of being a laggard are to be dependent on others for initiatives and lose out on the services jobs a knowledge economy can deliver. There are also real and enormous costs that climate change weather impacts will impose on our coastline and agricultural communities. Someone will have to pay for this, and it will be future communities who will have to pay for our inaction.

3. What part should Queensland play in meeting global and national climate change commitments?

Below are outlined the elements which are necessary.

**SET A CLEAR BINDING FRAMEWORK WITH STRONG EMISSIONS TARGETS AND BINDING MONITORING**

**A. Set a clear, strong, cross-departmental policy framework with ambitious short and long-term emissions reduction targets**

(a) Move to legislate a Queensland Climate Change Act which provides for both short and long-term emissions targets, including the 50% renewable energy target by 2030, along with an agreed climate charter providing objectives and decision making criteria, which are applicable across state government portfolios, to ensure enforceability and whole-of-government action throughout decision making;

(b) Adopt the scientific based targets for carbon emissions with review cycles, to work towards peak emissions in 2017 and net zero emissions by 2050;

**B. Implement strong monitoring and reporting of emissions across government and major private sector activities, projects and development, to provide transparency and accuracy in emissions accounting to ensure we meet our emissions targets**

(a) Require emission reporting for all government and private sector major projects and development;

(b) Ensure good quality data and analysis is undertaken to identify emission reduction actions and inform innovation in policy and industry reforms;

(c) Provide for public disclosure of carbon emission intensity of all Queensland Government activities and include carbon emission impact reporting in major tenders.

(d) Implement improved ambient air quality monitoring, particularly to measure fugitive emissions, as well as groundwater monitoring to properly assess the impacts from coal seam gas and coal mining.

4. How should Queensland work with the Commonwealth, state and territory governments and local governments to reduce greenhouse gas emissions?
Advocacy needed by Queensland Government to federal government to support renewable energy

(a) Current energy market rules are centralised and commodity market based and hinder the transition to a clean energy future through the ever increasing network costs and incentivising going off grid. Immediate energy market reform is required to manage transition to a more distributed energy market and avoid “Valley of Death” type scenarios. Advocate to the Australian Government and COAG Energy Council to commit to immediate energy market reform. Work with COAG Energy Council to redefine the National Electricity Market objectives to prioritise moving to 100 percent renewable energy powered, energy efficient communities;

(b) Advocate to maintain the Renewable Energy Target, and to expand the RET to include a further goal of achieving 100% renewable energy by 2030.

(c) Advocate to continue existing funding allocation to ARENA, including to maintain their critical grant making function which has assisted early stage technologies to commercialise into viable projects, and to continue existing funding to the Clean Energy Finance Corporation;

(d) Advocate to continue supporting public disclosure of the National Greenhouse and Energy Reporting Scheme (NGERS) and to commit to national and mandatory emission reduction targets from 2017 and for a carbon price signal to be reinstated.

(e) Support the Qld local governments to work together and make available funding for community and council initiatives. Set no net increase in emissions requirement for each council, but allow an emission trading or other innovative mechanism to assist in the transition.

5. What kind of goals or targets should Queensland set in order to achieve this?

50% renewable energy target by 2030, peak emissions in 2017 and net zero emissions by 2050.

6. What could the Queensland Government do to further stimulate innovation and commercialisation of low emissions and clean technologies?

A. Strengthen government support for the renewable energy industry across departments and levels of government

(a) Provide strong, consistent policy supporting a diverse and resilient renewable energy industry to prevent the boom and bust cycles which have significantly harmed the industry to date;

(b) Prioritise facilitation of utility scale solar for major population centres as these will aid our rapid move to renewable energy power;

(c) Invest in industry and Qld universities for research, design, development and demonstration to support renewables;
(d) Provide effective community education to explain to the community the importance of the role of renewable energy in our clean energy future to ensure the community understands clearly the need for and importance of the move to renewable energy;

(a) Advocate and work towards nationally consistent feed-in tariff rates for domestic and commercial embedded, grid connected renewable energy generators that reflect the full benefits of renewable energy to the network and society.

B. **Provide legislative support and planning for the growth of the renewable energy industry**

(a) Provide necessary planning and support through the planning framework, the State Planning Policy and regional plans, including publishing renewable energy and network opportunity maps to plan for the appropriate location for renewable energies and considering the types of tenures needed for different forms of renewable energy;

(b) Legislate to ensure renewable energy resource access rights for home owners and businesses, for example to prevent solar systems being shaded by new developments.

7. **Should Queensland sign the “Under 2 MOU”?**

   Yes, sign the Under 2 MOU but work to 1.5 degree Celsius limits, to demonstrate commitment at an international level.

8. **What are the opportunities for Queensland in transitioning to a clean energy future?**

   Queensland has both the physical solar advantages and the network of local governments to work in partnership with the State government.

9. **What are the major barriers in adopting clean energy technologies in Queensland?**

   A lack of clear policy direction and implementation at Commonwealth and State Government level.

10. **What programs would you like to see put in place to encourage greater uptake of energy efficiency and clean energy?**

    a. Free or low cost energy audits for businesses and homes
    b. Review of best approach for business and homes utilising battery storage and solar cells (e.g. individual or collective).
    c. Review of opportunities for tenanted properties.
    d. Subsidies for electric bikes (similar to subsidies in the past for efficient washing machines and water tanks)

11. **What steps should Queensland take to improve energy efficiency in the built environment sector?**

    A. **Improve energy efficiency by imposing stricter standards**

    (a) Introduce a scheme similar to the Victorian Energy Efficiency Target mandatory scheme (with or without tradeable certificates would be a matter for the Queensland Government policy). Provide incentives and community education to support the mandatory target;
(b) Mandate energy efficiency in building and appliance standards in new developments, including introducing greater emphasis and design tools to deliver good solar passive design to reduce reliance on air-conditioning and improve occupant comfort levels;

(c) Lead by example – ensure government buildings, transportation and activities meet the highest standards of energy efficiency;

(d) Invest in energy efficiency programs for low-income and disadvantaged households

B. **Address energy efficiency in existing homes and commercial buildings**
   See response to Q. 10 above.

12. **What are the main challenges to achieving successful, sustainable communities in Queensland? What types of innovations might address these challenges?**

There are two different types of communities which require two different responses.

There are the communities which have already been built and demonstrate the worst features of non-sustainability. These include lack of design to incorporate good public transport and houses which are heavily dependent on air conditioning to make them liveable. These will require initiatives to support low carbon transport and renewable energy options, including for rental properties. It is likely that these initiatives will have to take the form of subsidies.

The second type of community is that which is not yet approved or built. Local government planning schemes and government regional planning should incorporate requirements for low carbon transport and energy efficient housing within the approvals for any new development. Some time ago Queensland mandated solar hot water and water tanks, and the housing industry simply got on with the job once it had clear requirements that all had to comply.

13. **What would an efficient, affordable, low emission transport system look like in 10 to 20 years?**

One size does not fit all. The responses will be different for Brisbane, with a distinct CBD and regional centres with more dispersed travel patterns, with further attention to tourism hot spots. For the capital city, electric public transport and self-drive electric vehicles offer opportunities. For the regional centres, considerable thought will need to be put into the major travel patterns, including the drive to school and commuter traffic. Here on the Sunshine Coast, tourist travel patterns and peaks will also need to be considered.

It is expected that a mix of incentives for low emission options, and disincentives for the traditional car, will be implemented.

14. **What are the major barriers in shifting to lower carbon transport options in Queensland?**
   a. The dispersed pattern of residential communities, dependent on the car for commuter travel.
   b. Lack of real disincentives to the use of the car.
c. Planning requirements which mandate car parking spaces.

15. What strategies would you like to see put in place to encourage greater uptake of low emission transport options?

a. Create an overall framework and plan to set emissions ceilings and targets through transport planning;

b. Prioritise the facilitation of public and active transport opportunities in planning decision making;

c. Advocate for national vehicle fuel efficiency standards and introduce incentives or reduction targets for major Qld fleets, including for the uptake of electric vehicles;

d. Support the biofuel industry, as a positive use of waste product and to reduce our dependence on fossil fuels, while ensuring net environmentally beneficial results;

16. What strategies would be effective in encouraging greater patronage on public transport and fewer private vehicles on the road?

There will need to be a combination of demand and supply management. First from the demand management perspective, through reducing supply of those things which encourage car use, eg continual increase in the supply and improvement of the road system and car parking. Second, there has to be an increase in the supply of public transport and a reduction in its cost. A proper transport economics would identify the real costs of roads (construction plus maintenance) and transfer these funds to increase in supply and reduction in passenger cost, of public transport.

However, transport planners should not rely solely on public transport as the alternative to the car. Electric bicycles now offer commuters an easy and flexible transport option and riders arrive at work comfortable and ready to start work without the need for showers etc. This option would be particularly appropriate for the hills of Brisbane and for regional areas where public transport will never be able to deliver a good commuter alternative for the now spread out residential areas approved in the past.

It would be good, therefore, to examine subsidies that could be made available for the purchase of electric bicycles, given the savings in road costs which their uptake could provide.

17. What could the Queensland Government do to support greater uptake of EVs?

A recent report by Beyond Zero Emissions\(^3\) provides a detailed analysis of the international policy initiatives and incentives available to the government. Below is an extract from that report:

\(^3\) Beyond Zero Emissions, Zero Carbon Australia: Electric Vehicles, 2016
Policy options for electric vehicles need to be designed to address the various barriers to the uptake of EVs. The main barriers blocking the greater adoption of EVs in Australia include:

- lack of awareness
- perceived range anxiety
- perceived high upfront cost

There are a range of policy options to address the above barriers to adoption and support the uptake of electric vehicles. Options include:

- Educational programs and fleet trial programs, to raise awareness of the high quality performance, lower operating cost, convenience and substitutability of electric cars.

- Requiring that new car parks and apartment buildings are designed in “readiness” for electric car charging infrastructure retrofit (perhaps through inclusion of appropriate conduits).

- Promoting and supporting car share schemes (such as Go-Get CarNextDoor, and Flexicar), which increase individual car utilisation rates, and therefore favour electric cars (due to their low operating costs). These schemes could be supported by city councils by providing dedicated parking spaces, and facilitating the installation of electric charging facilities for those spaces, for example.

- Provision of public charging infrastructure, and provision of reserved parking spaces for electric cars.

- Promoting or supporting installation of public charging infrastructure by private businesses.

- Introduction of progressively stringent car emissions standards.

- Reducing or removing taxes on the import of electric vehicles.

- Lower or no registration fees for electric vehicles.

- Access to transit lanes for electric vehicles.

18 How could the Queensland Government maximise the carbon reduction potential of EVs?
By providing a network of solar powered charging stations which can accommodate both cars and bicycles.

19 What do you think the key waste priorities are in Queensland?
Introduce a waste levy and free up local governments to address organic waste and junk mail.

20 What are the key issues the Queensland Government should address with respect to land use and land use planning?
Stop broadscale vegetation clearing in Qld through legislative and non-legislative means.
a. The Vegetation Management (Reinstatement) and Other Legislation Amendment Bill 2016 contained urgent and necessary amendments needed to strengthen vegetation clearing regulation to reduce our carbon emissions in Qld and must be vigorously pursued by the government, as committed to in the Reef 2050 Long-Term Sustainability Plan (Reef 2050 Plan);

b. Administrative methods of strengthening vegetation clearing regulation must be pursued, including strengthening the self-assessable codes (SACs) more than currently proposed through the existing review, since these currently allow significant broadscale clearing, and are likely to continue to do so if these codes aren’t greatly strengthened, or abolished;

c. Work with the farming industry to help them get on board with the need to reduce the clearing rates in Queensland, through education, support and advocacy work to dispel the myths around the regulation of vegetation clearing.

21. How can we provide some stability in the livelihood of our farmers, and support the potential for transition to new industries such as carbon farming?

We support this initiative but would leave it to other organisations to suggest the appropriate mechanisms.

22. What role do you think the Commonwealth, State and Territory Governments should play in securing terrestrial and marine blue carbon storage areas?

Implement strong coastal planning laws which protect our coastal areas for both mitigation and adaptation to climate change

We are cautious regarding the extent to which the ocean and mangroves should be relied upon for carbon storage. The ocean already is taking up a large part of carbon emissions, and ocean acidification is acknowledged as a real risk for coral formation.

Nevertheless, the protection of ocean water quality and coastal vegetation such as mangroves is a value in its own right. We acknowledge that the Queensland Government has committed in the Reef 2050 Plan to ‘reinstate world-class coastal planning laws’, said to be laws that are ‘based on the best available science, make allowances for expected sea level rise and protect ecologically important areas like wetlands, and will prohibit new development in high-hazard greenfield sites’. While we congratulate the government for implementing coastal hazard mapping which recognises sea-level rise, far stronger and more urgent action needs to be taken to better protect our coastal areas and to reach this commitment.

Further action must be taken to improve protection of our coastal ecosystems, and to ensure adequate space is left for coastal ecosystems between development and expected higher sea levels.

23. What strategies should Queensland pursue to support industry to reduce emissions generated in the process of mining and production?

They should be part of the low carbon commitment of all businesses, looking towards solar power and electric vehicles. In addition, diesel fuel rebates should be removed.
24. Should Queensland institute a ban on all future thermal coal mining approvals?

STOP SUPPORTING FOSSIL FUELS AND SUPPORT JUST TRANSITIONS FOR OUR COMMUNITIES TO FRESH EMPLOYMENT (see attachment for detailed reasoning)

A. Stop supporting fossil fuels, including through subsidies, and do not approve any further thermal coal or CSG activities
   a. Do not approve any new or expanded thermal coal mines or coal seam gas activities – we do not have the carbon budget on our planet to allow new sources of emissions, including the fugitive emissions of methane which are predicted to be an increasingly large proportion of GHG emissions from both coal and coal seam gas;
   b. Remove the numerous subsidies being provided to the fossil fuel industry and related infrastructure, which presently help it continue when the market is signalling the industry’s structural decline;
   c. Remove Queensland Government support for the fossil fuel industry – as leaders of our state it is your job to demonstrate that you believe that the fossil fuel industry is not good for Queensland, does not provide the jobs and royalties that it claims and it does not have your support;
   d. Plan for phased and orderly, but urgent, closure of Queensland coal-fired power stations to assist in emission reduction.

B. Make a plan for ‘just transitions’ for communities who will be affected by the move away from emissions intensive industries
   Plan particularly for the just transition of those communities which are currently dependent on the fossil fuel industry or emissions intensive activities so that these communities can sustain livelihoods through the transition to clean energy.

C. Ensure Queensland takes responsibility for the emissions created through products we export and profit from
   Take responsibility for the emissions that will be created through the fossil fuels we export and profit from by ensuring that scope 3 emissions are assessed in project assessment with sufficient weight equal to the damage those emissions will do to our climate and the Queensland environment. Just because another country may be willing to continue to profit from dirty fossil fuels does not mean we should continue to do so.
Thank you for your due consideration of this submission. The opportunity for further discussion would be appreciated.

Yours sincerely

Vivien Griffin
President
SUBMISSION TO
THE HON. DR. ANTHONY LYNHAM MP
MINISTER FOR NATURAL RESOURCES AND MINES

“THE MYTHS OF COAL”:
The Structural Decline Of Coal Mining In Queensland And Its Consequences
April 2015

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1. **Executive Summary**

There is significant concern that unless we achieve a huge reduction in the current trend in carbon emissions, we will not keep under the 2°C warming limit which has been internationally agreed as the maximum safe level if we are to avoid catastrophic climate change.

The burning of coal for electricity production is a major contributor to global carbon emissions. It is recognized that significant reduction in coal-fired electricity production must be a part of the suite of measures to avoid exceeding 2°C warming. Already major nations such as the United States and China are moving to reduce their coal-fired electricity production. This is resulting in a structural decline in the market for coal, and serious analysis pointing to the emergence of a carbon “bubble” and risk of stranded assets.

The current oversupply in the market has led to a huge reduction in the export thermal coal price and the closing of many mines in Australia and overseas. Employment in the coal industry in Queensland has dropped 22% over the last 3 years.

The economic contribution of coal mining to Queensland has been significantly overstated. Currently the coal industry in Queensland receives significant financial support from the State Government, calculated at $9.6 billion over 6 years. Royalties from mining are declining as the market declines. This is already affecting the income stream in the Queensland Budget. There are also other costs to the community through health impacts from coal mining. The environmental impacts are also significant, such as the dredging and dumping of spoil for expanded coal port facilities.

The alleged value of future Galilee Basin projects has also been significantly inflated, with real values and numbers of jobs for the proposed Carmichael mine emerging in the current Queensland Land Court case.

QCC concludes that we are seeing the international structural decline of coal-fired electricity, and it is imperative that the Queensland Government commence planning for an alternative future for regional coal communities and a strategy to replace ageing coal-fired power stations with renewable energy production.

2. **Recommendation**

That the Queensland Government:

a) Note the international structural decline of thermal coal use;

b) Undertake a review of ageing coal-fired power plants with the aim of replacing with renewable energy;

c) Plan for an alternative future for Queensland’s coal communities;

d) Withdraw from subsidy for coal mining as soon as contractual obligations allow; and
e) Adopt a policy similar to uranium in not permitting any new coal mine projects.

3. **Need to keep warming to less than 2°C**

It is internationally agreed that we need to keep global warming to less than 2°C if dangerous climate change is to be avoided. Indeed, there is serious questioning regarding the safety of even this limit.

The conclusions of the IPCC Fifth Assessment Report indicate that without stringent mitigation efforts beyond business as usual, we are unlikely to contain temperatures below the 2°C warming and indeed could go as high as 5.7°C by 2100.

4. **Contribution of Thermal Coal to Carbon Emissions**

Coal currently provides 40% of the world’s electricity needs. It is the second source of primary energy in the world after oil, and the first source of electricity generation. Reduction in coal-fired electricity production has to be a major component in emissions reductions strategies.

5. **International Directions in Coal Use**

The International Energy Agency (IEA) has noted that, “Irrespective of its economic benefits for the countries, the environmental impact of coal use, especially that coming from carbon dioxide emissions, should not be overlooked. Despite positive efforts to build more efficient plants, to retrofit old plants and to decommission the oldest, least efficient ones, the current pace [of emission reductions] is far from what is needed.”

The IEA proposes 4 key actions that would be GDP neutral, to reduce carbon emissions. These include reduced use of inefficient coal-fired power generation, and a partial phase-down of fossil fuel subsidies.

We are now seeing a major shift in dependence on coal-fired electricity generation in the economies of nations such as the United States and China. Approximately 25% of US power plants capacity is to be closed due to new EPA regulations on pollution. This has resulted in an oversupply of US coal onto the export market, at the same time as nations such as China are reducing their coal use.

In Beijing, all coal-fired power stations are to be closed, the last occurring in 2016, and replaced with natural gas plants.

The closures are part of a broader effort by the Chinese to limit coal consumption while developing more natural gas and renewable energy, such as wind and solar power. President Xi Jinping pledged to cap carbon output from the nation of 1.4 billion people, with emissions peaking in 2030 and then declining. He has also promised to increase China’s share of non-fossil fuels to 20 percent of the total electricity mix over the same period.

6. **Unburnable Carbon and Risk of Stranded Assets**
It is now recognised that if warming is to be kept under 2°C, the majority of the world’s coal resources must be kept in the ground\(^4\). This includes 90% of Australian coal resources.

The concept of unburnable carbon is based on a scientific analysis that burning more than 886 Gt of CO\(_2\) between 2000-2050 will result in more than 2°C of global warming, triggering dangerous climate change. By 2011, globally, over one third of this carbon budget of 886 Gt CO\(_2\) had already been burnt. The known fossil fuel reserves owned by resources companies if exploited and burnt would easily exceed the remaining allowance. The reserves beyond this limit are increasingly being referred to as “unburnable carbon”\(^5\).

This has led to financial analysis that concludes there is a serious risk of a “carbon bubble” and stranded assets. Already many financial institutions are divesting from fossil fuel investments, for both moral and financial reasons.

7. **The Queensland Coal Production Market**

There are already clear indicators of the structural decline of the thermal coal industry in the Queensland coal production market. Financial analysts such as Credit Suisse, Macquarie and Merrill Lynch are all predicting continuing major export coal price reductions this year in the wake of China’s commitment to reduce coal imports.

This is being reflected in the price, job numbers and production tonnes.

7.1 **Price**

The price of thermal coal per tonne has dropped below 60% of its June 2011 price. In June 2011 the export price of coal was $A143 per tonne, in March 2015 it was $A84. This is expected to worsen, with Merrill Lynch predicting a price of $US65 for 2015 and $US52 in 2016.

7.2 **Employment**

There has been a 22% decline in coal mining employment since from 11/12 to 13/14. As at June 2014, employment totalled 27 391, down from 35 316 in June 2012.

7.3 **Tonnes**

In 09/10 thermal coal exports totalled 58 617 tonnes; in 13/14 that had dropped to 51 987 tonnes.

As described above, international trends indicate that hope of a mining “recovery” is futile. Companies such as Glencor, Rio Tinto and Vale have all announced major cutbacks in their coal mining operations. It is likely that the expiry of some of the “take-or-pay” royalty contracts will contribute to a speeding up of the rationalisation of the industry.

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8. Current Cost/Benefit of Queensland Coal Mining

The alleged benefits of coal mining to the Queensland economy require serious questioning. A recent analysis\(^6\) has attempted to put a dollar figure on the value of state assistance to the mining industry. It shows that over a six-year period, state governments in Australia spent $17.6 billion supporting the mineral and fossil fuel industries. **Queensland’s assistance was by far the largest of all states**, totalling $9.5 billion, followed by Western Australia’s at $6.2 billion.

State government assistance to the mineral and fossil fuel industries appears substantial even when compared to big budget items, such as health, education and law and order.

For example, Queensland’s expenditure on these industries in 2013-14 is similar to the amount to be spent on disability services and capital expenditure on hospitals. Queensland will spend as much on supporting the mining industry as it does on supporting some of its most vulnerable citizens.

Supporters of Australia’s mineral and fossil fuel industries are quick to argue that royalties paid to state governments demonstrate those industries’ value and importance. Rarely, however, are these contributions compared with industry assistance. State expenditure on industry assistance makes up a significant proportion of what states receive through royalties, particularly in the big mining states of Queensland and Western Australia. **In 2013-14 Queensland was planning on spending $1.5 billion on industry assistance, almost 60 per cent of what it will receive in royalties.**

**With the decline of the industry, and expiry of “take-or-pay” royalty contracts, the Queensland Government’s income stream from coal will clearly diminish.**

In addition, the much vaunted economic value of the future Galilee Basin projects has received a serious setback through the claims being tested in the Carmichael case currently before the Queensland Land Court. Carmichael applicants initially put forward claims of between 6000-10 000 jobs. **This number has now, by agreement, been reduced to precisely 1464, of which 1206 will be in Queensland.** That figure will represent 0.06% of the Queensland workforce, with at the same time a decrease of around 240 in the non-Adani coal mining workforce.

9. Health Impacts of Coal

A global study of health indicators spanning 40 years and 41 countries found that there are large, hidden health costs associated with coal consumption (Gohlke et al 2011). In Australia, it is estimated that the adverse impacts from pollutants produced from coal-fired electricity generation costs A$2.6 billion annually (ATSE 2009)\(^7\).

The latest release of the National Pollution Inventory clearly demonstrates increasing air pollution from the coal industry and coal-fired power stations. A report by Environmental

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\(^6\) The Australia Institute, Mining the Age of Entitlement: State Government Assistance to the Mineral and Fossil Fuel Sector, June 2014.

\(^7\) Climate Council Briefing Paper, Health Effects of Coal.
Justice Australia\(^8\) notes that the data shows Mackay, Gladstone, South East QLD and Central Queensland are ‘hot-spots’ of high air pollution in Australia.

- Fourteen of the top 20 most polluting coal mines are in Central Queensland.
- Peak Downs Coal Mine, a large open cut Queensland coal mine, is the most polluting coal mine in Australia, with PM\(_{10}\) emissions doubling over the last 5 years.
- Coal dust pollution (PM\(_{10}\)) from the Jeebropilly and New Oakleigh coal mines in South East Queensland increased by 163% and 31% respectively during the last 5 years.
- Coal dust pollution (PM\(_{10}\)) from coal loading and export facilities have increased significantly in suburban Brisbane. Queensland Bulk Handling, which loads coal for export at the mouth of the Brisbane River, reported a 424% increase in PM\(_{10}\) emissions over the last five years.
- Coal dust pollution (PM\(_{10}\)) from Gladstone Power Station increased by 42% over the last five years and dangerous fine particle emissions (PM\(_{2.5}\)) by 147%.

10. **Planning a future for Queensland Coal Communities**

It is clear that coal mining in Queensland is in structural decline. This is not some myth invented by environmentalists. The reality is that coal mining companies and financial institutions already know this.

The issue, then, is whether coal mining employees and families in those communities are simply left to fend for themselves as the decline cuts ever deeper.

QCC believes there is time to plan for an alternative future for these communities, working in partnership with them. QCC believes that the responsible task for your government is to begin this process.

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\(^8\) Environment Justice Australia, The National Pollutant Inventory| Lifting the lid on Australia’s coal polluters, Background Paper - 2 April 2015