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Submission from
Climate Change Balmain-Rozelle
on
Senator Waters'
Galilee Basin (Coal Prohibition) Bill 2018¹

19/12/18

Who we are

Climate Change Balmain-Rozelle [CCBR] is an independent community group in inner west Sydney, promoting local and national action to reduce fossil fuel use, increase the adoption of renewable energy, and head off catastrophic global warming. We count over 1000 supporters.

Summary

We wholeheartedly support the purpose of the bill to prevent the mining of coal in the Galilee Basin, and recognise that current legislation and regulations have been inadequate in preventing approvals of new coal mines in spite of the climate imperative to do so.

Moreover, we urge the extension of such a ban on new coal developments to encompass the whole country.

Economic harm

Peer-reviewed research² has found that the economic impact ("Social Cost of Carbon") of current CO₂ emissions is over USD400/tCO₂e for the world as a whole. For typical Australian black coal, that roughly equates to USD400/t coal burnt. The impact on individual countries varies greatly, but for Australia it is put at USD1-USD10 per tonne.

(At AUD7/t, the royalties paid by coal exporters lie in the middle of that band, making the export income merely theft from future generations.)

Mining the potential 700mt coal per year from the Galilee Basin would therefore cost the world economy AUD400bn, and cost Australia AUD1-10bn, *per operational year*.

Even then, the pure economics do not measure the misery, pain and suffering the peoples of the world face. It is no exaggeration to consider mining the entire Galilee Basin deposit an existential threat to humanity

1

https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Environment_and_Communications/GalileeBasinBill2018

2 <https://www.nature.com/articles/s41558-018-0282-y>

Scope of Bill

Mining the Galilee Basin is not the only threat. Existing proposals for new mines and mine extensions in NSW add over 65mt/y of thermal coal³. This translates to a long-term economic impact on Australia of \$90m-\$900m for each year of operation, and over \$26bn for the world GDP.

The logic by which the Galilee Basin coal should be left in the ground applies everywhere.

Paris Commitments

It is mistakenly thought by many that mining coal for export is outside Australia's Paris Commitments. This is not so.

- **Coal exports**

"Article 2

(c) Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development."

Selling coal would be a finance flow. This article prevents Australia from exporting coal in quantities inconsistent with the World's meeting the Paris objectives.

- **Coal mining**

"Article 5

- *Parties should take action to conserve and enhance, as appropriate, sinks and reservoirs of greenhouse gases as referred to in Article 4, paragraph 1(d), of the Convention"*

A coal deposit is as much a reservoir of carbon as is a forest or peatland. This article requires Australia to cease mining coal.

Sovereign Risk

Sen. Waters argues⁴ correctly that governments must be free to enact statutes as necessary to protect the people. The coal mining companies have known for decades that any new fossil fuel assets could become stranded. Where their response has been to invest in yet more such assets to make what profit they can while it is still legal, the Government cannot be considered liable.

The exposure of State and Federal governments would be limited to refunding any fees paid in respect of resources that the new law renders unrecoverable.

³ <https://www.smh.com.au/environment/climate-change/nsw-coal-mines-in-the-pipeline-are-bigger-than-adani-lock-the-gate-says-20171127-gztbpw.html>

⁴ https://www.aph.gov.au/Parliamentary_Business/Hansard/Hansard_Display?bid=chamber/hansards/ff07e01d-cd6d-4be6-bff6-f867d1054a78/&sid=0182