

# Sunrise Industry Update – April to June 2013

Prepared by Justin Field Senior Strategist, The Sunrise Project

#### **News in Brief**

## How Australian coal is causing global damage

Bill McKibben's feature story in **The Monthly** 

"Climate change, after all, is basically a big maths problem, involving the quantity of carbon we want to burn and the capacity of the atmosphere to contain it."

"Official Australia seems to be stuck in a bizarre state of denial, the kind where you acknowledge that you have a problem, but not that you need to do anything about it."

## Overview of APPEA annual conference

The Australian Petroleum Production and Exploration Association (APPEA) annual conference included presentations from senior Labor and Coalition members. Both sides were reacting strongly against community campaigns, and told the industry it needed to take more responsibility for educating the community. Read some analysis of the conference: <a href="Sydney Morning Herald">Sydney Morning Herald</a>
<a href="Business Spectator">Business Spectator</a>
<a href="Media Watch">Media Watch</a>

## India's coal demand wont be enough to boost prices

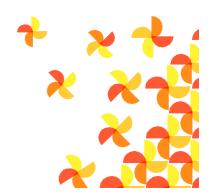
India's imports of coal from South Africa, Indonesia and Australia have boomed over the past five years, increasing by around 40 per cent. Despite this, the expansion of coal fired power generation in India has not been enough to keep global coal prices high enough to prevent more than half the thermal coal mines in Australia becoming uneconomic. The CEO of India's Vasudha Foundation - Srinivas Krishnaswamy - was in Australia recently explaining why. Radio National

## Greenhouse gas levels highest in three million years

Carbon dioxide concentrations in the Earth's atmosphere are on the cusp of reaching 400 parts per million for the first time in three million years. Sydney Morning Herald

### Australian power emissions fall to 10 year low

Greenhouse gas emissions across Australia's National Electricity Market (NEM) have fallen to a ten year low due to increased competition in the power generation sector, as thin demand and increased supply of renewables squeezes out coal generation. Renew Economy





#### **UNESCO still worried about the Great Barrier Reef**

UNESCO has postponed its meeting to consider downgrading the GBR to "World Heritage in Danger" status to February 2014. The body cited incomplete information being available from the Qld and Federal Governments to be able to complete its consideration. The Conversation

## Clive Palmer's Galilee Project economic assessment labeled commercial-inconfidence?

The Economic Assessment for the Supplementary Economic Impact Statement for the Galilee Project has been kept confidential. This is despite the company's initial assessment projecting that between 2013 and 2017 employment and manufacturing output in Queensland would fall by 2,215 jobs and \$1.3bn as a result of the mine. The Conversation

## **Market Update**

# ANZ biggest investor in Australian coal and gas export: Financing Reef Destruction Report

Market Forces has produced a <u>report</u> and <u>interactive map</u> showing the investments of Australia's major banks in funding local coal and gas developments. ANZ was the biggest contributor, investing almost \$2.35bn since 2008. This was followed by the Commonwealth Bank at \$1.5bn and National Australia Bank at \$1.45bn.

#### **Australian Thermal Coal Price**

#### Coal, Australian thermal coal Monthly Price - US Dollars per Metric Ton



Source: http://www.indexmundi.com/commodities/?commodity=coal-australian&months=60





## **Major Projects Update**

#### **Coal mines**

Hancock / GVK Kevin's Corner mine given Qld Government approval Qld's Coordinator General has given GVK <u>approval</u> for it's 30Mtpa Kevin's Corner coal project in the Galilee Basin. <u>India Times</u>

The approval follows a Government supported agreement between GVK and rail operator Aurizon to work together to develop rail and port facilities to transport coal from the Galilee basin to Abbot Point. See the Qld Deputy Premier's <u>media release</u>.

**NSW Government joins Rio Tinto in appeal against Warkworth decision**The NSW Planning Minister has joined Rio Tinto in its appeal against the Land and Environment Court decision to overturn approval for the 12Mtpa Warkworth coal-mine extension. The appeal will be heard from 30 July to 1 August. Rio Tinto media release. ABC on initial L&EC decision.

# Shenhua's Watermark Project referred to the NSW Planning Assessment Commission

The 10Mtpa Shenhua Watermark Coal Project near Gunnedah was <u>referred to the PAC</u> on 9 May. Hearings are expected in September.

#### **Ports**

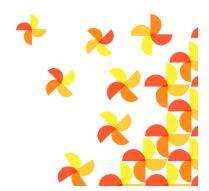
### Glencore / Xstrata Balaclava Island port proposal shelved

Citing poor market conditions, overcapacity, and concern about market outlook, newly merged Glencore Xstrata has ceased work on the 35 Mtpa Balaclava Island Coal Export Terminal, in the Fitzroy Delta near Yeppoon in Qld. Bloomberg Glencore media release

T4 delay - Port Waratah Coal Services accepts reduction on contract volumes

Newcastle's T4 proponent, Port Waratah Coal Services, has accepted voluntary
reduction in contract volumes from Hunter Valley coal mines indicating falling demand for
port capacity. PWCS has indicated it will proceed with planning approval for the T4
project. However the Planning Assessment Commission website now reflects that a
response to submissions from the proponent is "not likely to be submitted for sometime".

PWCS Media Release Newcastle Herald.





## **Policy Update**

## Government maintains \$10bn in fossil fuel subsidies in budget

The Government has made changes to mining exploration tax deductions that will save \$1.1bn over the next four years but has failed to address as much as \$10bn in other subsidies enjoyed by mining and fossil fuel industries and supported by Australian taxpayers. Paid to Pollute Campaign Budget Response

Market Forces Budget Response

## **NSW Planning White Paper open for submissions**

The proposed planning changes under the NSW Government's White Paper would restrict communities from challenging planning decisions related to mining projects in the courts. Under the proposed changes, third party appeal rights will be weakened if not completely removed in relation to State Significant Developments – which includes all major mining proposals. The White Paper is open for public submissions until 28 June. The NSW Nature Conservation has prepared briefing notes and <a href="mailto:submission">submission</a> guides to assist communities to respond to the proposal.

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