

Mineral Resources (Galilee Basin) Amendment Bill 2018 Submission

1 FEBRUARY 2019

The Galilee Basin is one of the largest undeveloped thermal coal deposits on planet Earth. Together with the Canadian tar-sands, oil drilling in the Arctic circle and deforestation of the Amazon rainforest, the exploitation of the Galilee Basin for coal mining is one of a handful of massive projects that threatens to rapidly accelerate climate change.

Climate damage is here, now. This year Australia has already experienced record hot temperatures, out-of-control bushfires and prolonged drought. These extreme weather events disrupt our

communities and threaten lives. They will increase in frequency and intensity with climate change.

The most effective way to deal with the climate crisis is to stop burning fossil fuels like coal. As a first step, that means not opening vast new thermal coal provinces like the Galilee Basin. This coal must stay in the ground.

ACF supports the *Mineral Resources (Galilee Basin) Amendment Bill 2018*, making three recommendations to strengthen it.

ACF

The Australian Conservation Foundation (ACF) is Australia's national environment organisation. For more than 50 years, ACF has been a strong advocate for Australia's natural world. We represent a community of more than 500,000 people (including more than 100,000 Queenslanders) who speak out, show up and act for a world where forests, rivers, people and wildlife thrive. We are proudly independent, non-partisan and funded by donations from our community.

ACF is a member of the Stop Adani Alliance, a movement of almost 40 civil society organisations representing more than two million Australians who stand for urgent and serious action to cut carbon pollution including a ban on new coal mines and expansions in Australia.

Recommendations

ACF supports the policy objective and measures in the Bill. To strengthen its effectiveness at responding to the urgent threat of climate change, we make the following recommendations:

1. Amend the Bill such that it prohibits the Minister from granting a coal mining lease, for thermal coal mining, anywhere in Queensland.
2. Amend the Bill such that all existing thermal coal mining leases are terminated well before 2050.
3. Ensure that the termination of mining leases is accompanied with properly resourced plans and a comprehensive transition package for affected workers, communities and regions.

The Climate Crisis

In 2015, the international community agreed in the *Paris Agreement* to undertake ambitious efforts to combat climate change. The central pillar of this agreement is:

“Holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels”¹

As highlighted in the Bill’s Explanatory Notes, last year the Intergovernmental Panel on Climate Change (IPCC) issued an unambiguous warning about the consequences of global warming at and beyond these thresholds. The IPCC’s *Special Report on Global Warming of 1.5°C* cautions that:

- Coral reefs are projected to decline by 70-90% at 1.5°C with larger losses (>99%) at 2°C.
- By 2100, mean sea level rise is predicted to be 0.26 to 0.77 m at 1.5°C, 0.1 m less than at 2°C.
- Of 105,000 studied species, 6% of insects and 8% of plants will lose their climatically determined geographic range at 1.5°C, increasing to 18% of insects and 16% of plants at 2°C.
- Warming of 2°C could increase the number of people exposed to climate-related risks and susceptible to poverty by up to several hundred million by 2050.²

In Queensland, the Climate Council explain that the severity of the current drought is being increased by the long-term declines in rainfall and the hotter conditions associated with climate change.³ Similarly, the devastating bushfires that raged across the state in November 2018 were made worse by climate change.⁴

This important research demonstrates the fundamental threat that climate change poses to human society and the natural ecosystems that we depend on to thrive. Queensland is on the front-lines of climate damage, and unless urgent action is taken to limit global temperature rise, its people and natural environments will suffer.

The Role for Coal

The IPCC are clear that a whole-of-society transformation is necessary to limit global warming to 1.5°C:

“Pathways limiting global warming to 1.5°C ... would require rapid and far-reaching transitions in energy, land, urban infrastructure (including transport and buildings), and industrial systems. These systems transitions are unprecedented in terms of scale, but not necessarily in terms of speed, and imply deep emissions reductions in all sectors ...”

Emissions from electricity and heat production, which currently contribute about 25% of global emissions,⁵ must dramatically reduce in footprint. This will require a rapid transition away from fossil fuels like coal, oil and gas, towards clean energy such as wind and solar.

¹ UNFCCC, *Paris Agreement* (2015) <https://unfccc.int/sites/default/files/english_paris_agreement.pdf> Art 2(1)(a).

² IPCC, ‘Global Warming of 1.5°C – Summary for Policymakers’ (2018) <https://www.ipcc.ch/site/assets/uploads/sites/2/2018/07/SR15_SPM_High_Res.pdf> 9-11.

³ Climate Council, ‘Deluge and Drought: Australia’s Water Security in a Changing Climate’ (2018) <<https://www.climatecouncil.org.au/wp-content/uploads/2018/11/Climate-Council-Water-Security-Report.pdf>> II.

⁴ Climate Council, ‘Escalating Queensland Bushfire Threat: Interim Conclusions’ (2018) <https://www.climatecouncil.org.au/wp-content/uploads/2018/11/Queensland-Bushfires-and-Climate-Change_Interim-Conclusions.pdf> 1.

⁵ IPCC, ‘Climate Change 2014: Synthesis Report. Contribution of Working Groups I, II and III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change’ (2014) <https://www.ipcc.ch/site/assets/uploads/2018/02/SYR_AR5_FINAL_full.pdf> 47.

The safest pathway to 1.5°C modelled by the IPCC indicates that primary energy from coal must decline by 78% by 2030 and 97% by 2050.⁶ This means that no new thermal coal basins can be exploited, and existing coal production must be rapidly scaled-back.

The Galilee Basin's Coal

There are nine thermal coal mines proposed for the Galilee Basin. At full-scale, the combined annual production capacity of these mines is 330 million tonnes per annum.⁷ This would eclipse the 203 million tonnes of thermal coal exported in 2017-18.⁸ It would make Australia's share of global thermal coal exports the largest in the world, surpassing Indonesia and Russia. If burnt, the coal from the Galilee Basin would produce 705 million tonnes of CO₂ per annum.⁹

The Bill

The policy objective of the Bill is to stop all coal mining in the Galilee Basin. ACF supports this objective.

Substantively, the Bill achieves its objective through the following measures:

- prohibiting the grant of a coal mining lease for land in the Galilee Basin;
- terminating any existing coal mining leases for land in the Galilee Basin; and
- amending any existing coal mining leases which overlap with land in the Galilee Basin to exclude that land.
- confirming that no compensation is payable to the mining lease holders affected by the Bill.

ACF supports these measures. Several recommendations are made below to further strengthen the Bill.

Compensation

Fossil fuel companies are substantially responsible for creating the climate crisis. As the Explanatory Notes correctly points out, fossil fuel companies have been aware for many decades that their activities are incompatible with a safe climate. Despite this, many fossil fuel companies have actively lobbied against government efforts, in Australia and overseas, to curb emissions.¹⁰ Given the existential threat posed by climate change to our communities and natural environment, compensating the very companies responsible for the problem would not only be unreasonable, it would be unjust.

Further, the economic and social transformation required to limit global warming to 1.5°C will be most disruptive to the workers and communities that have depended on fossil fuel development for their economic livelihoods. As this transition takes place, it will be essential for governments to provide stimulus; supporting affected communities with economic and social opportunities that allow them to

⁶ IPCC, above n 2, 19.

⁷ Greenpeace Australia Pacific, 'Cooking the Climate, Wrecking the Reef: The global impact of coal exports from Australia's Galilee Basin' (2012) <[https://static.greenpeace.org/australia/Global/australia/images/2012/Climate/Galilee%20Report\(4.2MB\).pdf](https://static.greenpeace.org/australia/Global/australia/images/2012/Climate/Galilee%20Report(4.2MB).pdf)> p 8.

⁸ Australian Government, 'Resources and Energy Quarterly December 2018 – Thermal Coal' (2018) <<https://publications.industry.gov.au/publications/resourcesandenergyquarterlydecember2018/infographics/REQ-Web-Infographics-December18-Thermal%20Coal-hr.png>>.

⁹ Greenpeace Australia Pacific, above n 8.

¹⁰ Suzanne Goldenberg and Helena Bengtsson (The Guardian), 'Biggest US coal company funded dozens of groups questioning climate change' (13 June 2016) <<https://www.theguardian.com/environment/2016/jun/13/peabody-energy-coal-mining-climate-change-denial-funding>>.

participate in shaping a new society that works for people and planet. Instead of compensating big fossil fuel companies, governments should invest in responsibly managing this transition in the interests of the community.

Recommendation 1: Amend the Bill such that it prohibits the Minister from granting a coal mining lease, for thermal coal mining, anywhere in Queensland.

Considering the scale of the climate crisis and the urgent need to transition away from digging-up and burning coal, it would be appropriate to extend the prohibition on the granting of thermal coal mining leases to cover not just the Galilee Basin but the entirety of Queensland.

Recommendation 2: Amend the Bill such that all existing thermal coal mining leases are terminated well before 2050.

Since the IPCC's 1.5°C modelled pathway requires the almost total elimination of coal by 2050, it would also be appropriate to terminate all existing coal mining leases used to produce thermal coal in Queensland by this date. Of course, the probability of limiting global warming to 1.5°C depends on the speed of this transition, so terminating thermal coal mining leases well before 2050 and as soon as possible, is desirable.


Recommendation 3: Ensure that the termination of mining leases is accompanied with properly resourced plans and a comprehensive transition package for affected workers, communities and regions.

Any plan to terminate thermal coal mining leases must be accompanied by properly resource d plans and a comprehensive transition package for workers, communities and regions affected by fossil fuel closures, including:

- A statutory authority responsible for managing the effects of the energy transition.
- Jobs hubs in transitioning communities.
- Support for the growth of new and sustainable industries.

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