

Expanding the Hunter valley coal industry – guaranteeing runaway climate change

Newcastle, in the Hunter Valley, is the largest coal export port in the world. The 80 million tonnes of coal that go out of the port from Hunter Valley mines represent about 10% of all world trade in coal. In the next 5 years, the Federal Government and coal companies will spend over \$1 billion dollars massively upgrading the infrastructure in the Hunter Valley and Newcastle. By 2010 its capacity could increase by over 50% so that up to 130 million tonnes of coal go out of Newcastle every year. The increase alone is equivalent to about 70% of Australia's entire domestic consumption of coal. The increase in exports from the new coal loader alone equal NSW's entire annual consumption of coal for all purposes.

This infrastructure investment is being driven by huge coal mine expansion plans in the Hunter. The majority of coal producers in the Hunter Valley plan to expand their operations or open new mines in the next 10 years. 15 new mines and 10 expansions of existing mines are in the pipeline which would add another 60 million tonnes a year to the 110 million tonnes of coal produced by Hunter mines. The NSW Government is ramming through these new proposals.

Upgrade	Timing	Cost \$M	Extra coal
Deepening and widening N'castle port channel	2005	100	Increased shipments
Expansion of Kooragang	2007	170	89 to 102Mtpa
Third coal loader	2009	500	+30mtpa (potential for further 30mtpa in future)
Upgrade rail network	From 2005-2010	281	85 to 140mtpa
	Total	\$1,051M	

Annual coal consumption NSW	33Mt
Capacity of new coal loader at Newcastle	30Mt
Annual coal consumption Australia	67Mt
Current Newcastle exports	80Mt
Increase in Newcastle exports in next five years	50Mt

These developments reveal the extent to which Australia is moving in exactly the wrong direction on climate change. While the debate over whether climate change is happening has ended, and governments pay lip-service to the need for action, both Federal and State Governments are simultaneously overseeing and helping to finance a massive new expansion of the Hunter Valley coal industry and the world's largest coal export port; Newcastle.

The developments in the Hunter will only bring forward the date at which runaway climate change will occur. Scientists say that global temperature increases must be kept below 2C to avoid runaway climate change. This would mean reductions in greenhouse gas emissions of up to 80% by 2050. Yet by expanding the Hunter valley coal industry we are ensuring that emissions will rise. ABARE recently predicted that even if the Government's hopelessly optimistic policies under the Asia-Pacific Clean Development and Climate Pact were successful – a highly unlikely outcome – global greenhouse gas emissions would still

increase 100% by 2050, driving a 4C temperature increase by 2100. This would unleash a climate catastrophe in Australia: longer and worse droughts, more intense and frequent bushfires, more water scarcity, increased rates of disease and the destruction of iconic areas like the Great Barrier Reef and Kakadu. In the Hunter valley, industries like dairy and winegrowing will come under intolerable strain.

The short-term profits being generated by the Hunter coal export industry must not blind us to the reality that every tonne of coal exported from Newcastle will come back to us as climate change.

What can we do?

Communities in the Hunter and elsewhere have chosen to draw a line in the sand at the proposed Anvil Hill coal mine. Anvil Hill is the biggest of the new mines seeking approval and is in an extremely environmentally sensitive area. Located west of Muswellbrook and owned by Centennial Coal, Australia's largest independent coal company, Anvil Hill contains some of the last remnant woodland in the Hunter valley. The area is home to 440 native flora and fauna species, 25 of which are endangered. If the mine goes ahead, it will destroy and divert local creeks that are catchments for the Hunter river. The mine will also fuel climate change, producing 9 million tonnes a year of coal, most of it for export, making it one of the biggest mines in NSW.

Anvil Hill is also driving the expansion of Newcastle port. The output from Anvil Hill is the main reason that Centennial Coal is a founding member of the Newcastle Coal Infrastructure Group (NCIG) which has won the contract to build a third coal loader at Newcastle. The new loader will have a capacity of 30 million tonnes a year, compared to NSW's total coal consumption of 33Mtpa¹.

What do we want?

If Australia is to play its part in stopping runaway climate change the expansion of the Hunter Valley coal industry must be stopped. Instead, new industries must be nurtured in the Hunter which provide sustainable wealth and jobs, and renewable energy and energy efficiency should be nurtured in NSW as a whole. As the biggest of the new mines seeking approval, and a key driver of the new coal loader at Newcastle, Anvil Hill is emblematic of the problem and must be rejected by the NSW Government. At the same time, the Government must introduce a state renewable energy target that helps grow renewables in NSW. Get in touch with your state MP today and insist that they act!

Go to <http://www.anvilhill.org.au/actions.php> for more information on what you can do.

¹ NSW coal industry profile 2005, NSW Department of Primary Industries.