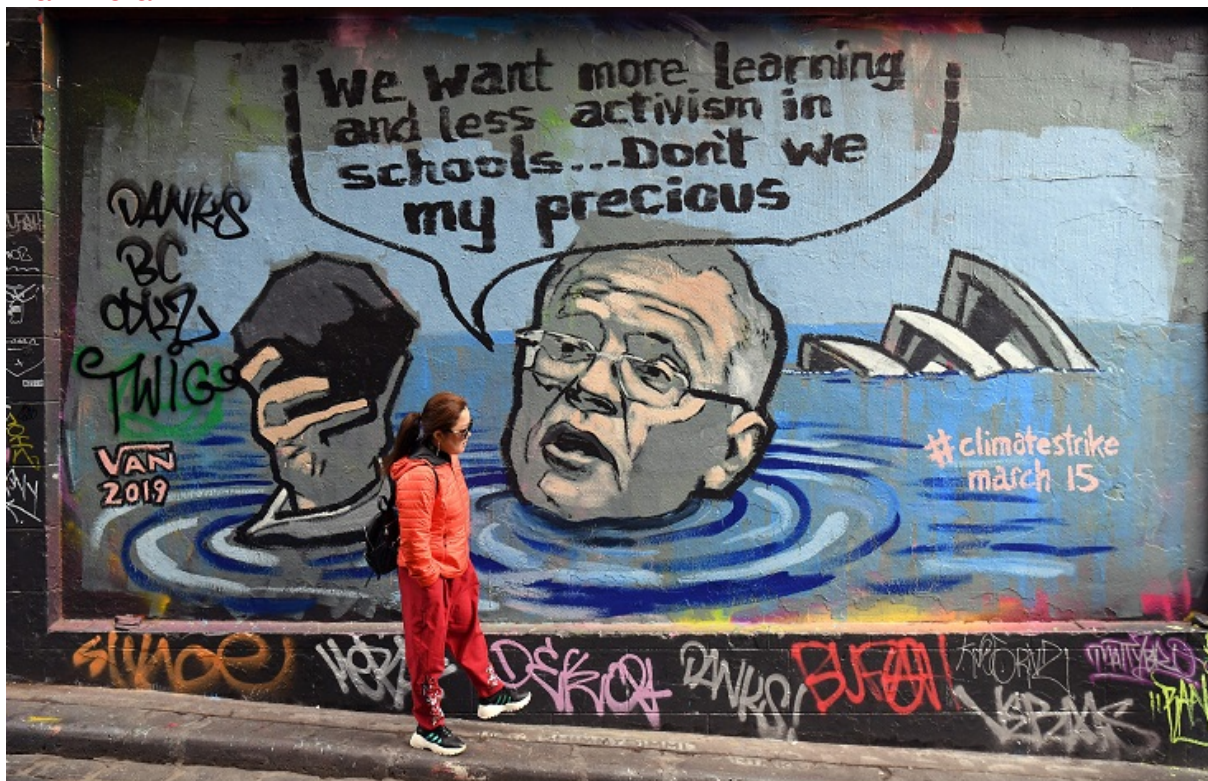


FLAT WHITE

Is coal making a comeback? Australian mining's uphill battle

Alan Moran



Getty Images

Alan Moran

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Coal supplies a quarter of the world's energy, oil and gas account for a half, and renewables – in spite of vast subsidies everywhere they are built – comprise just 7 per cent.

While Germany is being ridiculed for re-opening coal mines, even tearing down a **wind farm** to do so, it is claiming this is only a temporary departure from its decarbonisation transition.

Such assurances are not being given by the fastest-growing developing nations.

Indeed, **Bloomberg** reports, regretfully, that coal is making a comeback almost everywhere except in the US, which has stacks of gas, and Russia which, denied its European markets, has an unexpected gas surplus. **India's** government, while having said it will phase down coal, is urging the owners of existing stations to keep them open. India, **together with China**, consumed 67 per cent of the world's coal in 2022, up from 35 per cent in 2000. China itself claims to be moving toward a renewables future but their new coal generator build is proceeding apace. It hosts over half of the world's coal plants and this is likely to increase since China accounts for over two-thirds of plants listed as planned or under construction.

Even some failing states are building new coal-generating facilities.

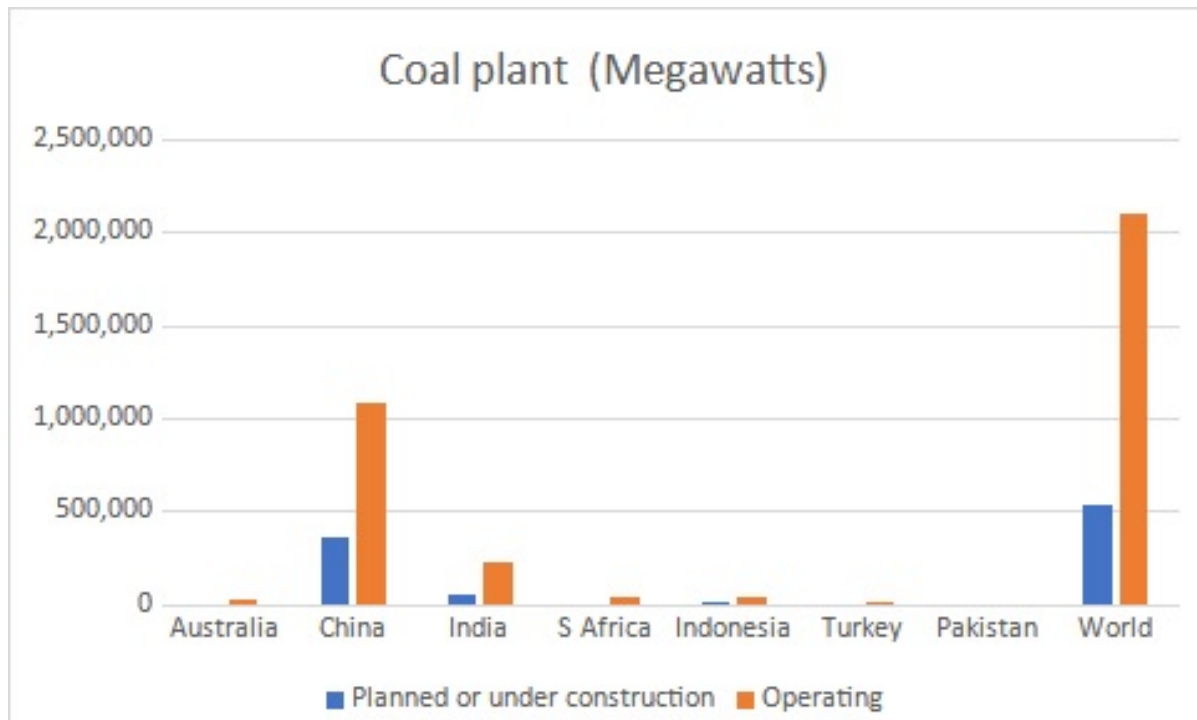
These include **Pakistan**, in the face of steep gas price increases.

And **South Africa**, a darling of the US/EU greenaid donors, is indefinitely shelving its planned transition from coal in the face of energy shortages.

Indicating a sound future for coal notwithstanding specious, ill-informed attacks on fossil fuels **globally**, 2022 saw 26,000 megawatts of old coal plants being retired offset by 45,000 megawatts of new plants commissioned, and 60,000 megawatts starting or resuming construction.

Australian coal energy generation is a little over 1 per cent of global capacity, a share that has been falling as new plants are opened overseas. As a result of increased State and Commonwealth

government discrimination against domestic coal use, the latest such measures being price caps and forced redirection of exports to the domestic market.



Source: <http://globalenergymonitor.org/>

Australia's coal developments more generally have been under attack from government actions, Woke regulatory bodies like the Queensland and NSW Land Courts and, of course, green activists. Themselves laden with green baggage, politicians have installed like-minded officials to reinforce their prejudices. This was evident in Senate hearings when Senator Antic expressed surprise that climate change was a priority for the Department of Home Affairs. **Mike Pezzullo**, the Departmental Secretary, responded, 'I am not sure if you've noticed the increasing frequency and severity of weather events.' Unfortunately, nabobs like Pezzullo have swallowed the climate con without troubling themselves to delve into the statistics,

which show no increase in hot and cold spells, floods and droughts, or any other severe weather events.

In spite of politico-legal impediments, the quality of Australia's coal reserves, their ease of mining, and the skills developed have catapulted Australia into becoming the world's leading coal exporter.

This cannot be taken for granted and faces increased challenges from political intrusion.

Understandably, Tanya Plibersek excoriated the Greens for their decision to block additional carbon taxes on businesses via the so-called 'safeguard' mechanism unless the government goes the Full Monty and bans all new fossil fuel developments. The government would have assumed that its decision to ban Clive Palmer's Rockhampton mine proposal would have earned sufficient greenie points to push through the additional imposts on domestic coal use. After all, she punished an opponent loathed equally by Labor and the Greens on the spurious grounds that the mine might harm the Great Barrier Reef, which is over 100 kilometres away. And, in any event, as **Dr Peter Ridd from the Australian Environment Foundation has demonstrated** the Reef, contrary to claims of rent-seeking scientists, is in pristine condition.

The heightened politically charged approval processes evident in the Palmer mine's decision builds on countless other regulatory measures that have stunted the industry's growth. The effects of previous interventions are already evident. Thus, even in nominal dollars, coal mining capital expenditure is below its level a decade ago and mining spending as a whole is down by a half. That spending is the backbone of future living standards. In the case of coal alone, political

interventions inhibit the development of an industry that currently provides nearly a quarter of our exports.

Sadly, Australians have elected governments that are augmenting the impediments to prosperity. This is a process that has been in train over the past 20 years, save for a minor hiccup during Tony Abbott's Prime Ministership. Unless we stop the rot, we will see, at best, reduced living standards.