

MINING AMENDMENT (CLIMATE PROTECTION-NO NEW COAL MINES) BILL 2016

First Reading

Bill introduced, and read a first time and ordered to be printed on motion by Mr Jeremy Buckingham.

Second Reading

Mr JEREMY BUCKINGHAM (10:14): I move:

That this bill be now read a second time.

It is not The Greens who say 95 per cent of Australian coal should stay in the ground; it is science. Coal is the number one cause of climate change, and a scientific study recently published in the respected science journal Naturefound that 82 per cent of global coal reserves and 95 per cent of New South Wales coal reserves must stay in the ground if we are to have even a 50 per cent chance of keeping global warming under two degrees. At current production levels, this means that hard science says we should stop digging up coal within three years in order to avoid dangerous climate change. That might come as a shock but it should not, because scientists and environmentalists have been saying for decades that we need to phase out fossil fuel.

In 1976 I was just three years old. It was the year that Neville Wran became the Premier of New South Wales and Jimmy Carter became the President of the United States. Apple Computer was founded in the garage of Steve Jobs and Steve Wozniak, and cigarette advertising was banned on Australian television and radio. These are all significant events in our history, but something else happened in 1976 which no-one had any idea about at that time but which in hindsight is the most significant thing that happened that year: 1976 was the last year that global temperatures were below the twentieth century average. Since 1976 the world has been warming, and this warming has been getting faster and faster to the point where August 2016 was the sixteenth consecutive month of record warmth for the globe and the longest such streak in the 137-year period for which we have records. This followed July 2016, which was the hottest month the world had experienced since records began, surpassing the record set in July 2015. Last year was the hottest year on record globally, and 2016 is on track to demolish that alarming record.

Global warming is undeniable. It is happening and its impacts are truly frightening: more frequent and more intense extreme weather events, including bushfires, heatwaves and violent storm surges; and sea level rise, which is already starting to impact on our Pacific neighbours and which the Commonwealth Department of the Environment and Energy estimates puts at risk up to 65,300 residential buildings in New South Wales, 4,800 kilometres of New South Wales roads, 320 kilometres of New South Wales railways and 1,200 commercial buildings with a combined value of \$40.7 billion.

There is increased evaporation and changes to rainfall patterns that put urban and rural supplies at risk. It also reduces agricultural productivity and output. The Australian Bureau of Agricultural and Resource Economics estimates an 8.5 per cent decline in the New South Wales wheat crop by 2030 due to climate change. It also has the potential to reduce biodiversity and species loss as pest species spread and climatic changes result in habitat loss and degradation.

We know that the cause of climate change, despite the shameful reluctance of New South Wales Government Ministers to admit it, is greenhouse gases produced by human activities. That is why at the Paris climate conference last year, world leaders, including our own Prime Minister Malcolm Turnbull, agreed to "hold the increase in the global average temperature to well below two degrees above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 per cent above pre-industrial levels, recognising that this would significantly reduce the risks and impacts of climate change". We also know that burning coal is the biggest source of manmade greenhouse gas emissions and, therefore, the continued use of coal is the single greatest issue facing our climate, our communities, our economy, and our environment. When it comes to coal, New South Wales is a global player, with almost 250 million tonnes of coal mined in the State in the past year alone.

The Hon. Dr Peter Phelps: What a great effort.

Mr JEREMY BUCKINGHAM: I acknowledge that interjection. What has happened to the Parliamentary Friends of Coal? Government members would come into this place and crow about coal and beat their chests and say that climate change was a conspiracy. They have given up on that in the face of community consensus and science. That is what this bill is about. I am proud to introduce the Mining Amendment (Climate Protection—New Coal Mines) Bill 2016 on behalf of The Greens and the people of New South Wales, and also on behalf of future generations. This is a simple bill, and the title says it all. It will ensure that we do our bit in New South Wales to protect the climate by saying no to any new coalmines in our State, including extensions to existing mines. The bill does this by amending part 2 of the Mining Act 1992 to insert a new section 10B, which expressly prohibits the granting of any new authorisations to prospect for or mine coal in New South Wales. This is done in the same way that the existing section 10A prohibits the grant of authorisations to mine uranium in this State.

This bill will not cancel the 175 existing coal exploration licences or 333 existing coalmining licences, but it will stop two assessment lease applications, five exploration licence applications, and 57 mining licence applications from ever being approved. It draws a line in the sand for new coal. The bill also provides that compensation is not payable by or on behalf of the State because of the prohibition, and requires the refusal of an application or tender for an authorisation made but not finally determined before the commencement of the proposed Act.

The bill will stop any new coalmines or coalmine extensions currently in the planning system from ever getting authority to proceed. This includes: the Drayton South Extension, which is threatening thoroughbred breeders in the Hunter Valley; the Berrima coal proposal, which is threatening the Southern highlands; the Bylong coal project, which is threatening Tarwyn Park, the home of natural sequence farming; the Rocky Hill coalmine, which is threatening the beautiful Gloucester Valley; the Wallarah 2 coal project, which is in the drinking water catchment of the Central Coast; and the Russell Vale expansion project, which threatens Cataract Dam and which could drain 2.6 million litres of water a year from Sydney's essential drinking water catchment. It will also stop any mines which already have planning approval but which do not yet have a mining licence approved from ever getting a mining licence. That includes the Shenhua Watermark coalmine, which is threatening the Liverpool Plains—our nation's food bowl.

The case for change is strong. If we are serious about honouring the Paris agreement then we must be serious about phasing out coal. There is no scenario in which building new coalmines and expanding existing ones is compatible with effectively tackling climate change. New South Wales has the opportunity to show global leadership by supporting this bill. It is not only The

Greens calling for this; the hard science says that we cannot pretend that we will meet the Paris target without an historic and rapid transition away from fossil fuels. We can do it. A recent paper, to which I alluded earlier in my speech, published in the journal *Nature* calculated that in order to have at least a 50 per cent chance—a toss-of-the-coin chance—of keeping to no more than a two degrees rise in global temperatures, cumulative carbon emissions between 2011 and 2050 must be limited to about 1,100 gigatonnes of carbon dioxide equivalent. The paper surveyed global fossil fuel reserves and calculated a carbon budget of exactly how much of each reserve can be burnt in order to avoid breaching two degrees of global warming. The study found globally that 82 per cent of coal, 49 per cent of gas, and 33 per cent of oil reserves should stay in the ground.

For Australia, the study found this means that 95 per cent of our coal reserves must be left in the ground. For New South Wales, this means that only a further 575 million tonnes, or just over three years of production at current rates, of the 11.5 billion tonnes of recoverable coal reserves can be mined and burnt if we are to ensure 95 per cent of our reserves remain in the ground. This is what the science says. This is what 61 prominent Australians, including former Reserve Bank Governor Bernie Fraser, Nobel laureates, professors, former Australians of the Year, economists, religious leaders, and even a former coal executive said recently in an open letter calling on world leaders to discuss a ban on new coalmines and coalmine expansions. It is also what the recently retired President of Kiribati, His Excellency Anote Tong, told me when he came to Australia and pleaded with us to take climate change seriously before it destroys his country.

In the face of this challenge, it is clear that as a first step a responsible government must implement a moratorium on all new coalmines and extensions to existing mines and plan for a phase out of coal. This would have seemed less scary to members opposite had the world acted on climate change in 1988, when James Hansen testified in front of a United States congressional committee about the link between carbon dioxide and the greenhouse effect. It would not be as frightening if we had acted after the 1992 Rio Earth Summit, or even if we had listened to Bob Brown in 2007, when he said that the time had come for Australia to kick the coal habit. Then we would have had years to phase out coal, build alternatives, and save the climate. Instead, politicians and the fossil fuel industry have avoided action and held up red herrings like "clean coal" as an excuse for inaction.

This is not a negative. We should seize the nettle of action on climate change and phase out new coal. Coal has served us well, but the ancient technology of burning polluting rocks should be retired as other industries have been, such as the whaling industry. Seaborne thermal coal is in structural decline anyway; it will go the way of the whaling industry in the twentieth century. The nature of coalmining is that it cannot coexist and it displaces other productive industries like agriculture and tourism. The Government fails to factor the opportunity cost of new coal into its approvals. It ignores the damage it causes to agriculture, tourism, the environment, and our precious water supplies. It also ignores the cost it imposes on public services such as healthcare provision. Massive rehabilitation liabilities are now coming home to roost in this State. We will have to spend billions and billions of dollars on rehabilitating coalmines in the Hunter, the Illawarra, and the Gunnedah Basin because the bonds paid by the coalminers are not adequate, and the impact of that will be intergenerational.

The community is on board; it accepts great challenges. It will support a government that shows leadership and sets a new course in economic development. It has done so in the past with other great nation-building exercises such as the Snowy Hydro scheme and the National Broadband

Network [NBN]. The community wants action on resetting our economy towards a renewable energy future and it wants a transition strategy. The Greens policy is for State and Federal governments to draft a transition plan to rapidly phase out coal and build renewable energy, with associated policies to provide alternative employment and economic activity in affected regions. That is what the mayor and the people of Muswellbrook want. The future of that community and its economy is in services, agriculture and tourism. As members opposite know, the future is the NBN and other great nation-building exercises, the future is a services economy. Communities do not want new coalmines.

Realistically, we know that a phase-out of coal will not happen in three years, but the Government should set that course. We advocate as rapid a transition away from coal as is possible. We are confident that building and operating renewable energy projects will be a net gain for the economy. The Nyngan solar plant, the largest solar power station in the Southern Hemisphere, is providing 104 megawatts of clean energy. That is enough to power two cities the size of Dubbo. The plant created 300 jobs during construction and was built in two years. This type of project should be replicated throughout regional New South Wales. Communities and workers must not be hung out to dry. They need a just transition.

Members should be aware of what has happened in Victoria where the coal-fired power stations are shutting down. They should be aware of what is happening in South Australia and Victoria where Hazelwood, the biggest, dirtiest power station in the Southern Hemisphere, is closing down. There is no transition plan for those communities even though the closures were foreseeable. We all know that Liddell, Wallerawang and Vales Point will close. What is the Government doing for those communities? The coalmines at Lithgow, Mudgee and Gunnedah and in the Hunter and the Illawarra cannot and should not operate forever. Those communities should have a transition strategy that includes renewable energy, tourism and health services, which are the economy of the future.

The Baird Government, which has approved the biggest expansion of coalmining in our State's history, is living in a fantasy land. Coal is being dug up and shipped out to be burnt as fast as we can. Since Mike Baird took over as Premier in April 2014, the Baird Government has approved 15 new or extended mines with a total extraction of 1,818 million tonnes of coal. That is utterly irresponsible. Currently, there are 18 proposed new or expanded coalmines in the Department of Planning and Environment process for a total of 1,243 million tonnes of coal. Only three mines have been rejected by the Baird Government. One of these, the Drayton South extension, is still in the planning system despite three rejections by the Planning Assessment Commission. These projects either approved by the Baird Government or in the pipeline have the potential to blow our remaining coal budget by 2,486 million tonnes, and that is disregarding coal allocations made by previous governments.

The recently released intergenerational report, which does not even mention climate change, projects that coal volumes will continue to grow by 1.2 per cent a year for at least the next 40 years. The Government is living in an utter fantasy land. The world is moving on. New South Wales is becoming a global pariah. As part of the global community it will cost us dearly. If coal output grows in line with these figures, that means by 2056 we will be extracting more than 325 million tonnes of coal per year or a total of more than 10.5 billion tonnes mined between now and 2056. Does anyone seriously expect us to still be mining that quantity of coal—almost double the current rate—in 2056? Where is Labor's support for change? I challenge the seriousness of Labor's commitment to climate change policy while it continues to pretend that

coal is an industry with a future. I implore Labor to change and join with The Greens and the community to set a new course.

The world cannot wait another five or 10 years for sensible Labor members to come around to having the tough conversations with the Construction, Forestry, Mining and Energy Union and their colleagues who are stuck in the past. The time to have those conversations was 10 years ago. With one of the most important global meetings in our history soon to be held, now is the time for the Labor Party to bite the bullet and come out with a clear message that coal is over and is never coming back. If Labor does so, the community, The Greens and future generations will hold them in high esteem. Finally I address the issue of compensation in relation to projects that are cancelled as a result of this bill. As I mentioned before, the bill provides that compensation is not payable by or on behalf of the State as a result of the prohibition on the grant of new coalmining or exploration authorisations.

While The Greens enthusiastically welcomed the New South Wales Government decision to compensate BHP to the tune of \$220 million to get rid of the Carroona coal proposal in the Liverpool Plains as money well spent, we believe it is not necessary to do so with other projects. These companies have known that the writing is on the wall for their industry and it is their responsibility, not the taxpayers' responsibility, to diversify away from a polluting industry with no future. They take the risk; risk is inherent in capitalism. This bill does not preclude the Government from having a negotiated settlement if that is the approach it wishes to take. The bill simply makes it clear that there is no obligation to do so. This bill sets a new course for New South Wales with a trajectory towards renewable energy. It draws a line in the sand: no new coal, no new coalmines and no new extensions.

This bill ensures that the people of the Liverpool Plains, Bylong, Berrima and the Illawarra—those who are concerned about the impacts of coalmining on their water catchment—have the certainty that those coal projects will not take go ahead. By accepting this bill, the Government shows that it is serious about tackling climate change. We are becoming, if we are not already, an international pariah when it comes to coalmining. We are being shamed by other nations, including China and the United States of America. Europe has its head in its hands when it sees Australia failing to act on this greatest crisis for the economies and cultures around the globe. This is the great existential crisis and moral challenge of our time. This issue needs leadership, and our nation can show that leadership.

Governments can reset and decarbonise our economy in just a decade or so, but it needs political courage and leadership. Are our governments going to wait until our communities are impacted by more heatwaves, more extreme bushfires, rising sea levels, worse droughts and the onslaught of more powerful cyclones? That is not the course to set. This Government needs to show leadership and set the course of no new coalmines and to put in place the better option for the future which is renewable energy, sustainable agriculture and tourism services. Coal has served us well. It has kept the lights on and powered industry. The Greens acknowledge that but it is time to move on. I implore honourable members to look at the science and take the issue seriously for the sake of future generations. The agreement at Paris was not a conspiracy. The science is informing the polity. The most eminent and considered political minds said that we must act on climate change. Those countries are steering a course away from fossil fuels and so must New South Wales. I commend the bill to the House.