

# FINANCIAL REVIEW

SE News  
HD **Abbott ANU**  
BY Ben Potter and Amanda Saunders  
WC 1,062 words  
PD 14 October 2014  
SN The Australian Financial Review  
SC AFNR  
ED First  
PG 1  
LA English  
CY Copyright 2014. Fairfax Media Management Pty Limited.  
LP

Prime Minister Tony Abbott has promised his full backing for Australia's **coal** industry, delivering a blow to the anti-fossil fuel movement and putting pressure on the Labor opposition to choose between the environment or jobs.

Mr Abbott, who was opening a new coalmine in Queensland's Bowen Basin for BHP Billiton and Japan's Mitsubishi, said it was a "great day" for the world.

TD

"**Energy** is what sustains prosperity and **coal** is the world's principle **energy** source and it will be for many decades to come," he said. "Let's have no demonisation of **coal**."

**Coal** exports are worth \$40 **billion** annually to Australia but the fossil fuel industry is battling a global push to convince institutional investors to divest their holdings.

Mr Abbott accused Australian National University, which partially joined the boycott last week, of "unnecessary posturing" and said it risked sacrificing returns in its \$1.1 **billion** endowment.

Other cabinet ministers criticised the university too, which had described some **mining** companies and gas giant Santos as being destructive to society.

Education Minister Christopher Pyne said ANU's decision was "bizarre". Environment Minister Greg Hunt said the university – which has the highest per student carbon emissions in its sector – should "clean up its own act" by buying "100 per cent green **energy**" or stand accused of hypocrisy.

ANU vice-chancellor Ian Young said in an article for Fairfax Media the university will reconsider the blacklist should new information come to hand or flaws become evident in the methodology. The Prime Minister received measured support from Labor leader Bill Shorten and much stronger support from Labor's **energy** and resources spokesman, Gary Gray.

"Australia is the fifth-largest **coal** producer in the world and the world's second-largest exporter of **coal**," Mr Shorten said. "There's no doubt that coalmining has made a significant contribution to Australia's prosperity and it will continue to have a strong future in Australia."

The strong backing for the industry from both the major parties comes as **coal** prices languish at six-year lows and **China** proposes tariffs of 3 per cent to 6 per cent on imported thermal **coal** – threatening Australian exporters.

A global push for investors to pull their money out of fossil fuel companies is also gathering momentum from small beginnings. Inspired by Stanford University, Australian National University has blacklisted **oil** and gas companies Santos and **Oil** Search as well as five producers of metals and minerals used in everyday products, drawing fire from Mr Abbott, Treasurer Joe Hockey, three other ministers, and the companies themselves.

The \$8 billion NSW Local Government Super fund has culled two – AGL and Whitehaven Coal – the \$29 billion Hesta super fund has restricted new investments in coal and Sydney University is refusing new coal investments for its fund. Melbourne and Harvard universities have rejected the strategy as simplistic.

"Australian resource companies, including oil and gas companies, have traditionally had excellent returns," Mr Abbott said.

"Frankly, I think that kind of decision lets down the people who want these investors, who want these organisations, to get the best possible return."

Mr Gray said: "There is no solution to global base-load power generation that does not feature a major role for coal. Coal fired power generation has assisted in lifting over 500 million people – principally in China – out of poverty and providing them with higher standards of living," Mr Gray told The Australian Financial Review.

"It is a critical part of our portfolio of export minerals," he said.

But Mr Gray said Mr Abbott and Trade Minister Andrew Robb had been silent on their plans to tackle China over its shock tariff announcement and ensure our coal continues to enter Chinese markets as "good coal helping to generate power that helps drive industry and business in China".

In the face of these head-winds for coal in particular, the bipartisan support for the coal industry from the major parties was welcome by the mining industry.

"The Prime Minister's unstinting support is important for the sector, which is going through a difficult period," said Minerals Council of Australia chief executive Brendan Pearson.

"For a long time to come, the Australian coal sector will deliver jobs for tens of thousands of Australians directly and indirectly, provide energy for hundreds of millions in our region and be an essential ingredient in the most rapid phase of industrialisation and urbanisation in global history," he said.

"Importantly, the support for the coal sector is bipartisan. Only the Greens, who bark noisily but impotently from the fringes of political debate, fail to appreciate the economic and social contribution of the Australian coal sector."

Mr Abbott said Labor's revival of carbon pricing "will kill the coal industry in the long run because it will just go up and up and up and it says to Australia and it says to the world that coal is not an absolutely essential source of energy, it's some kind of environmental villain."

"The government I lead is determined to create the conditions for the continued expansion of the coal industry," he said.

Mr Gray rejected Mr Abbott's criticism of the carbon tax as a "nonsense".

"While we had a price on carbon, we were building new mines and opening new mines," he said.

"It's only since the Abbott government has come in that our coal industry has really been placed under global pressures and strains and that the government has been so outrageously ambushed by the Chinese with an import tariff on Australian coal."

Mr Hunt told a conference in Melbourne ANU had the highest per student carbon emissions of any Australian university

"They should start by cleaning up their own act. I think the right thing for the ANU to do if they want to invest their money in that way is to purchase 100 per cent green energy," he said.

"Anything less than a 100 percent green energy, anything less than making themselves the most competitive, lowest emissions per student in Australia would represent some form of hypocrisy," Mr Hunt said.

On Sunday Professor Young issued an open invitation to aggrieved companies to meet him about the issue but stood by the process. Professor Young said strategy was based on internationally recognised methodology, and the university was receiving broad support.

**NS** npag : Page-One Stories | reqren : Suggested Reading Energy | ncat : Content Types | redit : Selection of Top Stories/Trends/Analysis | reqr : Suggested Reading Industry News  
**RE** austr : Australia | queensl : Queensland | apacz : Asia Pacific | ausnz : Australia/Oceania  
**PUB** Fairfax Media Management Pty Limited  
**AN** Document AFNR000020141013eaae0003u