



HD Queensland "pissing money against wall" with **coal** deal

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The Queensland government's decision to use taxpayer's money to invest in the giant Galilee **coal** investments that have snubbed by major international and Australian banks has been ridiculed.

Campbell Newman's Coalition government is set to invest hundreds of **millions** of dollars into the mine, and it's associated infrastructure. This comes as many international banks refuse to back the upgrade of the Abbott Point **coal** terminal, and others balk at the \$3 **billion** cost of the rail link.

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Even though it is conceivable that a **coal** mine could generate some short term profits from international sales, few believe that the **coal** market will be long standing, and fear that the associated infrastructure, with a life of 30 years or more, will end up as stranded assets.

"Many would consider this a Government simply pissing taxpayers' money up against the wall," Tim Buckley, Director of **Energy** Resource Studies Australasia at the Institute for **Energy** Economics and Financial Analysis (IEEFA) said.

He said Australia's "**coal** addicted" politicians have stepped up with public cash "where international financiers wouldn't dare to tread", by proposing to use taxpayers money to fund "unviable and highly questionable" **coal** projects.

"The people of Queensland and Australia should be outraged at this idea of questionable politicians spending many **billions** of tax payer dollars to make an unviable, unwanted and dangerous mega **coal** project a reality," Buckley said.

Buckley noted that Newman has historically been at pains to say that the state of Queensland is in dire financial straits with huge debt - \$80 **billion**.

"The Galilee **coal** projects are totally, commercially unviable. Any project undertaken is highly likely to end up as a stranded fossil fuel asset as the rest of the world rapidly transitions to lower carbon solutions. **Coal** has entered structural decline - there is no two ways about that fact," he said.

Australia - at federal and state level - is insisting that **coal** has a long term future, but the stand ignores both the cost of imported fuel for nations such as **China** and India, and their growing options in other **energy** sources.

China has already halved its **coal** imports and may cut them altogether. India has even indicated it may not need to import **coal** within a few years, although that does depend on getting its internal infrastructure into order.

An investment by the Newman government would come despite his railing against subsidies for rooftop **solar** and large scale renewables! and will come on top of the \$600 **million** a year subsidy paid to keep down the cost of delivery of **coal** fired power to regional areas.

"We want a new **coal** basin to open," Newman has repeatedly stated.

But Buckley said Eight of the largest global financiers have already said they wont provide financing to the Galilee projects," Mr Buckley said.

On Wednesday 12 November 2014 India's **Energy** Minister Piyush Goyal said he plans for India to cease importing thermal **coal** within 2-3 years.

"This makes a mockery of the plan by Adani to export 2/3 of the Carmichael **coal** back to India. His own **energy** minister is making it clear India cant afford to solve **energy** poverty using hugely expensive imported **coal**." Buckley said.

Goyal early last week cited distributed **solar** and microgrids, **wind** farms, **energy** efficiency, grid efficiency, plus domestic **coal** and hydro as the preferred domestic solutions.

"This is a taxpayer subsidy of a private foreign **company** who has to-date invested almost no **equity** capital into the Australian economy."

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