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Australia remains committed to coal

The Labor government is not willing to turn their backs on the almighty coal industry. But a low-carbon economy would actually pay off for Australia

Australia was governed by climate change deniers for years. Leading politicians long boycotted global efforts to tackle the problem. About two years ago, for example, leaked documents showed how the previous government under Scott Morrison lobbied to tone down the UN climate report. It was only shortly before the Glasgow climate summit that Australia sought to catch up with the rest of the world and announced a zero emissions target by 2050. By the end of 2030, however, emissions would be reduced by only 26 to 28 per cent below their 2005 level.

Ultimately, Australian voters were no longer willing to go along with such inaction and Morrison's centre-right coalition suffered a resounding defeat in the parliamentary elections in May last year. By that point, almost every Australian had suffered from the consequences of climate change. In 2019 and 2020, devastating bushfires ravaged the east of the country, after years of drought and high temperatures. In the past 12 months, Australia has experienced the opposite extreme, with a number of regions repeatedly being inundated by floods. The famous Great Barrier Reef has been plagued by regular bleaching for years. While heat waves have already killed off thousands of corals.

A fiction well-told

Anthony Albanese's new social democratic government thus made climate legislation its top priority. Within months of the election, cuttingCO_2 emissions by 43 per cent by 2030 was enshrined in law. With this new target, Australia was catching up with countries such as Canada (40-45 per cent), South Korea (40 per cent) or Japan (46 per cent). For a country governed for years by climate change deniers and regarded internationally as a maverick, this can be counted a success.

But much of what the new government promised turned out to have been empty words. Because not even the social democrats are willing to

turn their backs on Australia's almighty coal industry — last July Albanese rejected a moratorium on fossil fuel projects on the grounds that it would have 'a devasting impact on the Australian economy'. In the same month, he revived the myth that Australia's 'quality coal' is relatively clean, a view that his liberal-conservative predecessors repeatedly trotted out. If Australia cut coal exports, 'what you would see is a replacement with coal from other countries that's likely to produce higher emissions [...] because of the quality of the product', Albanese claimed.

According to independent MP Andrew Wilkie, however, this is a lie. Wilkie made these claims before the Australian parliament in November, where he referred to 'thousands of documents' obtained from a whistle-blower he described as a coal mining executive. His allegation states that coal companies were misrepresenting the quality of Australian coal with 'fraudulent' lab results. Wilkie also alleged that foreign officials were bribed to overlook discrepancies and greenlight exports. He labelled the whole business a 'scam' and 'environmental vandalism' that 'makes all the talk of net zero emissions by 2050 a fiction.'

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Wilkie claimed that a number of major firms were implicated in the fraud allegations, mentioning Macquarie Bank and mining companies Terracom, Anglo American, Peabody and Glencore. The latter have largely dismissed the claims, however. Tim Buckley, Director of the think tank Climate Energy Finance, who also submitted documents to the court, is convinced that there is real substance to the allegations. He said he had no doubt that 'fraud, deception, theft and bribery' were involved. The question now is how widespread it is. The scandal is a national embarrassment for Australia.

Buckley acknowledged, however, that wrongdoing would not be easy to prove. The coal industry had been extremely cunning. The data shows that they shaved off a percentage here, a percentage there, and the money flowed not directly, but by circuitous routes such as a 'first class trip to New York'. Since his speech in Parliament, Wilkie asked the government to at least follow up on the story and has demanded information from both the supervisory body ASIC and the Ministry for Industry. But the coal industry is unlikely to receive any more than a reprimand and a fine. Too many votes and too much tax revenue depend on coal, which employs around 50,000 people.

Strong potential

Although the new 43 per cent target, enshrined in law, sends an important signal, its implementation is still lacking. Climate expert Frank Jotzo of the Australian National University in Canberra wrote in *The Conversation* that Australia has a whole range of options for simply reducing emissions. For example, the shift from coal to renewable energies can at least be accelerated. After all the country has an abundance of renewable energy sources. Besides wind, tidal, wave and geothermal energy, above all the potential for solar energy is enormous. Energy efficiency must also be improved and the switch to electric vehicles boosted. Furthermore, according to Jotzo, cleaner processes mean that industry and agriculture, too, could make substantial savings.

Time and again, however, climate deniers hinder progress by arguing that on a global scale, Australia's contribution is minimal. Ultimately, its inhabitants are only responsible for just over one per cent of global emissions. Yet, this argument ignores the fact that Australia is also responsible for the emissions of the fossil fuels it exports. The latter raise the figure to at least 3.6 per cent.

According to calculations by Deloitte Access Economics, shifting to a low-carbon economy would actually pay off for Australians. Experts claim that the transition could result in an economic growth of 680 bn Australian dollars (€ 443 bn) and create 250,000 new jobs by 2070. Nevertheless, renewable energy projects are still hard to get off the ground. One of the best publicised projects, Sun Cable, which aimed to supply Singapore with solar power via undersea cables, is in jeopardy, media reports claim. It is now doubtful whether the project, which was backed by two of Australia's richest businessmen, can still be saved.



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