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**TITLE: More than just greenies against Newcastle's T4**

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Last month, PWCS management halted development of its controversial T4 coal terminal after downgrading its demand projections, citing falling commodity prices and the shifting global energy market. Considering the opportunistic nature of the proposal, this was always likely to be the case. The company's environmental assessment used historically high estimates for steaming and coking coal prices, projected that export demand will continue to expand beyond 2020, and assumed the coal boom will go on forever.

PWCS submitted its environmental assessment in February 2012. To put the scale of this optimistic outlook into perspective, between March 2012 and March 2013, the steaming coal price fell more than 16 per cent. Coking coal prices, which they estimated to remain around \$200 per tonne for the projected future, are already sitting around \$160 per tonne – a full 20 per cent lower than anticipated. With increased supply from Mongolia and South Africa, and China lowering their demand and stockpiling coal reserves, the numbers used by PWCS to justify their project look less realistic by the day.

It's not just protestors and greenies saying T4 isn't necessary. PWCS's own Chief Executive, Hennie du Plooy, suggested "in the next five years the tonnes the producers want to contract for will not exceed what we can deliver from the existing terminals".

Australia's mining boom was made possible on the back of a steep rise in global demand for coal. As demand grew, countries and firms were willing to pay more and more to secure a long-term coal supply. The upward surge in coal prices meant many coal deposits, previously considered not profitable enough to invest the billions necessary to dig up, started to look more attractive. Applications for new mines soared.

Now, as we're seeing more coal mines come on line, and international demand start to level off, the price is falling and the amount producers can sell and ship is decreasing. For T4, this means the conditions that required its triggering in 2011 are ancient history.

Across the board, Newcastle has united in opposition to the terminal. When the NSW Government opened the proposal to public submissions, it received nearly 500 from the

community. 98 per cent of submissions objected to T4, including representatives from local community groups, the city council, environmental organisations, health professionals, and state and federal governments. In March 2013, 1500 Novocastrians marched in protest.

The community has good reason to reject the coal facility. Aside from the significant health and environmental concerns, PWCS admits the terminal will create no new jobs. If anything, it is likely to put current jobs in other industries such as tourism and commercial fishing at risk. For locals whose jobs aren't directly affected, they can look forward to 39,000 new coal train movements through the area, bringing the total to over 100,000 yearly, or one every five minutes.

The project poses a real risk to Newcastle's environment, health and industry, and it's not a necessary one.

Even though project development has been halted, PWCS continues to lobby for approval of T4. They want to make sure that, if there is a sudden surge in coal demand that exceeds the capacity of their current three terminals, they're ready to profit from it as much as possible.

PWCS is required to demonstrate that there is a need for the project. They have to justify the costs and benefits to the public who will be affected by it. They said the terminal was required to accommodate "contracted and projected future coal exports". But those contracts have been downgraded, and those projections are way off the mark. Now they've admitted their current ports will be more than enough to meet demand.

In other words, there's no need for it.

Newcastle is being asked to pay a lot for this project. The enormous public response suggests they're not willing to foot the bill. If Newcastle doesn't want it, and the international coal market doesn't need it, then it shouldn't matter what PWCS wants. If the NSW government wants to make a big investment in the Hunter Valley it should put its money into better health, education and transport infrastructure that the community does want.

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