

# Adani impact by Queensland electorate

How Galilee Basin development affects the economics and politics of the existing Queensland coal industry

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*The proposed Adani coal mine poses a threat to coal jobs in both electorates with rival mines and in electorates set to benefit from the project.*

Discussion paper

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# Summary

The benefits of the Adani coal mine have been readily discussed and debated. Equally important but rarely discussed are the many electorates that stand to lose out from the development of the Galilee Basin. In some cases, the winners and losers share an electorate.

The mine that Adani plans to build in the Galilee Basin would be one of the largest export coal mines in the world. Its construction at a time of shrinking world demand for coal means that exports from Adani can cannibalise existing exports and potential growth from other coal regions – and, by extension, lead to fewer jobs or lower jobs growth in those regions. Forecasts by coal industry modellers Wood Mackenzie show that significant coal exports from the Galilee Basin would, by 2035, lead to a reduction in coal production of 30% in the Bowen Basin, 37% in the Surat Basin and 37% in the Hunter Valley.

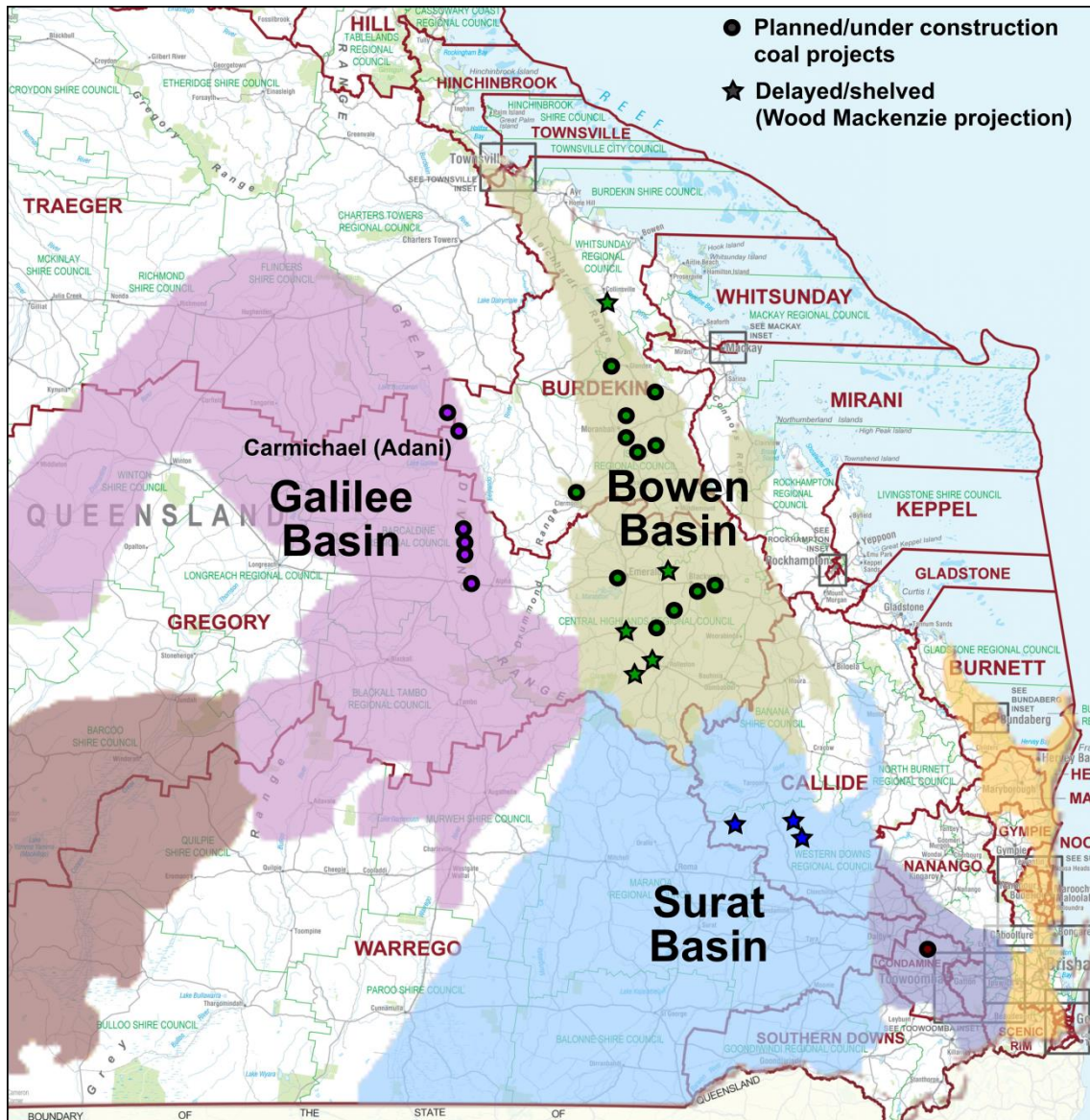
The balance of which seats would benefit from Adani's proposal and which would be negatively affected have not been properly considered. These effects will occur regardless of whether the Adani mine is subsidised; the additional cost to taxpayers of subsidising Adani is outside of the scope of this paper.

The decision by Adani to use Townsville and Rockhampton as its bases for fly-in fly-out (FIFO) workforces could advantage those cities – and the eight state electorates that they contain. Six of those electorates are marginal, and another has changed hands in both of the last two elections.

On the other hand, Mackay, Gladstone and Rockhampton are already major FIFO bases, and are strong FIFO candidates for future Bowen and Surat basin coal mines. If Galilee Basin development cannibalises Bowen and Surat development, these cities and their six state electorates – three of which are marginal – will suffer.

The electorates that contain the mines themselves are also likely to become a political issue. The proposed Galilee coal mines run across two or three electorates: Burdekin, Gregory and possibly Traeger. Of these, only Burdekin is marginal. In addition, Burdekin and Gregory also contain Bowen Basin coal projects threatened by Galilee development. Another electorate, Callide, contains Surat Basin mines at risk of cannibalisation by Galilee development.

Figure 1: Coal basins, state electorates



See Figure 6 later in the report for notes and sources.

# Introduction

As the world restricts its coal use in response to climate change and market forces like cheaper renewables, it needs fewer coal mines. New coal mines will cannibalise the sales of others. Wood Mackenzie analysis shows that building the Adani coal mine, one of the world's biggest, will lead to delayed and cancelled mines elsewhere in Queensland – especially as the development of Adani opens the basin to other mines.

## RISK FOR BOWEN AND SURAT DEVELOPMENT

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Mine projects in the Surat and Bowen coal basins of Queensland are likely to be delayed, shelved or closed down if Galilee projects go ahead. The Wood Mackenzie modelling suggests that by 2035 Surat Basin coal production will be 37% lower and Bowen Basin coal production 30% lower if the Galilee Basin is developed than if it is not developed.<sup>1</sup>

This includes eight Queensland mining projects or expansions that will be delayed or shelved: Collingwood, Drake, Ensham, Meteor Downs South, Springsure Creek, The Range, West Rolleston and Wandoan coal projects.<sup>2</sup>

The eight thermal coal projects are found in three state electorates – Callide, Burdekin and Gregory – and three federal electorates – Maranoa, Capricornia and Flynn. As shown in Table 1, these mines are in the Surat and Bowen basins.

As well as the eight coal projects that would be cancelled if the Galilee mines go ahead, the increased supply from the Galilee Basin can be expected to affect other projects through lower prices and lower profits. Lower profits mean fewer jobs. Based on Wood Mackenzie modelling that the Galilee Basin will reduce Bowen Basin production by 16.6 million tonnes per year by 2035, Bowen Basin employment could fall by 2,452

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<sup>1</sup> Long (2017) *Galilee Basin mines will slash coal output, jobs elsewhere, Wood Mackenzie says*, <http://www.abc.net.au/news/2017-07-06/galilee-basin-mining-project-will-reduce-coal-output:-research/8682164>

<sup>2</sup> Long (2017) *Galilee Basin mines will slash coal output, jobs elsewhere, Wood Mackenzie says*, <http://www.abc.net.au/news/2017-07-06/galilee-basin-mining-project-will-reduce-coal-output:-research/8682164>

jobs.<sup>3</sup> Examples of potentially affected Queensland coal projects are Collinsville, Sonoma, Callide and Dawson, among many others.

**Table 1: Queensland coal projects projected to be delayed, shelved or closed down if Galilee basin is developed**

Mine	Extant?	Basin	State Electorate	Federal Electorate	Nearest FIFO base
<b>Collingwood</b>	N	Surat	Callide*	Maranoa	Rockhampton /Gladstone
<b>Drake</b>	Y, operating	Bowen	Burdekin	Capricornia	Mackay
<b>Ensham</b>	Y, operating	Bowen	Gregory	Flynn	Rockhampton /Gladstone
<b>Meteor Downs South</b>	N, advanced	Bowen	Gregory	Flynn	Rockhampton /Gladstone
<b>Springsure Creek</b>	N, advanced	Bowen	Gregory	Flynn	Rockhampton /Gladstone
<b>The Range</b>	N, deposit	Surat	Callide	Flynn	Rockhampton /Gladstone
<b>West Rolleston</b>	Y, operating, planned expansion	Bowen	Gregory	Flynn	Rockhampton /Gladstone
<b>Wandoan</b>	N, deposit	Surat	Callide*	Flynn	Rockhampton /Gladstone

Note: Collingwood and Wandoan were in Warrego but following the redistribution they are in Callide (marked with asterisks).

Source: Long (2017) *Galilee Basin mines will slash coal output, jobs elsewhere, Wood Mackenzie says*;<sup>4</sup> Queensland Department of Natural Resources and Mines (2016) *Queensland coal – mines and advanced projects*<sup>5</sup>

## A TIGHT ELECTION

The Queensland election later this month will be closely fought, with 17 of the state’s 93 seats “very marginal” and a further 22 “marginal”. The state has also seen historically large swings in the two-party preferred vote, meaning that even nominally “safe” seats will be targeted.

<sup>3</sup> The Australia Institute (2017) *Re: Inquiry into governance and operation of the Northern Australia Infrastructure Fund*, p 2-3

<sup>4</sup> <http://www.abc.net.au/news/2017-07-06/galilee-basin-mining-project-will-reduce-coal-output:-research/8682164>

<sup>5</sup> [https://www.dnrm.qld.gov.au/\\_data/assets/pdf\\_file/0011/238079/coal-mines-advanced-projects.pdf](https://www.dnrm.qld.gov.au/_data/assets/pdf_file/0011/238079/coal-mines-advanced-projects.pdf)

Table 2 (below) shows that of the 17 very marginal (3% and lower margin) state electorates, only two are potential Adani beneficiaries: the coal mine site is in the Burdekin electorate and the Burdekin and Mundingburra electorates contain parts of Townsville (one of the mine's two fly-in fly-out hosts).

However, Burdekin's existing Bowen Basin coal projects are threatened by Galilee expansion. Its Drake coal mine is expected to be cancelled if Galilee development proceeds.

In addition, the city of Mackay, in which the electorate of Whitsunday is based, is already a FIFO base for Bowen Basin mines and Surat Basin gas projects. Cancelled Bowen and Surat coal projects could cost those electorates employment.

**Table 2: Very marginal (3% and below) state electorates**

Electorate	Notional Party	Margin	Might benefit from Adani	Might be hurt by Adani
<b>Pumicestone*</b>	LNP	0.1%		
<b>Bundaberg</b>	ALP	0.5%		
<b>Whitsunday</b>	LNP	0.6%		Bowen/Surat FIFO base
<b>Mansfield*</b>	ALP	0.8%		
<b>Glass House</b>	LNP	0.9%		
<b>Mount Ommaeny*</b>	ALP	1.0%		
<b>Maryborough</b>	ALP	1.1%		
<b>Redlands</b>	LNP	1.2%		
<b>Burdekin*</b>	ALP	1.4%	Adani site; Adani FIFO base	Bowen Basin; Drake mine at risk
<b>Springwood</b>	ALP	1.4%		
<b>Toowoomba North</b>	LNP	1.6%		
<b>Lockyer (v ONP)</b>	LNP	1.6%		
<b>Mundingburra</b>	ALP	1.8%	Adani FIFO base	
<b>Everton</b>	LNP	2.0%		
<b>Bonney</b>	LNP	2.2%		
<b>Gaven</b>	LNP	2.8%		
<b>Maiwar</b>	LNP	3.0%		

Note: Electorates marked with an asterisk have notionally changed party following the 2016 redistribution. The party shown in the table is the notional new party.

Overall, analysis of the marginality of state electorates (see Table 3) shows that few of the basin electorates are marginal, but a majority of electorates containing FIFO candidates are marginal. These seats still represent a minority of all marginal seats.

**Table 3: State marginality analysis**

<b>Margin</b>	<b>Total</b>	<b>ALP</b>	<b>LNP</b>	<b>KAP/Indep</b>	<b>Basin</b>	<b>FIFO</b>
<b>Very marginal (3% or less)</b>	17	7	10	0	1	2
<b>Other marginal (from 3% to 6%)</b>	22	12	9	1	1	4
<b>Any</b>	93	48	42	3	7	10



# Fly-in fly-out cities and other of-interest electorates

Electorates with cities that host fly-in fly-out workforces will be affected by the Adani coal mine proceeding. Townsville, Rockhampton, Gladstone and Mackay would potentially host FIFO workforces for Galilee mines, with Townsville and Rockhampton confirmed as the FIFO hosts for the Adani mine.<sup>6</sup>

Each of these towns has existing employment in mining. Some of these jobs will be in mining services and operations, or in coal seam gas, but others will represent fly-in fly-out workers for existing Bowen Basin mines that are jeopardised by Galilee Basin development. The Bowen Basin has a non-resident population of 13,560, so FIFO workers will be of that magnitude.<sup>7</sup>

## TOWNSVILLE

Townsville is the most politically significant of the cities. Five electorates cover Townsville, more than any of the other FIFO candidates. They are Townsville, Hinchinbrook, Mundingburra, Thuringowa and Burdekin, as shown in Figure 2 below:

**Figure 2: Townsville electorates**



<sup>6</sup> Chen (2017) *Adani: Carmichael mine FIFO workforce to come from Townsville, Rockhampton*, <http://www.abc.net.au/news/2017-10-05/adani-carmichael-mine-fifo-workforce-townsville-rockhampton/9017610>

<sup>7</sup> QGSO (2016) *Bowen Basin population report, 2016*, <http://www.qgso.qld.gov.au/products/reports/bowen-basin-pop-report/bowen-basin-pop-report-2016.pdf>

Source: Electoral Commission Queensland (2017) *The final determination*

The Burdekin electorate reaches the edge of Townsville and also extends across a huge area including the proposed site of the Adani coal mine.

**Figure 3: Burdekin abuts Townsville**



Source: Electoral Commission Queensland (2017) *The final determination*

All the seats in and around Townsville are in play in the coming state election. Four are marginal: Burdekin (1.4%), Mundingburra (1.8%), Hinchinbrook (3.4%) and Townsville (5.7%).

The remaining seat, Thuringowa, will also be a political target, despite being a nominally “safe” seat. Thuringowa changed hands in each of the last two elections, on the same double-digit swings seen across Queensland as a whole.<sup>8</sup> The electorates of Mundingburra and Townsville also changed hands both times.

Townsville has also experienced one of Australia’s largest increases in unemployment over the last five years, going from 5.1% to 8.7% between the 2011 and 2016 Censuses.<sup>9</sup>

Townsville is not currently a major FIFO hub, with only 2,500 people employed in mining. The cities closer to the Bowen Basin coal mines have far more people

<sup>8</sup> In 2012 the swing against Labor was so great that the two-party preferred was between the Katter Australia Party and the Liberal National Party.

<sup>9</sup> ABS (2017) *Townsville (SA4)*, [http://stat.abs.gov.au/itt/r.jsp?RegionSummary&region=318&dataset=ABS\\_REGIONAL\\_ASGS&geoconcept=REGION&datasetASGS=ABS\\_REGIONAL\\_ASGS&datasetLGA=ABS\\_NRP9\\_LGA&regionLGA=REGION&regionASGS=REGION](http://stat.abs.gov.au/itt/r.jsp?RegionSummary&region=318&dataset=ABS_REGIONAL_ASGS&geoconcept=REGION&datasetASGS=ABS_REGIONAL_ASGS&datasetLGA=ABS_NRP9_LGA&regionLGA=REGION&regionASGS=REGION); ABS (2017) *Census QuickStats: Townsville*, [http://www.censusdata.abs.gov.au/census\\_services/getproduct/census/2016/quickstat/318](http://www.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/318)

employed in mining and consequently more to lose from competition with the subsidised development of the Galilee Basin, especially relative to population.<sup>10</sup>

## MACKAY

The Mackay region has about 14,400 employed in mining, with 1,559 Mackay-based businesses directly supply the resources sector.<sup>11</sup> One of the eight coal mines threatened by Galilee development (the Drake mine) is closer to Mackay than other FIFO candidates.

**Figure 4: Mackay electorates**



Source: Electoral Commission Queensland (2017) *The final determination*

The city of Mackay is covered by the Mackay electorate, with two other electorates – Whitsunday and Mirani – covering the hinterlands around Mackay. Mackay is held by Labor on a 10.2% margin, and has been a Labor seat for many decades.

Whitsunday and Mirani are marginal. Whitsunday is held by the LNP on a 0.6% margin and Mirani by the ALP on a 3.8% margin. Whitsunday was won by the LNP in 2012 and held in the 2015 election. Before that, Labor had held the seat since 2001. Whitsunday is also notable as having elected Harry Black for One Nation in 1998, although he subsequently defected from the party.

<sup>10</sup> Using the 12-month average ending in May 2017, for each of the three SA4 regions (Rockhampton and Gladstone share a region). Department of State Development (2015) *FIFO Review Report, July 2015*, p 45, 54, <https://cabinet.qld.gov.au/documents/2015/Sep/FIFOResults/Attachments/Report.pdf>; ABS (2017) *Labour force*

<sup>11</sup> Using a 12-month average ending in May 2017. Department of State Development (2015) *FIFO Review Report, July 2015*, p 45, 54, <https://cabinet.qld.gov.au/documents/2015/Sep/FIFOResults/Attachments/Report.pdf>; ABS (2017) *Labour force*

Mirani was won by Labor in 2012 following a 16.0% swing, the first time in over half a century that Labor has held the seat.

## ROCKHAMPTON AND GLADSTONE

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The Fitzroy region, which contains Rockhampton and Gladstone, has about 9,000 people employed in mining.<sup>12</sup> Of the eight coal mines threatened by Galilee development, seven are closer to Rockhampton/Gladstone than other FIFO candidates.

**Figure 5: Rockhampton electorates**



Source: Electoral Commission Queensland (2017) *The final determination*

Rockhampton is a safe Labor seat, held on a 14.0% margin, and has been held by the Labor Party for decades.

Mirani and Keppel cover much of Rockhampton's hinterland. Keppel changed hands in each of the last two elections, and is currently held by Labor on a 4.1% margin. Mirani is discussed in more detail under the Mackay section (above).

The city of Gladstone is entirely contained by the electorate of the same name. It is a safe Labor seat, with a 25.3% margin.

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<sup>12</sup> Using a 12-month average ending in May 2017. Department of State Development (2015) *FIFO Review Report*, July 2015, p 45, 54, <https://cabinet.qld.gov.au/documents/2015/Sep/FIFOREview/Attachments/Report.pdf>; ABS (2017) *Labour force*

## ELECTORAL SITUATION

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Reachtel polling in the state seat of Dalrymple (name changed to Hill for the next election) found that in December 2016, 66% of voters in that electorate opposed taxpayer funding for Adani. 14% supported taxpayer funding and 20% were undecided. The same polling found that voters in Mt Isa (renamed to Traeger) were even more strongly opposed, with 70% against and only 12% in support.<sup>13</sup>

The Greens vote in Dalrymple and Mt Isa is consistently lower than it is across the state. However, in the Townsville electorate the Greens matched their state-wide vote (8.4%). Nonetheless, some electorates – including Whitsunday, Mundingburra and Hill – are marginal enough that changes in Green preferences could potentially determine which way the seat falls.

Although not directly connected to coal basin development, it is also worth mentioning the electorate of South Brisbane. In 2015, Jackie Trad won the seat with 42.7% of the vote, with the Greens polling 21.9%. In the South Brisbane booth in the 2016 federal election, the Greens polled 27.4%, a swing of 10% since the last federal election.<sup>14</sup> Sentiment around coal mine development could affect the prospects of Labor retaining this seat.

In 2015, the One Nation vote was significant in the seats that they ran in: Hinchinbrook (4.1%), Townsville (3.8%) and Thuringowa (7.4%). Again, Hanson opposes subsidies for Adani, and polling shows that One Nation voters share that view.

Table 4 shows potential and current FIFO electorates by party that nominally holds the seat, the margin they hold it by, and the Greens and One Nation vote at the last election.

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<sup>13</sup> Robertson (2016) *Voters near proposed Adani mine oppose public loan for rail line, poll finds*, <https://www.theguardian.com/environment/2016/dec/08/voters-near-proposed-adani-mine-oppose-public-loan-for-rail-line-poll-finds>

<sup>14</sup> Elks (2016) *Federal election 2016: Greens' vote good news for Palaszczuk*, <http://www.theaustralian.com.au/federal-election-2016/federal-election-2016-greens-vote-good-news-for-palaszczuk/news-story/cddc8ffae3fa49688b2307d5b642c161>; QEC (2015) *2015 State General Election – Election Summary*, <https://results.ecq.qld.gov.au/elections/state/State2015/results/summary.html>

**Table 4: State electorates with fly-in fly-out cities**

<b>Electorate</b>	<b>City</b>	<b>Likely impact of Adani</b>	<b>Notional Party</b>	<b>Margin (%)</b>	<b>Greens vote 2015 (%)</b>	<b>PHON vote 2015 (%)</b>
<b>Whitsunday</b>	Mackay	Negative	LNP	0.6	6.1	
<b>Burdekin+</b>	Townsville	Mixed	ALP	1.4	2.9	
<b>Mundingburra</b>	Townsville	Positive	ALP	1.8	7.7	
<b>Hinchinbrook</b>	Townsville	Positive	LNP	3.4	3.7	4.1
<b>Mirani+</b>	Near Rockhampton & Mackay	Mixed	ALP	3.8	4.1	
<b>Keppel</b>	Rockhampton	Mixed	ALP	4.1	4.6	
<b>Hill (formerly Dalrymple)</b>	--	Uncertain	LNP	4.9	4.2	
<b>Townsville</b>	Townsville	Positive	ALP	5.7	8.4	3.8
<b>Thuringowa</b>	Townsville	Positive	ALP	6.6	3.5	7.4
<b>Mackay</b>	Mackay	Negative	ALP	10.2	5.0	
<b>Rockhampton</b>	Rockhampton	Mixed	ALP	14.0	6.4	
<b>Gladstone</b>	Gladstone	Negative	ALP	25.3	3.9	

Source: Green (2017) *2017 Queensland state redistribution*<sup>15</sup>

Notes: A plus (+) marks electorates that are also coal basin electorates. These are coded as coal basin electorates for the purpose of totals of electorates elsewhere in the report.

Hill is included in the analysis because before the redistribution, under the name of Dalrymple, the electorate was near Townsville and the proposed Galilee mine sites. However, the redistribution moved the electorate much further north, and so it has not been coded as a FIFO electorate elsewhere in this report.

Burdekin is assessed as “Mixed” impact because it contains at-risk Bowen Basin mines (see Table 6).

<sup>15</sup> <http://www.abc.net.au/news/elections/qld-redistribution-2017/>

# Coal basin electorates

While most commentary about the Adani project has focused on the potential electoral benefits of potential new jobs from new mines in the Galilee,<sup>16</sup> most of the electorates that would host new mines in the Galilee would also lose jobs in mines located in the Bowen and Surat basins.

The Adani coal mine is the first planned mine in the Galilee Basin. The Galilee Basin as a whole crosses four state and four federal electorates. The planned borders of the Adani coal mine are not entirely clear, but it looks to be mostly in the electorate of Burdekin at the state level and the electorate of Capricornia at the federal level. Parts may extend into Traeger (state electorate) and Kennedy (federal electorate).<sup>17</sup>

The other state electorates that contain the Galilee Basin – Burdekin and Gregory – also contain or are planned to contain mines in the Bowen Basin. Warrego has coal deposits but seemingly no planned mines. Furthermore, there are three other state electorates that contain the Surat or Bowen basins, but do not contain the Galilee.

Note that viable coal deposits are only found in parts of these basins. For the Galilee Basin, the coal industry's attention is focused on a band of deposits on the east of the basin, between the towns of Pentland to the north and Alpha to the south. This covers three state electorates – Traeger, Burdekin and Gregory – and all federal Galilee

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<sup>16</sup> See for example Richardson (2017) *Graham Richardson: Real reason for Bill Shorten's Adani wobbles*, <http://www.theaustralian.com.au/opinion/columnists/graham-richardson/graham-richardson-real-reason-for-bill-shortens-adani-wobbles/news-story/b7ae7d8e6d6908eed0487b0d08163771>; Murphy (2017) *Most Queensland voters oppose taxpayer support for Adani coalmine – poll*, <https://www.theguardian.com/environment/2017/may/25/most-queensland-voters-oppose-taxpayer-support-for-adani-coalmine-poll>; Roberts and Meixner (2017) *Adani mine: Do the people of Clermont and Bowen share politicians' enthusiasm?* <http://www.abc.net.au/news/2017-06-12/adani-do-regional-queenslanders-share-politicians-enthusiasm/8600670>; Stephens (2017) *Adani mine brings hope back to Townsville, where jobs are in short supply*, <http://www.news.com.au/finance/work/careers/adani-mine-brings-hope-back-to-townsville-where-jobs-are-in-short-supply/news-story/2ea01db14c514a2a4efedd4beb038b58>

<sup>17</sup> From a comparison of project site maps and electorate maps: Horn (2017) *Here's what we know about Adani and the Carmichael mine project*, <http://www.abc.net.au/news/2016-12-05/what-we-know-about-adani-and-the-carmichael-mine-project/8094244>; ECQ (n.d.) *State district maps*, <https://www.ecq.qld.gov.au/electoral-boundaries/find-my-electorate/state-district-maps>

electorates.<sup>18</sup> There are also substantial coal deposits in Warrego, the final Galilee Basin electorate, but no proposed coal projects at this time.<sup>19</sup>

Similarly, although there are large parts of the Surat Basin without planned coal projects, there are substantial coal deposits in each electorate.<sup>20</sup>

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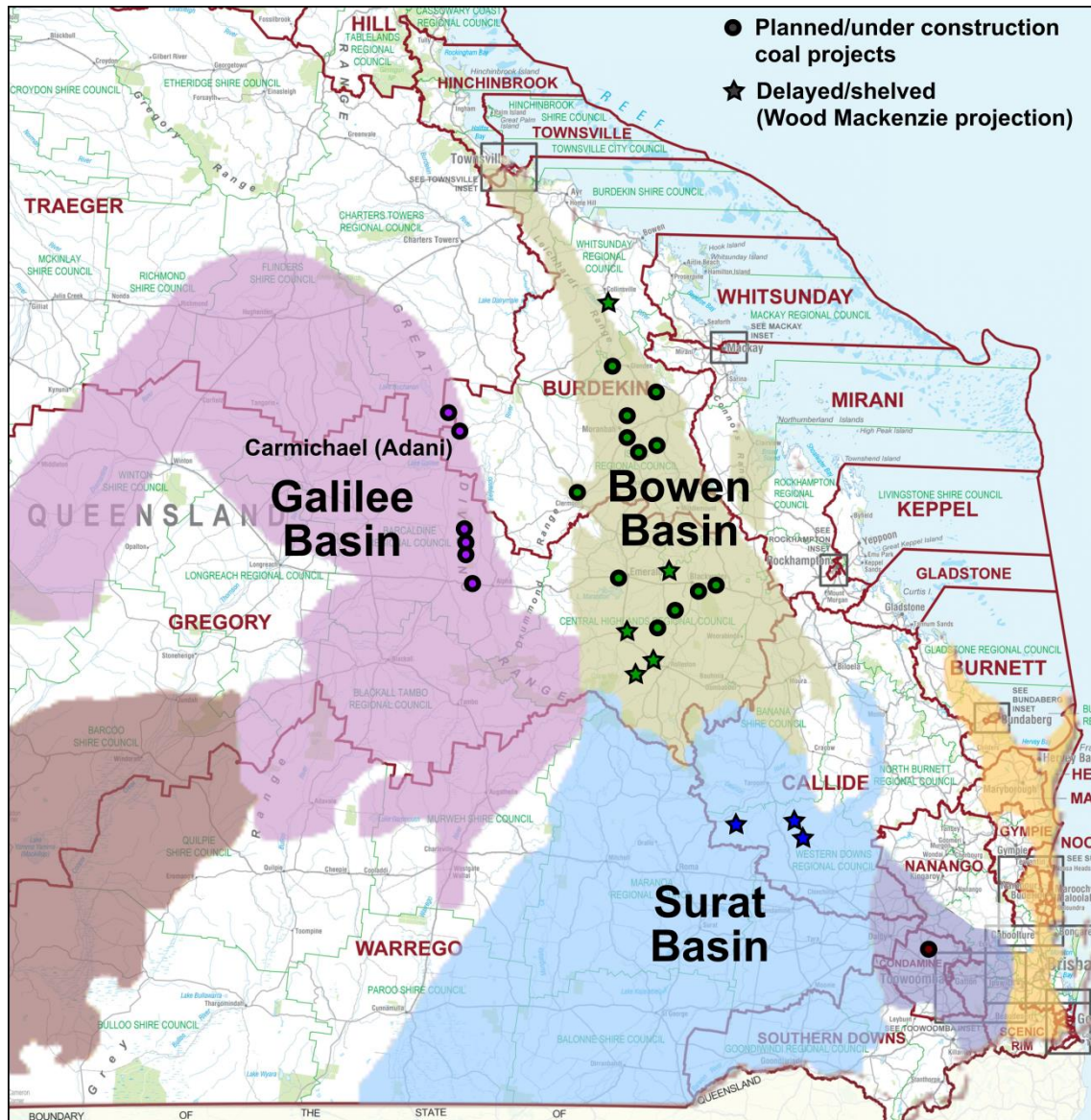
<sup>18</sup> Department of Natural Resources and Mines (2017) *Queensland coal – mines and advanced projects*, p 5, [https://www.dnrm.qld.gov.au/\\_data/assets/pdf\\_file/0011/238079/coal-mines-advanced-projects.pdf](https://www.dnrm.qld.gov.au/_data/assets/pdf_file/0011/238079/coal-mines-advanced-projects.pdf)

<sup>19</sup> Geoscience Australia (2014) *Black coal deposits in Queensland*, [http://www.minerals.org.au/file\\_upload/images/coal/coal\\_maps/13-7856-5\\_large.jpg](http://www.minerals.org.au/file_upload/images/coal/coal_maps/13-7856-5_large.jpg)

<sup>20</sup> The mines and projects around Miles were in the Warrego electorate, but following the redistribution they will be in the Callide electorate. Geoscience Australia (2014) *Major coal basins with in-situ resources*, [http://www.minerals.org.au/file\\_upload/images/coal/coal\\_maps/13-7856-4\\_large.jpg](http://www.minerals.org.au/file_upload/images/coal/coal_maps/13-7856-4_large.jpg); Department of Natural Resources and Mines (2017) *Queensland coal – mines and advanced projects*, p 4-6, [https://www.dnrm.qld.gov.au/\\_data/assets/pdf\\_file/0011/238079/coal-mines-advanced-projects.pdf](https://www.dnrm.qld.gov.au/_data/assets/pdf_file/0011/238079/coal-mines-advanced-projects.pdf)



Figure 6: Coal basins, state electorates



Note: This map pictures proposed and at-risk coal projects, not coal deposits or existing not-at-risk coal mines.

Maps overlaid by The Australia Institute.<sup>21</sup> Sources: Queensland Department of State Development (n.d.) *Major Queensland coal basins with CSG potential*;<sup>22</sup> Electoral Commission Queensland (2017) *The final determination*;<sup>23</sup> Geoscience Australia (2014) *Major coal basins*

<sup>21</sup> The southern part of the Bowen Basin is overlapped by the Surat Basin. Electorates containing the overlapped part of the Bowen Basin have been categorised in this report as Surat Basin electorates unless they also contained a non-overlapped part of the Bowen Basin.

<sup>22</sup> <http://www.statedevelopment.qld.gov.au/fact-sheets/lng-reserves-and-resources-fact-sheet.html>

<sup>23</sup> <http://boundaries.ecq.qld.gov.au/have-your-say/the-final-determination>

with in-situ resources;<sup>24</sup> Department of Natural Resources and Mines (2017) *Queensland coal – mines and advanced projects*

The electorates of Gregory and Burdekin are among the three state electorates that contain coal projects expected to be delayed or cancelled if the development of the Galilee Basin goes ahead. In other words, of the four state electorates that contain the Galilee Basin, two electorates have existing coal projects and proposals that are expected to be cancelled if the Galilee Basin is developed. In addition, Warrego does not contain any planned Galilee mines.

**Table 5: State electorates in Queensland coal basins**

	Galilee	Bowen	Surat
<b>Traeger</b>	Y		
<b>Burdekin</b>	Y	Y	
<b>Warrego</b>	Y		Y
<b>Gregory</b>	Y	Y	
<b>Callide</b>		Y	Y
<b>Mirani</b>		Y	
<b>Southern Downs</b>			Y

Note: Because the Bowen Basin extends into Townsville, the basin may cross over some or all of the other Townsville electorates: Townsville, Thuringowa, Hinchinbrook and Mundingburra.

Source: Queensland Department of State Development (n.d.) *Major Queensland coal basins with CSG potential*;<sup>25</sup> Electoral Commission Queensland (2017) *The final determination*<sup>26</sup>

## ELECTORAL SITUATION

The only state electorate with proposed Galilee coal projects that contains no Surat or Bowen basin coal projects is Traeger, a seat held by the Katter Australia Party on a 16.1% margin. The other electorates will suffer from cancelled Surat and Bowen basin coal projects if Galilee development proceeds or – in the case of Warrego – contain no proposed coal projects.

Only two of the seven basin electorates, Burdekin and Mirani, are marginal. After redistribution, the Labor party notionally holds Burdekin on a margin of 1.4% and Mirani on a margin of 3.8%. While the Greens vote is consistently lower in coal seats than is across the state (8.4%), in Burdekin and Mirani it is high enough (2.9% and 4.1% respectively) that changes in Green vote share and preferences could determine which way the seat falls. There are no proposed coal projects in Mirani.

<sup>24</sup> [http://www.minerals.org.au/file\\_upload/images/coal/coal\\_maps/13-7856-4\\_large.jpg](http://www.minerals.org.au/file_upload/images/coal/coal_maps/13-7856-4_large.jpg)

<sup>25</sup> <http://www.statedevelopment.qld.gov.au/fact-sheets/lng-reserves-and-resources-fact-sheet.html>

<sup>26</sup> <http://boundaries.ecq.qld.gov.au/have-your-say/the-final-determination>

While One Nation’s state-wide vote in 2015 (0.9%) is artificially low because they did not run in all seats, it was significant in Burdekin (4.6%) and Traeger (4.0%) and the ABC’s evaluation of One Nation’s performance in the federal election suggests that the One Nation vote will be considerable in these seats.

Significantly, One Nation is opposed to Adani subsidies to build the rail line, with Pauline Hanson saying:

This approved rail corridor will eventually connect to the national line, so it should be owned by the Australian people, not a foreign multi-national.<sup>27</sup>

Analysis of state electoral margins is complicated by the extensive redistribution that has taken place since the last election. Antony Green’s analysis for the ABC has been used in preparing Table 6. Psephologist Ben Raue performed his own calculations, which substantially match those of Antony Green.<sup>28</sup>

**Table 6: Marginality of state electorates containing the Galilee, Surat or Bowen basins (“basin electorates”)**

Electorate	Proposed mines are in which basin	Likely impact of Adani	Notional Party	Margin (%)	Greens 2015 (%)	PHON 2015 (%)	PHON Senate 2016 (%)
<b>Burdekin</b>	Galilee, Bowen	Mixed	ALP	1.4	2.9	4.6	
<b>Mirani</b>	None	Mixed+	ALP	3.8	4.1		20.5
<b>Callide</b>	Surat	Negative	LNP	9.8	3.1		18.1
<b>Gregory</b>	Galilee, Bowen	Mixed	LNP	10.9	1.9		19.0
<b>Warrego</b>	None	None	LNP	14.5	2.7		17.5
<b>Traeger</b>	Galilee	Positive	KAP	16.1	2.0	4.0	
<b>Southern Downs</b>	None	None	LNP	19.2	7.2		

Source: Green (2017) *2017 Queensland state redistribution*;<sup>29</sup> QEC (2015) *2015 State General Election – Election Summary*;<sup>30</sup> Martino (2016) *Which Queensland state seats could Pauline Hanson’s One Nation win?*<sup>31</sup>

<sup>27</sup> Remeikis (2017) *Pauline Hanson says no to Adani train line*, <http://www.smh.com.au/federal-politics/political-news/pauline-hanson-says-no-to-adani-train-line-20170601-gwia3r.html>

<sup>28</sup> Raue (2017) *Pendulum – QLD 2017*, <http://www.tallyroom.com.au/qld2017/pendulumqld2017>

<sup>29</sup> <http://www.abc.net.au/news/elections/qld-redistribution-2017/>

<sup>30</sup> <https://results.ecq.qld.gov.au/elections/state/State2015/results/summary.html>

<sup>31</sup> <http://www.abc.net.au/news/2016-12-02/which-queensland-state-seats-could-one-nation-win/8053548>

Note: These figures are from after the ECQ redistribution, so they may be currently held by a different party (or by party defectors). PHON is an acronym of Pauline Hanson's One Nation.

A plus (+) marks Mirani because it was assessed as "Mixed" impact as it crosses FIFO bases (see Table 4). Warrego and Southern Downs are assessed as a likely impact of "None" because they contain no proposed or at-risk coal projects.

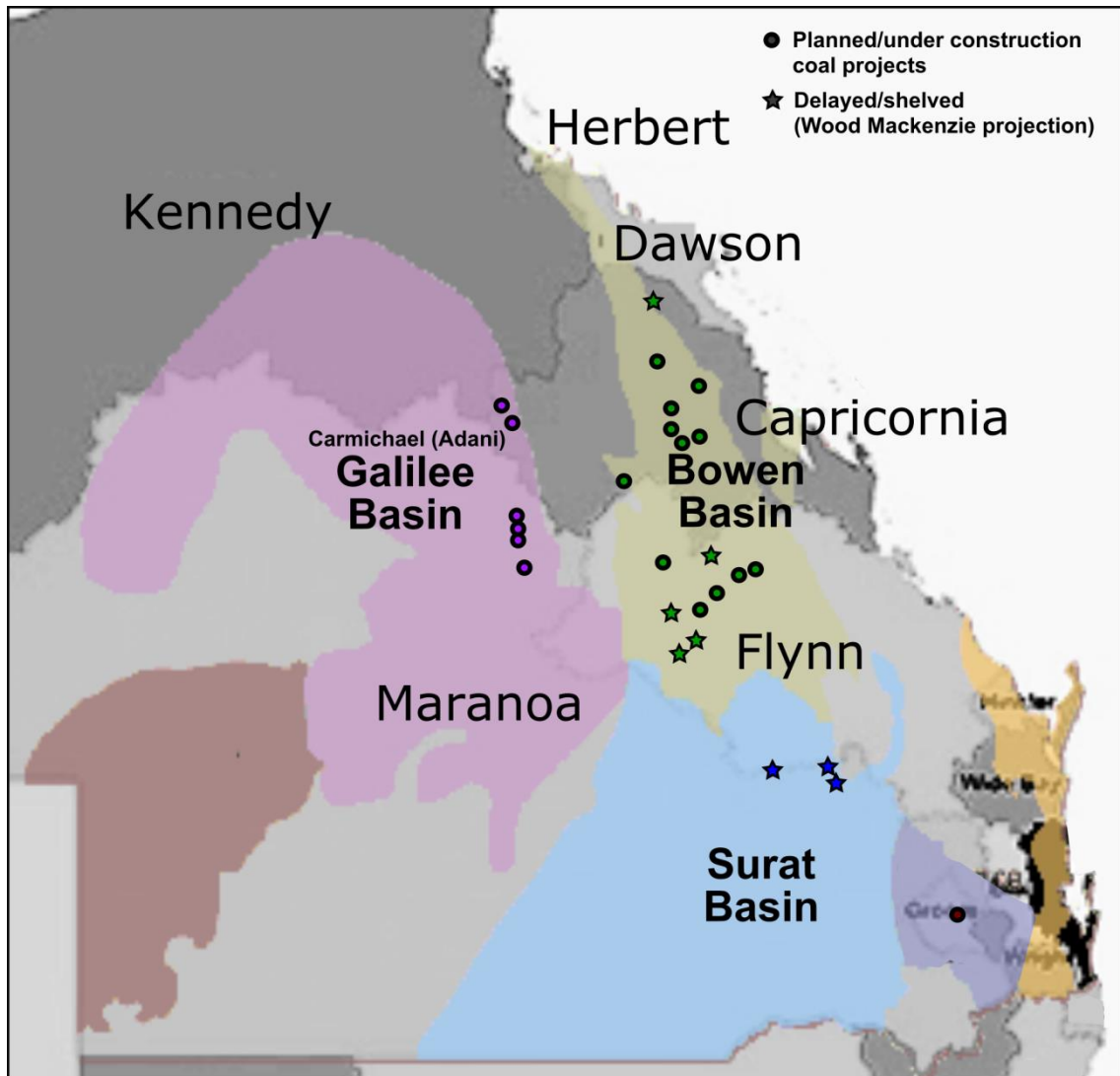
# Federal electorates

The federal electorates of Capricornia, Maranoa and Flynn contain the Galilee Basin, but also contain current or proposed mines in the Bowen or Surat basins, or both. Three other federal electorates contain the Surat or Bowen basins, but do not contain the Galilee.

The electorate of Kennedy, which contains only the Galilee Basin, is a safe Katter Australia Party seat.

Maranoa, Capricornia and Flynn contain the Surat and Bowen coal projects expected to be cancelled if the Galilee is developed. In other words, three of the four federal electorates that contain the Galilee Basin have coal projects that won't go ahead if the Galilee Basin is developed.

Figure 7: Coal basins, federal electorates



Source: Queensland Department of State Development (n.d.) *Major Queensland coal basins with CSG potential*;<sup>32</sup> Parliamentary Education Office (n.d.) *Representing Australia*<sup>33</sup>

Table 7: Federal electorates in Queensland coal basins

	Galilee	Bowen	Surat
<b>Kennedy</b>	Y		
<b>Capricornia</b>	Y	Y	
<b>Maranoa</b>	Y		Y
<b>Flynn</b>	Y	Y	Y
<b>Dawson</b>		Y	
<b>Herbert</b>		Y	

<sup>32</sup> <http://www.statedevelopment.qld.gov.au/fact-sheets/Inq-reserves-and-resources-fact-sheet.html>

<sup>33</sup> <https://www.peo.gov.au/multimedia/image-library/representing-australia.html>



Note: Groom may overlap with the Surat Basin, and

Source: Queensland Department of State Development (n.d.) *Major Queensland coal basins with CSG potential*;<sup>34</sup> Electoral Commission Queensland (2017) *The final determination*<sup>35</sup>

There are six federal electorates that contain one or more coal basins (Table 7). Four of these electorates also contain cities that serve as FIFO bases, two of which have been chosen as Adani’s FIFO bases, and three of which serve as Bowen FIFO bases. Four of the electorates are marginal.

The Greens vote is lower in these seats than the state average (8.8%) but is still high enough in each of the marginal seats to potentially sway the result. One Nation also had strong results in the three electorates that it competed in at the 2016 election.

Table 8 shows the federal electorates, the party that holds them and what margin they hold them by. It also shows the share of the vote won by the Greens and One Nation in the last election, whether the electorate contains FIFO cities and which basins the electorate is in.

**Table 8: Marginality of federal basin/FIFO electorates**

	FIFO cities	Proposed mines	Likely effect	Party	Margin (%)	Greens 2016 (%)	PHON 2016 (%)
<b>Herbert</b>	Townsville		Positive	ALP	0.02	6.3	13.5
<b>Capricornia</b>	Rockhampton	Bowen, Galilee	Mixed	LNP	0.6	4.7	
<b>Flynn</b>	Gladstone	Bowen, Surat	Negative	LNP	1.0	2.8	17.2
<b>Dawson</b>	Mackay		Negative	LNP	3.3	5.2	
<b>Kennedy</b>		Galilee	Positive	KAP	11.1	4.9	
<b>Maranoa</b>		Galilee, Surat	Mixed	LNP	15.9 v PHON	3.4	17.8

Source: Queensland Department of State Development (n.d.) *Major Queensland coal basins with CSG potential*;<sup>36</sup> AEC (2016) *Divisional results*;<sup>37</sup> AEC (n.d.) *Divisions in Queensland (Qld)*<sup>38</sup>

Table 9 shows that of the 14 marginal (6% and lower margin) federal Queensland electorates, two are likely to be beneficiaries if the Galilee Basin is developed. Adani

<sup>34</sup> <http://www.statedevelopment.qld.gov.au/fact-sheets/lng-reserves-and-resources-fact-sheet.html>

<sup>35</sup> <http://boundaries.ecq.qld.gov.au/have-your-say/the-final-determination>

<sup>36</sup> <http://www.statedevelopment.qld.gov.au/fact-sheets/lng-reserves-and-resources-fact-sheet.html>

<sup>37</sup> <http://results.aec.gov.au/20499/Website/HouseDivisionalResults-20499.htm>

<sup>38</sup> <http://www.aec.gov.au/profiles/qld/>

plans to build its mine in the Capricornia electorate. Capricornia and Herbert contain the cities chosen to host the Adani fly-in fly-out workforce.

Two marginal electorates – Capricornia and Flynn – overlap with the Galilee Basin. Both contain Bowen or Surat basin coal projects threatened by Galilee development. The other marginal electorates, Herbert and Dawson, contain Townsville and Mackay respectively. Both cities are potential bases for Galilee FIFO workers, but they are already FIFO bases for the Bowen and Surat FIFO workers whose jobs are threatened by Galilee development.

**Table 9: Marginal (6% and below) federal electorates**

Electorate	Party	Margin	Might benefit from Adani	Might be hurt by Adani
<b>Herbert</b>	ALP	0.02	Adani FIFO base	Bowen/Surat FIFO base
<b>Capricornia</b>	LNP	0.6	Adani site; Adani FIFO base	Drake mine at risk; Bowen Basin; Bowen/Surat FIFO base
<b>Forde</b>	LNP	0.6		
<b>Longman</b>	ALP	0.8		
<b>Flynn</b>	LNP	1.0		Six coal mines at risk; Bowen and Surat basin; Bowen/Surat FIFO base
<b>Dickson</b>	LNP	1.6		
<b>Griffith</b>	ALP	1.6		
<b>Petrie</b>	LNP	1.6		
<b>Dawson</b>	LNP	3.3		Bowen/Surat FIFO base
<b>Bonner</b>	LNP	3.4		
<b>Leichhardt</b>	LNP	4.0		
<b>Moreton</b>	ALP	4.0		
<b>Lilley</b>	ALP	5.3		
<b>Brisbane</b>	LNP	5.9		

Source: AEC (n.d.) *Divisional results*<sup>39</sup>

**Table 10: Federal marginality analysis**

Margin	Total	ALP	LNP	KAP	Basin/FIFO
<b>Very marginal (3% or less)</b>	8	3	5		3
<b>Other marginal (from 3% to 6%)</b>	6	2	4		1
<b>Any</b>	30	8	21	1	6

<sup>39</sup> <http://results.aec.gov.au/20499/Website/HouseDivisionalResults-20499.htm>



# Conclusion

The Adani coal mine would be foreign-owned, highly automated, environmentally devastating and the recipient of enormous taxpayer subsidy.

Our research shows that the impact of the Adani coal mine is likely to be negative, even in Galilee Basin electorates. Of the three state electorates with planned Galilee Basin coal projects, two contain Bowen or Surat coal projects that coal analysts Wood Mackenzie say will be cancelled if the Galilee Basin would be developed. The remaining electorate is a safe Katter Australia Party seat. Developing the Galilee Basin will hurt Galilee Basin electorates.

Fly-in fly-out cities are also at risk from Galilee development. Two – Rockhampton and Townsville – have been chosen as Adani’s FIFO bases. They and two others – Mackay and Gladstone – already have FIFO workforces in the thousands, serving Bowen and Surat basin coal and gas projects. By 2035, the development of the Galilee Basin is expected to lower Surat Basin coal production by 37% and Bowen Basin coal production by 30%. That will hurt FIFO jobs in all of those cities.

Table 4 and Table 6 put this finding into stark numbers for state electorates. There are seven marginal FIFO electorates, two of which are also coal basin electorates. Three marginal seats – Mundingburra, Hinchinbrook and Townsville – are likely to have a positive impact from Adani, because they contain the city of Townsville. Three more are mixed: Mirani and Keppel because they contain Rockhampton and Burdekin because it contains at-risk Bowen Basin mines as well as proposed Galilee Basin mines. Whitsunday is likely to experience a negative impact because it contains Mackay.

Table 10 shows similar results for federal electorates. There are four marginal basin/FIFO electorates. Herbert contains Townsville, with a likely positive impact. Flynn and Dawson contain Mackay and Gladstone, with likely negative impacts, and Flynn also contains at-risk Bowen Basin coal projects. Capricornia will likely experience mixed impacts, since it contains proposed Galilee mines and at-risk Bowen mines, and the city of Rockhampton.

There are marginal seats that could benefit from the Adani coal mine going ahead and facilitating the development of the rest of the Galilee Basin, but they are the same electorates that will suffer when Galilee development causes the Bowen and Surat basins to cancel development.