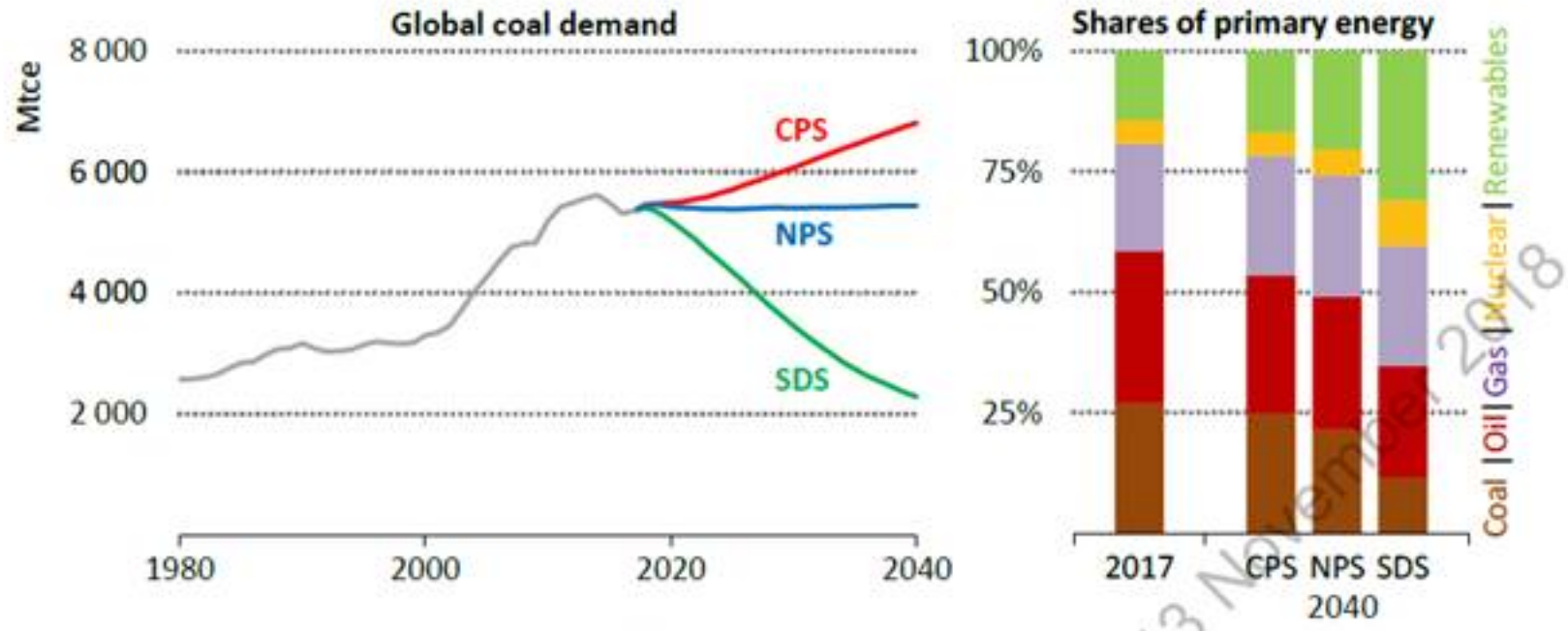
The Australia Institute

Research that matters.

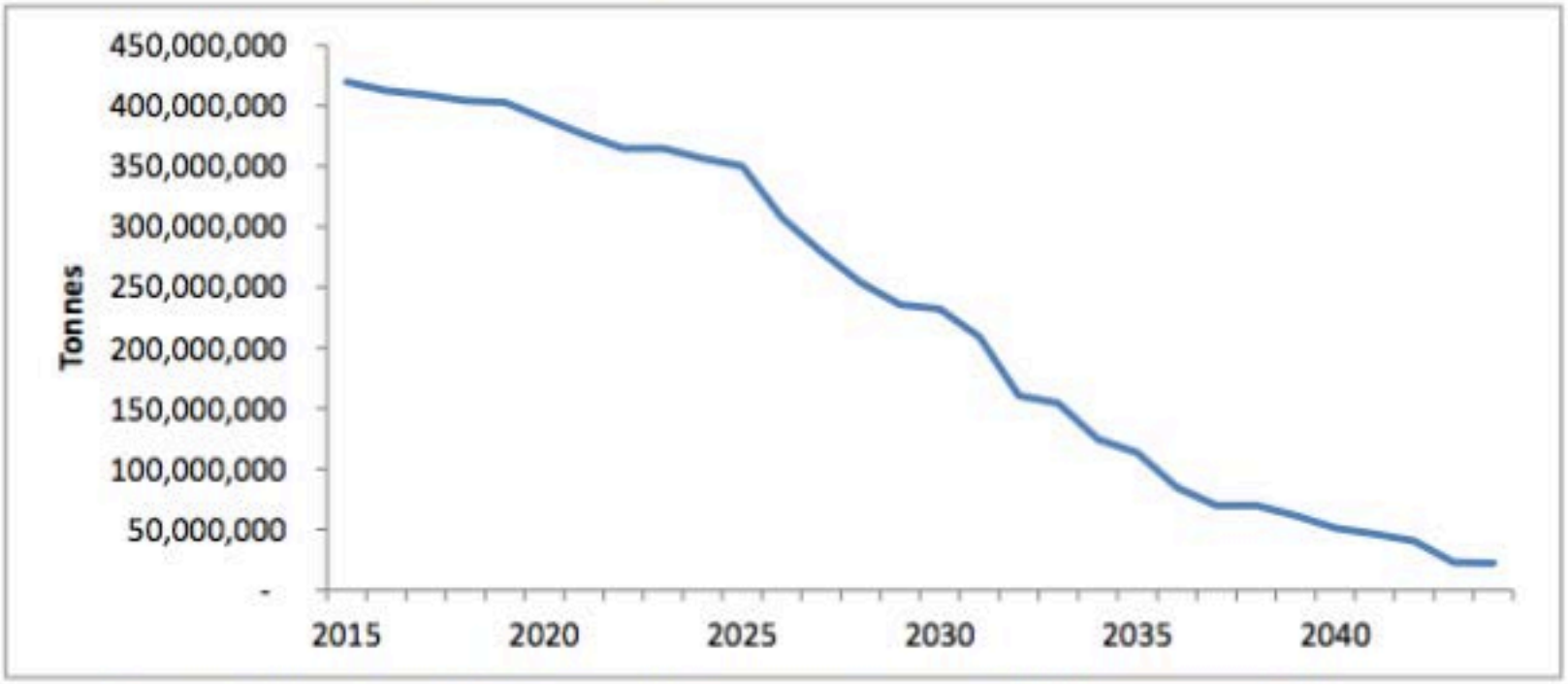
Figure 5.3 ▷ Global coal demand and share of coal in global primary energy demand by scenario



Note: CPS = Current Policies Scenario; NPS = New Policies Scenario; SDS = Sustainable Development Scenario.

Source: IEA (2018) *World Energy Outlook 2018*, www.iea.org

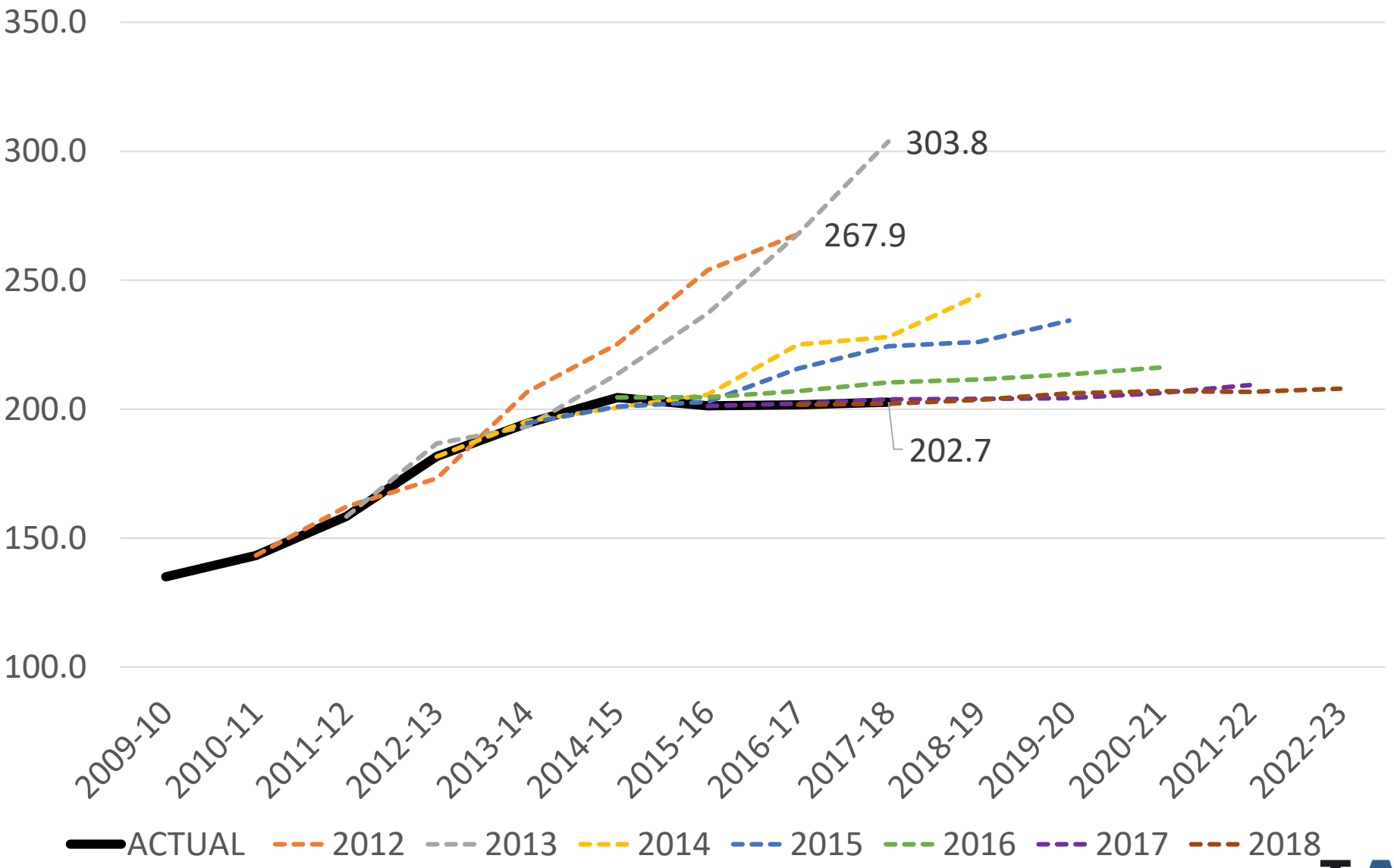
Queensland and NSW approved coal production



Sources: TAI analysis, NSW Division of Resource and Energy (2014) *Coal Industry Profile*; Queensland Department of Natural Resources and Mines (2015) *Queensland coal – mines and advanced projects*

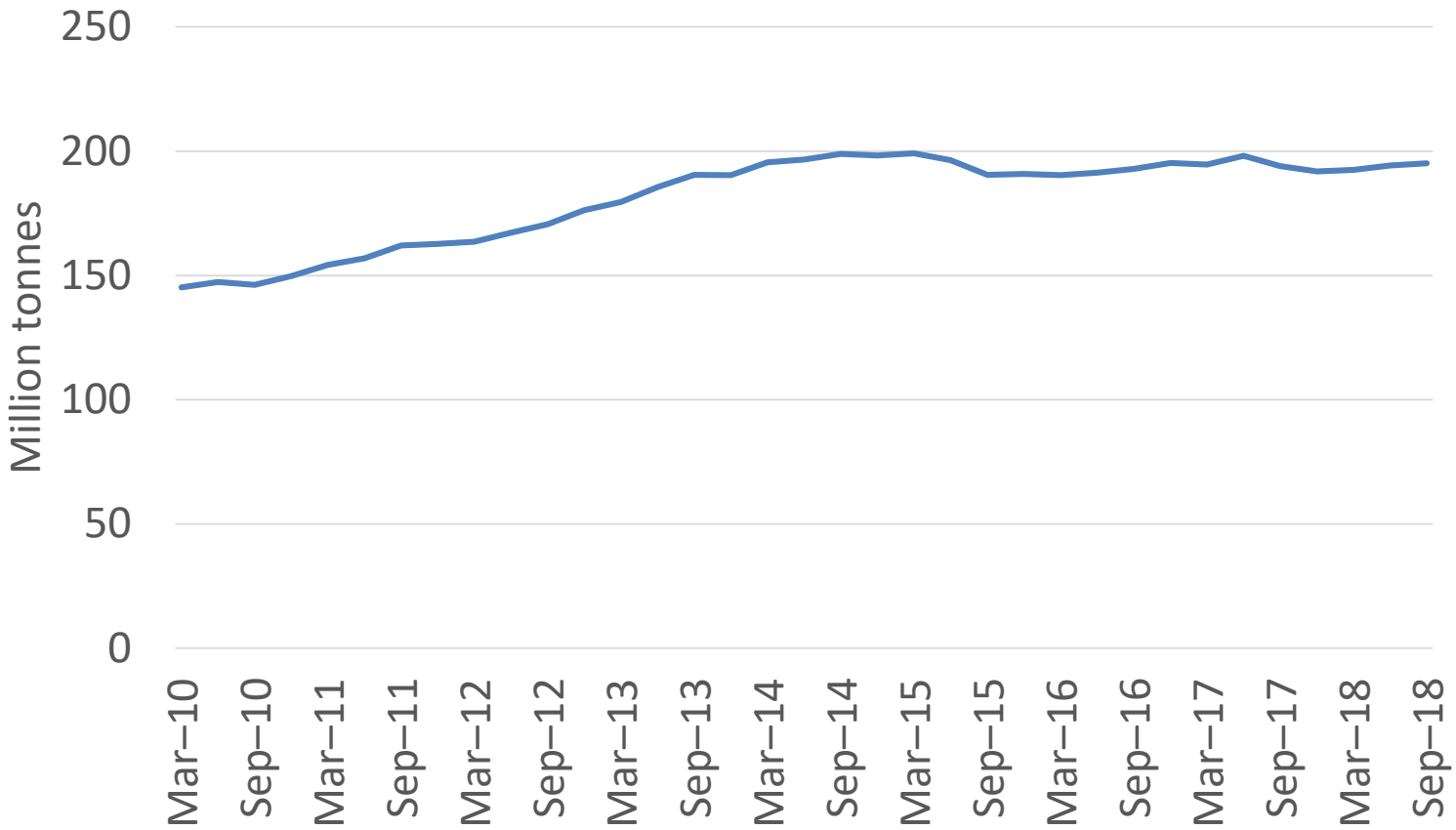
Mr Wills: Look, it's a good question, Tony. I guess the position we've taken is that it was assessed on the numbers of the day. You know, the market is just constantly changing. At what point do you continue to update?…We did some sensitivity in the economic impact assessment around revenue assumptions and other cost elements that talked about the ups and downs associated with the market, but, no, we haven't recommended to update the values

Figure 2: *Resource and Energy Quarterly* thermal coal export volume forecasts



Source: Department of Industry (various years) *Resource and Energy Quarterly*.

Figure 3: NSW saleable coal production (year to date)



Source: Department of Industry (2018) Resource and Energy Quarterly

The Australia Institute

Research that matters.

MR WILLS: Both options of filling in either void does have a – is cost-prohibitive to the project from an economic return.

MR PEARSON: So when you say – I just want to be really clear on this point. When you say cost-prohibitive, it means the project – your assessment of the economic feasibility of the project under one void or filling both voids is the same in that the project is unlikely to proceed.

MR WILLS: Yes.

Less than 1 percent of people felt that it was acceptable for “pits [to] remain and fill with saline or acidic groundwater, dirt and rock piles remain in a fenced off area.”

Campbell (2016) *Public opinion on mine site rehabilitation: Briefing note*, http://www.tai.org.au/sites/default/files/Briefing%20note%20-%20public%20opinion%20on%20mine%20rehabilitation%20FINAL.pdf

Figure 4: Deloitte estimates of present value costs and benefits at 7% discount rate

Item	Project case ($m, NPV)
Revenue	**5,178**
Gross mining revenue	5,178
Residual value of land	-
Residual value of capital	-
Costs	**4,260**
Operating costs	3,902
Capital costs	322
Rehabilitation and decommissioning costs*	17
Environmental mitigation costs*	10
Transport management costs*	-
Purchase costs for land	9
Local contributions	-
Taxes	**242**
Corporate income tax [a]	208
Payroll tax	27
Local government rates	6
Royalties	**408**
Ad valorem coal royalties	408
Net producer surplus	**268**

Estimates of void filling costs:

Undiscounted: $777m
4% - $274 million
7% - $129 million
10% - $63 million

Source: Deloitte (2016) United Wambo Economic Assessment

The Australia Institute

Research that matters.