Dendrobium Extension

Submission to IPC

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My background

- Speaking on Gadigal lands, never ceded.
- Political Sociologist, University of Technology
- Director, Climate Justice Research Centre, UTS
- Lead author: '*Beyond the Coal Rush: Turning point for Global Energy and Climate policy?*' Cambridge University Press Nov 2020.

NSW Environmental Planning and Assessment - Impact focus

- Objects: (a) ‘to promote the social and economic welfare of the community…; (b) ‘to facilitate ecologically sustainable development…’(1.3, as amended ‘17)

- EIS ‘The purpose of the EIS is to assess the economic, environmental and social ***impacts*** of the project…’

- DPEI Dendrobium Assessment: ‘weighed environmental ***impacts*** against socio-economic benefits’

GHG Impacts

- Anticipated ***impact*** of climate instability drives the Paris goal (to get to net zero by 2050)
- Planned GHG reductions need to triple to meet the 2DegC target (UN 2018)
- From decarbonising electricity to electrifying transport and industry

NSW Rocky Hill Decision – 'Dire Consequences' of GHG

- …greenhouse gas emissions of the coal mine and its coal product will increase global total concentrations of greenhouse gas emissions at a time when what is now urgently needed, in order to meet generally agreed climate targets, is a rapid and deep decrease in greenhouse gas emissions. These ***dire consequences*** should be avoided. The project should be refused.' (Emphasis added)

- 2019 NSW Land and Environment Court.

GHG from Dendrobium Extension

- +235mt Co2e.
- Scope 1, 2, 3 distinction not relevant for impact: **all** 235mt will warm the planet
- Debate on Scope 3 responsibility is a separate question from impact

Cost of GHG Impact

- Cadence 'Economic Impact Statement' states ERF $13.52/ton Co2e is 'proxy to the marginal cost of abatement'

- ERF $13.52 x 235mtCo2e = $3,177m

- The cost of abating project GHG overwhelms claimed benefit of $1,073m. The project has a net loss of at least $2,104m

Impact of Project emissions

- Cadence ‘apportion[s] a component of the total global [GHG] costs to NSW’ (p.23)

- Does not reflect the logic of climate change. The climate is global: the impact of GHG on DegC is global.

- The warming impact is the same in NSW as globally.

Impacts and Justice

- South32: ‘Our future is the Illawarra’s Future’. Well, no.
- In fact South32 as a coal producer is undermining Illawarra’s future
- Who bears the huge net net cost of the Project? The people of the Illawarra, and beyond, affected by climate change.
- Who primarily benefits from the project? South32

Alternatives: Decarbonising the Illawarra?

- Illawarra is not a coal economy. It is a diversified service economy
- Census: 293,000 Illawarra Mining 2%, Education 11%, Health 15%
- It has many low-carbon strengths

South32 – Diversified?

- Dendrobium mine 35mt to 2030: a 10 year horizon
- Proposal extends to 2048 against decarbonisation and the renewables–hydrogen boom…
- ‘we understand that in order to reduce Scope 3 emissions, we need to work together with our customers to support the transition. (2019 South32 Approach to Climate Change)
- Can diversify from coal - like its former parent BHP

Bluescope – Transitioning?

- 60% from Dendrobium (1.5mt/yr) Is the extension ‘necessary’? Supply available to 2030 + local substitutes + renewables.

- Bluescope ‘aims to identify and prioritise technologies and understand barriers to a net zero future, to create a credible pathway and practical action plan for industry transition’ (Sustainability Report 2020)

- Diversify sources 2020-30, phase-in renewable hydrogen 2030-50, access ERF

Coal Terminal – Repurposing?

- Reduced output for export - viability threatened?
- Privatised Coal terminal leased to coal companies to 2030.
- Newcastle Port: ‘the long-term outlook for coal is a threat to the port’ (2017). New roles in renewables trade.
- Phase-out coal + phase-in new industries

Reindustrialising the Illawarra?

- Hydrogen steel-making ‘many many years ahead’ (DPIE) yet IEA predicts 30% by 2050 (Iron + Steel Roadmap Oct ‘20) BHP predicts 50% by 2050 (Nov ‘20)

- ‘the green steel opportunity is both large enough and economically credible enough to justify policy action… Australia should use the next decade to create a foothold in the emerging green steel market’ (Grattan Institute ‘20)

- Baowu-BHP; Thyssenkrupp, .4mt by ‘25, 3mt by ‘30

- Illawarra as a renewable-hydrogen hub: premium green manufacturing, A 30-year transition?