



MEDIA RELEASE

MINERALS COUNCIL OF AUSTRALIA

BANK DECISION ON NEW COAL BASIN DEVELOPMENTS **Statement from Brendan Pearson, Chief Executive, Minerals Council of Australia**

The decision by Westpac to rule out lending to new coal basin developments is a textbook case of cynical virtue signalling.

The decision appears to have been carefully crafted to rule out support for new projects in Queensland's Galilee Basin, including the Adani Carmichael project.

The fact is that Australian coal exports from the Galilee Basin will support the provision of low emissions energy to hundreds of millions of people in Asia, including tens of millions in India who will have access to electricity for the first time. This coal will displace lower quality local coal in new high efficiency low emissions power generation. The opening up of the Basin will also provide opportunities for thousands of Australians in well-paid jobs, with consequent flow on benefits for regional areas between Rockhampton and Townsville.

The bottom line is that one bank, with very limited exposure to the resources industry, is not going to lend to a mine project that it wasn't asked to support in the first place.

Observers will draw their own conclusions about the motivations for this announcement.

While the immediate practical effect is likely to be negligible, the bank's decision will be used by single issue activists to stigmatise the Australian coal industry and resources sector which collectively provided 14 per cent of Australia's GDP growth over the last decade. The bank should reflect on that over coming weeks and months.

Globally the coal generation, and the demand for high quality coal continues to grow strongly. Support from the world's leading banks has also been strong.

A new study by the IEA Clean Coal Centre shows that the top 20 global commercial banks invested \$US100 billion in coal-related investments (both power generation and mining and infrastructure projects) in 2014.

A further \$US50 billion of investment was sourced from smaller commercial banks and state banks, with about \$US9 billion in funding sourced from export credit agencies.

Separate data shows that in 2015, funding of coal generation alone rose by one-third to \$US80 billion, with coal generation investment accounting for nearly three-quarters of all fossil fuel generation.

Since 2010, 526 GW of new coal fired plants have been commissioned around the world, with more than one-third of the global coal fleet built in the last 10 years. An estimated 280 GW of new coal generation is under construction in 37 countries – all of these plants are already committed and funded through to 2022. A further 660 GW is planned, 80 per cent of which is in Asia.

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