



Australian Government

DEPARTMENT OF RESOURCES, ENERGY AND TOURISM

Policies and programs to address fugitive emissions from coal mining in Australia

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Australian Government, Department of Resources, Energy and Tourism

Global Methane Initiative

Methane Expo 2013

12-15 March 2013, Vancouver, Canada



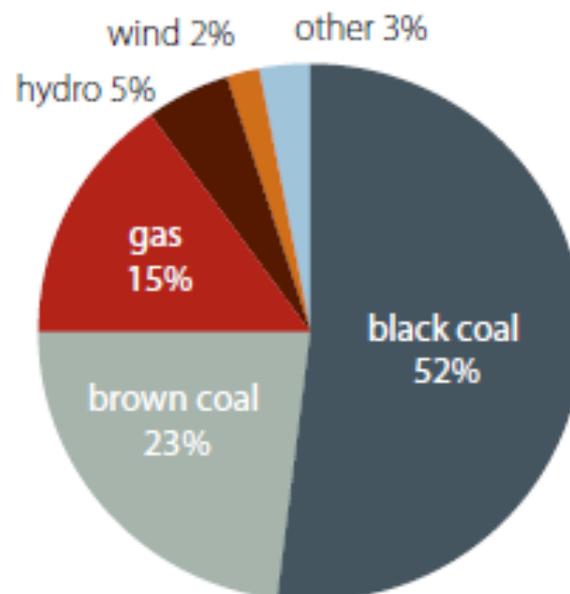
ENHANCING AUSTRALIA'S ECONOMIC PROSPERITY

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Coal in Australia

- Coal contributes \$47 billion to the Australian economy with 280 million tonnes being produced each year.
- It accounts for 75% of Australia's electricity production and in 2010/11 made up 17% of Australia's total merchandise trade, making Australia the largest supplier of internationally traded coal.
- In 2011, 7% or 42Mt of CO₂-e of Australia's total greenhouse gas emissions came from fugitive energy emissions, mainly from coal mining.

Australia's electricity generation by energy source, 2009-10:



Source: BREE 2012, Energy in Australia 2012.

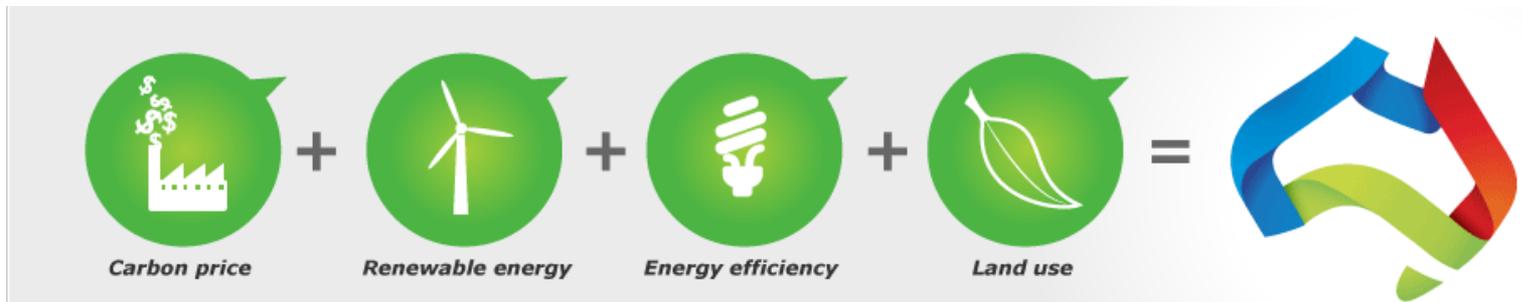
Coal in Australia

- Coal will continue to play a major role in the industrialisation and urbanisation of Asian economies.
- Increasing global energy demand will need to be met by coal.
- This emphasises the urgency for technological solutions to reduce emissions from coal mining.
- For Australia, our reliance on coal as an energy source, our importance as a major global coal supplier, and our climate change responsibilities as an advanced country – reinforce the need for us to lead by example.



Clean Energy Future

- Australia is committed to reducing carbon emissions
 - **By 2020: 5% below 2000 levels**
 - **By 2050: 80% below 2000 levels**
- The Clean Energy Future Plan, the Government's historic economic reform package, came into effect on 1 July 2012



Clean Energy Future

The Plan consists of four key elements:

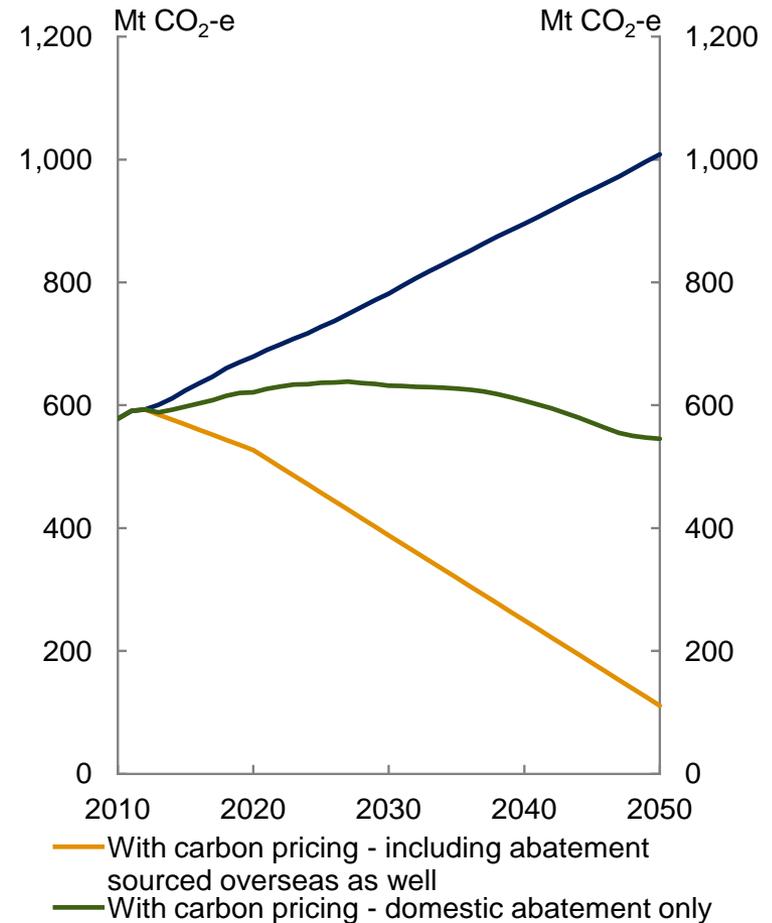
- Carbon Price
- Investment in Renewable Energy
- Improving Energy Efficiency
- Cutting Emissions in the Land Sector



Carbon Price

- Fixed price on carbon emissions, starting at \$23 a tonne of CO₂-e.
- Increasing by 2.5% per year for three years.
- In 2015 transition to a flexible market price under a 'cap and trade' scheme and linked with international markets.
- Obligations placed on 300 of the largest emitters covering around two thirds of Australia's emissions.
- Revenue raised will go to supporting households, businesses and industry.

Emissions



Source: Treasury Estimates from MMRF

Coal Industry Assistance

- A small number of emissions intensive coal mines will face significant costs with the implementation of a carbon price.
- The Government has committed almost \$1.3 billion to provide transitional assistance through:
 - **The Coal Sector Jobs Package**
 - \$1.26 billion over the first five years of the carbon price
 - **The Coal Mining Abatement Technology Support Package**
 - \$70 million over five years



Coal Sector Jobs Package

- Supports Australia's 23 most gassy coal mines.
 - Those with an emissions intensity of at least 0.1 tonnes of carbon dioxide equivalent per tonne of saleable coal produced.
- Assistance for up to 80% of fugitive emissions above a threshold.
- Funds must only be used towards maintaining operations of that mine at a level that is at least consistent with base year production. Including:
 - Purchasing carbon permits
 - Undertaking fugitive emissions abatement activities
 - Other activities that support the ongoing operations of that mine



Coal Mining Abatement Technology Support Package

- Supports the coal industry's own efforts to develop safe greenhouse gas abatement related technologies and processes.
- Designed to maintain the future viability and international competitiveness of the Australian coal mining industry under Australia's carbon pricing scheme.
- Funding supports three areas:
 - Research, development and demonstration of abatement technologies
 - Work on safety and regulatory issues
 - Assistance for small and medium coal sector participants to reduce emissions



Thank You

- For further information:
 - please email Bruce.murphy@ret.gov.au
 - or visit www.ret.gov.au

