

From: Weber, Lukas
Sent: Monday, 11 October 2010 11:52 AM
To: Brine, Matthew
Cc: Campbell, Russell; Sharma, Anupam; French, Steve; Hartigan, Hugh; Horvat, Natalie
Subject: RE: [s22] [SEC=UNCLASSIFIED]

Matt – for information – also see below for a list (provided by DCC) of QLD gassy underground coal mines that would have been eligible for assistance under the CPRS and which would be most heavily affected by the introduction of carbon pricing. They are all in the Bowen Basin.

Regards,

Lukas

Company	Mine name	Production (tonnes)
Anglo American	Capcoal Mine	3,983,000
Anglo American	Moranbah North Mine	3,080,000
BHP	Broadmeadows	3,294,000
Peabody Pacific	North Goonyella Coal Mine	2,070,000
Vale (CVRD)	Carborough Downs	1,397,000
Xstrata Holdings	Newlands	4,717,000
Xstrata Holdings	Oaky Creek Coal Complex No 1	5,618,000

From: Weber, Lukas
Sent: Monday, 11 October 2010 11:46 AM
To: Brine, Matthew
Cc: Campbell, Russell; Sharma, Anupam; French, Steve; Hartigan, Hugh; Horvat, Natalie
Subject: RE: QR National [SEC=UNCLASSIFIED]

Hi Matt,

DCC have advised that the most emissions intensive coal mines in Queensland are all in the Bowen Basin, in central Queensland. This is the area serviced by the QR National rail network.

Below are some additional points from DCC that may be useful.

Please let us know if you need any further talking points – for example to emphasise that it is our internationally agreed targets that will drive long-term shifts away from emissions intensive activities (a carbon price is simply the best way to reach our targets at lowest economic cost).

Regards,

Lukas
x2638

- The vast majority of the Australian coal industry is not emissions intensive and will not face materially higher costs due to the introduction of a carbon price. The average coal mine will face increased costs of less than 80c per tonne of coal at a \$25 carbon price.
 - Thermal coal prices average around US\$100/t, while coking coal prices are currently over US\$200/t
 - Note the QLD mines are less emissions intensive than NSW mines using 'default' open cut emissions factors, so this average cost would be even lower for QLD coal.
- Demand for Australian coal is predicted to increase over the next 20 years under all scenarios reviewed by DCCEE, even in carbon constrained environments. (this may partially reflect the high quality of Australian coal and its use for steel making).

[s 22]

From: Hartigan, Hugh
Sent: Monday, 11 October 2010 9:58 AM
To: Brine, Matthew
Cc: Campbell, Russell; Sharma, Anupam; Weber, Lukas
Subject: QR National [SEC=UNCLASSIFIED]

Hey Matt, I understand you want some info on QLD coal mines, particularly in the context of how the introduction of a carbon price could impact on these mines [s 22]

Hugh

Hugh Hartigan
Climate Change Policy Unit
The Treasury, Langton Crescent, Parkes ACT 2600
ph: (02) 62632637