

COAL – NOT “THE NEW BLACK”, BUT THE BEST

Current fashions are often referred to as “the new black” – unless the black in question is millions of years old and has a high calorific value. Coal is as unfashionable as you can get, at least according to the Greens, who want a ban on Australia’s coal exports and are targeting projects in Queensland’s Galilee Basin.

Coal was the fuel of the Industrial Revolution – in fact, much of what we take for granted today would not exist were it not for coal. It remains one of the cheapest and most accessible energy sources worldwide. Research from Mannkal’s friends at Melbourne’s Institute of Public Affairs demonstrates how increasing exports from the Galilee Basin could allow up to 82 million people in India to access cheap and reliable electricity.

Cheap energy is one of the primary drivers of economic growth, which India’s new Modi government hopes will lift the country from grinding poverty. Expensive energy equates to lost opportunities, dashed dreams and the fundamental needs of life being less accessible – both in the developing and the developed worlds. The British charity AGE UK estimates that 20,000 elderly people die during the UK’s winter months due to their inability to afford sufficient heating. It’s no coincidence that the UK has an even more onerous version of Australia’s Renewable Energy Target that funded many expensive and inefficient wind farms.

As much as the Greens wish that coal- and gas-fired power didn’t exist, the fact is that renewable energies are intermittent –when the wind doesn’t blow and the sun doesn’t shine, the power goes out. They require constant backup from coal, gas and diesel and are far more expensive – it is cheaper to run a new combined-cycle gas plant, including fuel costs, than a wind farm. And when an Indian village first gets coal-fired electricity, it replaces the burning of wood, dung and rubbish for heating and cooking – infinitely better for both the environment and people’s health.

Anti-development, so-called “sustainable” lobby groups in Australia and overseas are haranguing banks not to fund Australian resources projects. Mannkal has been advised that activists are sowing serious concerns among financiers that may see projects fail to get funding. At stake is not just Australia’s future, but the opportunities of an entire generation of people in the developing world.

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At the time of writing it has just been announced that the US Supreme Court has decided in a narrow 5-4 decision that the Constitution allows for same-sex marriage. Whatever one’s view of same-sex marriage, it is deeply concerning that an unelected judiciary, by the narrowest possible margin, can declare fundamental changes to a 4,000 year-old religious/cultural institution. Surely, this should be decided by elected politicians or a plebiscite. So why should a free-market think tank care? The rule of law is fundamental to the operation of markets – and if the law can easily be changed without a popular mandate on such an established and personal institution as marriage, we must assume that the laws governing commerce are not above unrepresentative meddling either.