

Australia's coal city backs green future

August 26 2015, by Glenda Kwek



Coal being stockpiled at the coal port of Newcastle in Australia's New South Wales state on April 25, 2015

Australia's city of Newcastle, which claims to be the world's biggest coal export port, said Wednesday it will pull money out of fossil fuel industries and invest in more sustainable enterprises.

Newcastle City Council, which manages a Aus\$268 million (US\$191 million) investment fund for Australia's seventh largest city, voted late Tuesday to move progressively towards "environmentally and socially

responsible investments".

"Coal undoubtedly makes up a really significant portion of our local economy, but we're also increasingly becoming an energy hub more broadly," councillor Declan Clausen told AFP.

"Coal exports are going to continue... but we'll also be focusing our investment away from really large, new, environmentally damaging resource projects towards things that are more sustainable in line with the changing expectations of the broader community."

Newcastle, 170 kilometres (106 miles) north of Sydney, is one of the biggest councils in Australia to vote to divest from carbon-heavy industries.

"Newcastle's a town in transition," Clausen said, noting that the city was now home to national science agency CSIRO's research centre into low emissions and renewable energy.

The decision came just days after the local government in the national capital Canberra said it would continue to divest its portfolio of high-carbon emitting companies and sectors, while aiming to be 100 percent powered by renewable energy by 2025.

Coal is Australia's second-largest export after iron ore and conservative Prime Minister Tony Abbott has repeatedly stressed its importance to the nation's prosperity, saying on one occasion that "coal is good for humanity".

But with its heavy use of coal-fired power and relatively small population of 23 million, Australia is considered one of the world's worst per capita greenhouse gas polluters.

Abbott this month announced plans to reduce Australia's carbon emissions by 26 percent from 2005 levels by 2030. But he said the commitment to the environment must be balanced against economic growth and jobs.

He has also supported a massive India-backed coal mine project in Queensland state, which environment groups say will exacerbate climate change.

Newcastle's deputy mayor Michael Osborne told AFP the divestment would "start happening straight away" and continue as investments are due for renewal, with the shift expected to be completed in about five years.

Activities considered to be environmentally or socially harmful include the production of pollutants, habitat destruction, nuclear power, uranium mining and human rights or labour abuses, the council said.

Industries listed as environmentally or socially productive include resource-efficient business, [renewable energy](#) and recycling firms, fair trade and equal opportunity employers.

Osborne said he hoped the council's move would place Australia's big four banks under greater pressure to focus on "ethical investments".

There has been a growing global movement to divest from fossil fuels.

High-profile examples include the Church of England and the Norwegian parliament's move to pull its [sovereign wealth fund](#) out of coal.

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