

# Dispute over coal mine highlights Australian political turmoil

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Urged on by the mining companies and the corporate media, Prime Minister Tony Abbott's Liberal-National government this week stepped up a vociferous attack on environmental groups. It accused them of "lawfare" and "vigilante litigation" for challenging the legality of the government's approval of mine projects, particularly a huge coal mine in central Queensland.

These accusations have erupted amid plunging coal, iron ore and other commodity prices on global markets, which have already led to mine closures, cancellations of new projects and tens of thousands of job losses. The business elite, particularly those affected by the collapse of the mining boom, is demanding that the government launch an offensive against all so-called "enemies" of "jobs and growth."

Full-page ads in newspapers today declared that "green activists are using the legal system to kill Australian jobs." The ads were placed by the Minerals Council of Australia, which represents the big mining corporations.

The immediate trigger for this campaign, and the government's extraordinary allegations, was this month's decision by the Federal Court, with the government's consent, to set aside Environment Minister Greg Hunt's approval of the \$16 billion Galilee Basin coal mine proposed by Adani, an Indian-based conglomerate.

In the court proceedings, Hunt conceded that he had failed, as required by the federal Environmental Protection and Biodiversity Conservation Act, to give due consideration to the likely impact on two endangered species, the yakka skink and the ornamental snake.

Abbott demagogically denounced the outcome, accusing the local Mackay Conservation Group that contested Hunt's unlawful decision of "sabotage" of

the national economy. Using terms such as "lawfare," this rhetoric not only voices contempt for legality. It equates legitimate legal challenges to a "war" against the country.

Using similar language, Attorney General George Brandis said he was "appalled" by the court's verdict. Brandis announced that the government would move immediately in parliament to repeal the provision in the legislation that gives environmental organisations the basic right—"standing" in legal parlance—to object to projects on legal grounds.

So factually misleading were the government's vitriolic accusations that the Federal Court itself issued a rare statement seeking to correct the reports being splashed all over the corporate media. A court spokesman said that, in fact, the court made no findings and issued no judgment. Instead the court's orders quashing the mine's approval, at least for now, were made "by consent," that is with the agreement of Adani and Hunt, because of an "error sufficient to set aside the decision."

Although Adani, the mining industry lobby and the government have all dismissed the "error" as a legal technicality, Hunt admitted that he failed to follow the steps required by law. Legal groups rejected the government's inflammatory resort to terms such as "vigilante" to describe lawful methods for challenging government decision-making.

According to some media analysts, Adani's main obstacle is not legal. It is that the price of thermal coal would now need to roughly double to make the project viable. This has raised doubts about raising the required finance. Two banks—the Commonwealth Bank of Australia and Britain's Standard Chartered—recently ended their relationship with the project.

To justify its agitation, the Abbott government claims

that the mine will “create 10,000 jobs.” Adani conceded, however, in another legal case, that the true figure is 1,464.

Treasurer Joe Hockey condemned “a litany of challenges against a mine that is going to power the lives of 100 million impoverished people in India.” In reality, the project would benefit the Adani empire, controlled by a billionaire.

As for the “litany” of challenges, there have been two—the one in the Federal Court and another under state environmental laws. In addition, there have been three legal challenges to related plans to dump dredge soil in the Great Barrier Reef in order to build the Abbot Point coal port to ship the coal.

More broadly, of the 5,500 projects referred to the federal environment minister since 2000, only 27 have been challenged by environmental groups using the “standing” provision, which was introduced by the Howard Coalition government.

The state Labor government in Queensland also stridently backs the mining of the Galilee Basin. Premier Anastacia Palaszczuk desperately hopes that projects like Adani’s will offset the haemorrhaging of jobs and the state budget produced by the end of the coal mine bonanza that substantially propped up the state’s economy for years.

Despite the Federal Court setback, Queensland Development Minister Anthony Lynham yesterday released a draft environmental impact statement for the Abbot Point terminal, declaring that it was “a milestone for the sustainable development of the Galilee Basin and the jobs and economic development that it could deliver for Queenslanders.”

The Abbott government’s frenzied response to the Adani case reflects intensifying pressure from the corporate elite for the dismantling of all barriers to increased profits, including social spending, working conditions and regulatory restrictions. The financial elite’s attacks on the government for failing to carry through such an offensive has provoked open rifts in the government, and rumours of a new challenge within the Liberal Party to Abbott’s leadership.

Both Murdoch’s *Australian* and the *Australian Financial Review* are pushing for the government to find a way to break through the political impasse, including by framing the campaign for next year’s scheduled federal election as a battle over the

government’s revamped mantra of “jobs and growth.”

The *Australian Financial Review* today denounced the Labor Party for promising to vote against the changes to the Environmental Protection and Biodiversity Conservation Act. “Labor is happy to put the future of the coal industry at risk,” an editorial declared. Endorsing the charge of “lawfare,” it condemned Labor for “fence-sitting and even cowardice” on tackling “tough” decisions needed for “economic development.”

In a similar vein, an *Australian* editorial accused Labor of abandoning the legacy of the Hawke and Keating Labor governments of the 1980s and 1990s, which imposed, in partnership with the trade unions, a wholesale restructuring of the economy at the expense of the working class. Today, the Murdoch flagship declared, Labor “is following the call of the Greens to the lunar Left, instead of staking out the mainstream ground of jobs, economic growth, individual aspiration and the national interest.”

With Abbott’s government in turmoil, Labor leader Bill Shorten is doing his utmost to convince the financial elite that his party offers the most reliable instrument for delivering the corporate agenda. Speaking on Wednesday at the launch of a book by shadow treasurer Chris Bowen that hails Paul Keating as the nation’s greatest-ever treasurer, Shorten said Labor was the only formation that could build, with the help of the union movement, the “national consensus” needed to make “hard-fought” economic changes.



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