

Report of Dr Fahrer

Corrected Attachment B – Sustaining capex and selling costs

	Sustaining capex per Mt (\$A real AFY 2014-15)	Selling costs per Mt (\$A real AFY 2014-15)
2014	0	
2015	0	
2016	0	
2017	0	20.74
2018	0	20.29
2019	0	18.89
2020	0	18.52
2021	1.84	18.38
2022	3.71	18.39
2023	1.46	16.04
2024	0.80	15.99
2025	0.62	15.83
2026	3.52	15.79
2027	1.21	16.03
2028	1.23	14.01
2029	2.04	13.13
2030	2.43	13.09
2031	4.08	13.19
2032	2.96	13.28
2033	1.37	11.24
2034	5.68	11.22
2035	5.11	11.32
2036	1.06	11.32
2037	1.43	11.34
2038	1.91	9.58
2039	1.04	9.58
2040	0.60	9.69
2041	1.74	9.71

	Sustaining capex per Mt (\$A real AFY 2014-15)	Selling costs per Mt (\$A real AFY 2014-15)
2042	0.83	9.72
2043	2.82	9.56
2044	1.40	9.69
2045	2.15	9.69
2046	0.35	9.56
2047	1.22	9.72

First Report prepared by Dr Jerome Fahrer

Corrected Tables

Table 5 **Present Value of Project Benefits and Costs (\$m, real, \$2014-15)**

	r=2.8%	r=4.3%
Benefits (excluding CS)	\$55,424	\$44,263
Costs	\$37,796	\$31,248
Consumer surplus (CS)	\$27,712	\$22,132
Benefits minus Costs (excluding CS)	\$17,628	\$13,015
Benefits minus Costs (including CS)	\$45,340	\$35,147
Benefit Cost Ratio (excluding CS)	1.5	1.4
Benefit Cost Ratio (including CS)	2.2	2.1

Source: Author's estimates

Table 6 **Break even percentage reduction in coal prices and implied average prices (real AFY 2014-15 prices)**

	r=2.8%	r=4.3%
Exchange rate \$A=US\$0.85	31.8% A\$58.24	29.4% A\$60.29
Exchange rate \$A=US\$0.70	41.8% A60.34	39.7% A\$62.46

Source: Author's estimates

Table 7 **Break even percentage reduction in volumes (tonnes)**

	r=2.8%	r=4.3%
Percentage reduction in volumes	71.5%	66.1%

Source: Author's estimates

Table 8 **Break even negative externality (\$m, real AFY 2014-15 prices)**

Year occurring	r=2.8%	r=4.3%
2020	\$20,260	\$16,750
2032	\$28,220	\$27,780
2044	\$39,300	\$46,000

Source: Author's estimates
