

**Submission
No 139**

SUSTAINABILITY OF ENERGY SUPPLY AND RESOURCES IN NSW

Organisation: NSW Council of Social Service

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ncoss
NSW Council of Social Service

13 September 2019

Alex Greenwich MP

Chair, NSW Committee on Environment and Planning
Legislative Assembly
Parliament of New South Wales
environmentplanning@parliament.nsw.gov.au

Dear Mr Greenwich,

Re: Inquiry into the sustainability of energy supply and resources in NSW

NSW Council of Social Service (NCOSS) is the peak body for health and community services in NSW. NCOSS works to progress social justice and shape positive change toward a NSW free from inequality and disadvantage. Along with the national network of Councils of Social Service, we work to create an Australia where everyone participates in and benefits from social and economic life, and can exercise their human rights.

NCOSS makes this submission to the inquiry into the sustainability of energy supply and resources in NSW because the climate crisis, the continued use of fossil fuels to provide our energy and a slow, poorly managed transition to zero net emissions are major threats to achieving our vision.

Climate change is not only a threat to our environment, it threatens people's homes, livelihoods, health, quality of life and employment, increasing risks and burdens for future generations. It is a social justice and intergenerational equity issue.

This submission does not provide technical expertise on the economic opportunities of renewable energy, emerging trends in energy supply nor the status of energy and resource markets. Our view is that reform of the energy industry in NSW must be assessed through a framework of the costs and benefits to the people who are most vulnerable to the impact of change. This submission provides analysis on the health and social impacts of 'business-as-usual' and the opportunities of a just transition.

Impacts of climate change on disadvantaged communities in NSW

The climate crisis will affect low income households and disadvantaged communities first and disproportionately. In Australia, people who experience disadvantage are more likely to live in areas at high risk of the adverse impacts of the changing climate. For example, extreme heat in Western Sydney's 'urban heat island'¹ and prolonged drought in western NSW regional communities.² People with fewer resources have less money, choice and influence to cope, adapt or recover from extreme weather.³

¹ Fiorito, F., Garshisbi, H., Paolini, R., Sadegui, M., Synnefa, A., Ulpiana, G. & Vassilakopoulou, K. 2017. 'Cooling Western Sydney'. UNSW, Sydney Water and Low Carbon living CLC, Sydney. Available here:

https://www.sydneywater.com.au/web/groups/publicwebcontent/documents/document/zgrf/mtv4/~edisp/dd_168965.pdf

² Australian Bureau of Statistics, 2016, 2033.0.55.001 - Census of Population and Housing: Socio-Economic Indexes for Areas (SEIFA) identifies areas of Western Sydney that align with the 'heat island' in the most disadvantaged quintile in NSW. All of Western NSW is declared in drought and its population lives within the two most socio-economically disadvantaged quintiles.

³ Australian Council of Social Service & Brotherhood of Saint Laurence, 2018. 'Tackling climate change and energy affordability for low-income households', Sydney. Available [here](#).

‘Business as usual’ will see the climate crisis exacerbate and deepen Australia’s already wide and growing inequity, with severe consequences including greater poverty and inequality.⁴

Health impacts of mining on NSW communities

Coal mining and burning are two of the chief causes of poor air quality. The NSW Government has set pollution limits for fossil fuel facilities well below international standards. Power stations are releasing toxins at levels far above recommended global health standards.⁵

In the Hunter region, poor air quality is damaging people’s health.⁶ The Environmental Protection Authority (EPA) has issued over 200 air quality alerts for parts of Singleton and Muswellbrook shires just this year. On the Central Coast at Wyee, sulfur-dioxide levels in the air exceeded World Health Organization recommended levels six times in 2018.⁷

High sulfur-dioxide levels pose serious health risks and are associated with heart disease, stroke, asthma attacks, low birth weight of babies, lung cancer and type 2 diabetes. These are chronic health issues that we know particularly impact people living in regional areas,⁸ and those experiencing disadvantage.⁹ Research has demonstrated that reducing air pollution, even if exposure levels are already low, leads to better health.¹⁰

The continued operation of coal mines and coal-fired generators in NSW imposes a substantial health burden that could be alleviated, particularly for those who are doing it tough. A planned closure of coal power plants and investing into employment in environmental rehabilitation of the area and the renewables sector as posited by the Hunter Renewal Roadmap¹¹ will have long term, positive health impacts for NSW, population-wide.

Social impacts of mining on NSW communities

The social impacts of mining have been recognised by the NSW Government in its social impact assessment guidelines for mining, introduced in 2017. This guideline recognises the potentially negative effects of mining projects on way of life, access to services, culture, the natural and built environment, health and wellbeing and people’s relationships to their surroundings.¹² Recent rulings in the Land and

⁴ Australian Council of Social Service and University of New South Wales, 2018. ‘Inequality in Australia 2018’, Sydney. Available here: <https://www.acoss.org.au/wp-content/uploads/2018/07/Inequality-in-Australia-2018.pdf>.

⁵ Nature Conservation Council of NSW and Environmental Justice Australia, 2019. Air quality legal action campaign. Available here: <https://www.nature.org.au/our-campaigns/air-quality-legal-action/> and <https://www.envirojustice.org.au/national-pollution-standards/>

⁶ Environmental Protection Authority NSW, 2016. ‘Clean Air for NSW consultation paper’. Available at <https://www.epa.nsw.gov.au/-/media/epa/corporate-site/resources/air/clean-air-nsw-160415.pdf>

⁷ Nature Conservation Council of NSW, 28 February 2018. Media Release ‘concern for NSW coal communities after US study finds coal-burning power stations pose risks to unborn children.’ Available at <https://www.nature.org.au/media-releases/2018/02/concern-for-nsw-coal-communities-after-us-study-finds-coal-burning-power-stations-pose-risks-to-unborn-children/>

⁸ Australian Institute of Health and Welfare, 2017. ‘Rural and remote health, web report’. Available at: <https://www.aihw.gov.au/reports/rural-health/rural-remote-health/contents/rural-health>

⁹ Australian Institute of Health and Welfare, 2016. ‘Australia’s health 2016.’ Australia’s health series No. 15. Cat. no. AUS 199. Canberra: AIHW

¹⁰ Ewald, B. 2018. The health burden of fine particle pollution from electricity generation in NSW, University of Newcastle. Available at https://www.envirojustice.org.au/wp-content/uploads/2018/11/Ewald_B_2018_The_health_burden_of_fine_particle_pollution_from_electricity_generation_in_NSW.pdf

¹¹ Hunter Renewal, 2019. ‘Roadmap’. Hunter Renewal is a project launched by Lock the Gate and Central Rivers Alliance. It is focussed on supporting regional communities facing a transition away from coal-based economies. Through in-depth community consultation, the group has developed a ‘roadmap’ for the diversification and resilience of the Hunter region economy. Available at https://www.hunterrenewal.org.au/road_map

¹² NSW Department of Planning and Environment, 2017. Social impact assessment guideline. Available here: https://www.planning.nsw.gov.au/~/_media/Files/DPE/Guidelines/social-impact-assessment-guideline-2017-09.ashx

Environment Court have recognised the negative social impacts of mining in terms of noise nuisance, community displacement and damaged social cohesion.¹³

The rapid expansion of coal mining in the Hunter region in the last twenty years for example, has brought economic opportunity for some. However, research is showing that these opportunities have come with severe social impacts for whole communities that include poorer psychological wellbeing, decreased housing affordability, and increased income inequality; common problems in mining communities.^{14 & 15}

A transition away from coal mining and the fossil fuel industry is important and urgent for the whole community, and particularly people experiencing poverty, disadvantage and poor health.

Opportunities of a just transition

In NSW, regional communities where coal mining is a big employer are now at significant economic risk. The most recent forecast from the Commonwealth Office of the Chief Economist shows likely declines in coal imports in our biggest coal customer nations.¹⁶ If the coal regions of NSW do not plan and prepare for these global changes by supporting other industries to grow, thousands of jobs could be lost with none available to replace them.¹⁷

Recent unmanaged and unplanned coal closure in the Appalachia region in the United States was characterised by “short-term, reactive and fragmented responses to closures of coal mines, resulting in entrenched, intergenerational poverty and social dysfunction.”¹⁸ If this were to happen in NSW, the effect could be similar.

In Singleton and Muswellbrook around 37% of people rely on the mining industry for their livelihoods.¹⁹ Eraring and Vales Point on the Central Coast, and Mount Piper near Lithgow also host coal-fired power stations. The Hunter region, Central Coast and Lithgow are all home to some of the most disadvantaged communities in NSW.²⁰

Unemployment, inequality and disadvantage will be worse if predicted changes in fossil fuel industries are poorly planned and managed. People experiencing economic disadvantage pay disproportionately more of their incomes on essential services and have less choice and control around how to reduce their costs. Already burdened with the high cost of housing, people living with disadvantage pay

¹³ Groundswell Gloucester v. Gloucester Resources, details here: <https://www.edonsw.org.au/groundswell> and Bulga Milbrodale Progress Association v. Minister for Planning and Infrastructure and Warkworth Mining Ltd https://www.edonsw.org.au/bulga_milbrodale_progress_association_inc_v_minister

¹⁴ Cottle, D. & Keys, A. 2014. ‘Open cut coal mining in Australia’s Hunter Valley: sustainability and the industry’s economic, ecological and social implications.’ International Journal of Rural Law and Policy, Mining in a sustainable world. Special Edition 1

¹⁵ Australian Housing and Urban Research Institute, 2009. ‘Housing affordability and shortages in resource boom towns.’ AHURI Research and Policy Bulletin, Issue 120. Available here: https://www.ahuri.edu.au/_data/assets/pdf_file/0012/2901/AHURI_RAP_Issue_120_Housing-affordability-and-shortages-in-resource-boom-towns.pdf

¹⁶ Office of the Chief Economist, March 2019. ‘Resources and Energy Quarterly.’ Canberra.

¹⁷ Perry, N. & Hewitson, G. 2019. ‘Weathering the Storm. The case for transforming the Hunter Valley.’ School of Business, Western Sydney University. Available here: https://d3n8a8pro7vhmx.cloudfront.net/lockthegate/pages/5885/attachments/original/1549410824/WeatheringtheStorm_Final.pdf?1549410824

¹⁸ Maher, T. 2018. Foreword in ‘The Ruhr or Appalachia.’ Industrial Relations Research Centre, UNSW. pp. i-ii

¹⁹ Hunter Renewal, ‘Why Hunter Renewal?’ Available here: <https://www.hunterrenewal.org.au/why>

²⁰ Australian Bureau of Statistics, 2016, 2033.0.55.001 - Census of Population and Housing: Socio-Economic Indexes for Areas (SEIFA) identifies that the regions around Lithgow, the Central Coast and Singleton-Cessnock include SA2 areas in the two most socioeconomically disadvantaged quintiles.

disproportionately more of their income on energy; 6.4 per cent compared to 1.5 per cent for households on the highest income quintile.²¹ It is these same households who have the least capacity to reduce their energy use. A transition away from fossil fuel is necessary, but the impact of unplanned withdrawal of the mining sector could have cumulative impacts on this disadvantage by leaving people unemployed, living in communities with little industry, and with no path to change their circumstances.

A 'just transition' is a framework for managing the shift towards new economies free of industries that threaten the climate. A just transition away from fossil fuels will reduce the NSW contribution to the climate crisis, improve the health of the people of NSW, particularly those experiencing disadvantage, and provide new, diverse employment opportunities to many communities.

Just transitions have a focus on inclusive participation for those affected and a fair distribution of the costs and benefits of change.²² For example, in Germany's Ruhr Valley a decision was taken in 2007 to manage the adjustment over an eleven-year period, involving communities, stakeholders and unions. Germany's dedicated Coal Commission, made up of workers, companies, experts and environmentalists, has now released a plan with funding and environmental protections attached.²³

With targeted policy, planning and public investment, there are pathways that can deliver positive outcomes for NSW regions. Energy and new industries are available that create jobs and do not compromise water security, health or the social fabric of our regions. These include renewable energy industries, mine site rehabilitation and building on existing community strengths and resources. Examples exist in Australia and New Zealand of evidence based reform roadmaps that bring together the visions of local industry, business and households. These include meaningful and purposeful community consultation and community level decision making; keys to successful reform.²⁴

Just transitions can be equitable and positive for those experiencing poverty and disadvantage in the NSW community, in coal regions and beyond.

Principles for the Inquiry

This Inquiry provides NSW with an enormous opportunity to take action and protect human health, wellbeing and, ultimately, lives. NCOSS makes the following statements in response to the discussion above.

- The climate crisis, coal mining industries and clean energy transitions are social justice issues. The costs to environment and the people in NSW, now and in the future, must be more heavily weighed against the limited and short term economic benefits the industry brings to the state.

²¹ ACOSS and Brotherhood of Saint Lawrence (2018) Energy Stressed in Australia. Available here: <https://www.acoss.org.au/wp-content/uploads/2018/10/Energy-Stressed-in-Australia.pdf>

²² Martellini, A. 2016. 'Life after coal, pathways for a just and sustainable transition for the La Trobe Valley', Environment Victoria. p.4

²³ Wehrmann, B, 2018. Factsheet: Germany's Coal Exit Commission, 'Clean Energy Wire' available here: <https://www.cleanenergywire.org/factsheets/germanys-coal-exit-commission>

²⁴ Examples include; NSW Hunter Renewal Roadmap (www.hunterrenewal.org.au), the Life After Coal project of the La Trobe valley (http://gccn.org.au/wp-content/uploads/2018/03/Life-After-Coal_Pathways-to-a-Just-and-Sustainable-Transition-for-the-Latrobe-Valley.pdf) and the Just Transitions Unit of the NSW Government (<https://www.mbie.govt.nz/business-and-employment/economic-development/just-transition/>)

- The necessary transition to sustainable and clean energy in NSW should be informed by the impact of both action and inaction on affected groups, such as low-income households, workers and communities, and energy-intensive trade exposed industries. Appropriate equity measures to assist those most affected should be included.
- Regional plans should look to new and emerging sustainable industries and build on existing community strengths, mapping out pathways that reduce vulnerability to coal declines and lay the groundwork for future economies.
- The NSW Government should pursue a policy framework that supports a community driven, positive transformation away from fossil fuels.²⁵ This should be informed by experiences around the world, ensuring those lessons are applied to support communities here, particularly with regard to public investment, community participation and care for the workforce.
- Governments, businesses, the not-for-profit sector, and the community each have a role in responding to the climate crisis and transitioning to a clean economy. Community sector organisations must be supported to reduce their emissions, improve their resilience to better support vulnerable people, and engage in a just transition process.
- Indeed, evidence indicates that community-driven processes are most effective for adjusting to change. It is crucial that regional communities are in charge of their own future backed by strong public investment.²⁶

The Inquiry should make their recommendations in view of these principles.

Yours sincerely,

A solid black rectangular box redacting the signature of Joanna Quilty.

Joanna Quilty

Chief Executive Officer
NSW Council of Social Service

²⁵ Hunter Renewal, 2019. Ibid.

²⁶ Hunter Renewal, 2019. Ibid.