

**Submission
No 199**

SUSTAINABILITY OF ENERGY SUPPLY AND RESOURCES IN NSW

Organisation: Mudgee District Environment Group

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mudgee district
environment group

Mudgee District Environment Group Submission:
To The Environment and Planning Committee of the NSW parliament inquiry into the sustainability of energy supply and resources.

This inquiry is crucial to the people of New South Wales.

- It is essential for a safe and secure future that the NSW government explores how best to support regional communities and diversify economies away from coal dependency to renewable energies.
- Our area of the Mid Western Regional Council (Mudgee) has increasingly become a Coal dependent community. To avoid economic distress the region needs to be less reliant on coal mining.
- To benefit the entire population of NSW power prices need to come down. With the growth of renewable this could be achieved.
- Mudgee District Environment Group does not want to see NSW open up coal seam gas fields or pursue new coal mines in our best farming country or sensitive environmental areas.
- Mining is polluting our air and draining our water systems at an unsustainable rate.
- The growth of the renewable energy sector will benefit everyone.

Economic Issues

The Mudgee region has become too dependent economically on Coal Mining. The world is changing and our community is vulnerable to that change. Changes in global coal markets will be impacted as overseas customers make shifts in their energy systems towards renewable energy. For example: the most recent forecast from the Office of the Chief Economist shows likely declines in coal imports in our three biggest coal customers: Japan, South Korea and China.⁴ If the Mudgee region does not support other industries to grow there will be lost jobs resulting in loss of wages and salaries and the economics of our community will be caught in a downward spiral.

NSW communities, such as Mudgee, that are heavily reliant on coal exports do not have much time to diversify and prepare, so Government support is urgent and vital. Bearing in mind this region has produced substantial wealth from coal royalties for the state. There are opportunities to diversify our regional economies, using the skills and assets we already possess.

A plan for Mudgee would build on the region's existing strengths in the agriculture, wine-tourism, eco-tourism and specialised industries. There is a strong skills base already present of machinery operators, drivers, technicians and trade workers. However, this will only be achievable if support is provided to start preparing for the changes now. Expert research has shown that if action is taken early to prepare for change, and a clear plan is developed, new jobs can be created to cover those lost from coal mining.

Recently a group met in Mudgee to discuss Mine Rehabilitation. The range of ideas for using these sites was encouraging. Raising the standard of mine rehabilitation and gazetting these into the approval process will lead to providing crucial jobs. Government Planning Departments and the Coal Industry need to take a positive, active and committed role in this process.

To change regional economies is a big job and it is not easy. Mudgee a Coal dependent regional community will need to:

- Have major government investment
- Assistance to develop strong diversification planning
- Engage in open, honest and meaningful direct community participation and leadership.

NSW needs to choose a new path that is focussed on preparing us for the future and which ensures that regional areas are at the forefront of emerging economic opportunities in renewable energy, agriculture and manufacturing. Regional communities should not be subject to economic shocks and negative impacts from changing markets and a failure by our governments to lead and to plan. We need to plan now to prepare for these changes, and to ensure that there is support for workers and a strong plan for new industries and new opportunities.

We can learn from the mistakes and successes of experiences in other regions

In the Appalachia region in the United States coal closure was unmanaged and unplanned It was then "*characterised by short-term, reactive and fragmented responses to closures of coal mines, resulting in entrenched, intergenerational poverty and social dysfunction.*" Tony Maher, Foreword. *The Ruhr or Appalachia*

By contrast, examples of a well managed Transition are available:

A decision was taken in 2007 in Germany's Ruhr Valley to manage the adjustment over an eleven-year period, involving communities, stakeholders and unions in an orderly process.

Germany's dedicated Coal Commission, made up of workers, companies, experts and environmentalists, have now released a plan with funding and environmental protections.

Lessons from elsewhere in Australia, including the La Trobe Valley and Port Augusta, have highlight that worker assistance and support for re-training and re-employment is crucial.

Social and Environmental costs of Coal, Gas and Climate Change

Mudgee District Environment Group is asking the Committee to consider the following issues re the environmental and social costs of burning coal and gas for electricity and how renewable energy can improve air quality, lower electricity prices, strengthen regional economies and lessen the costs of climate change.

1. Coal mining and burning are two of the chief causes of poor air quality especially in our neighbouring Hunter region, which is seriously damaging people's health.
2. Coal mining and burning consume large volumes of water. In times of drought, our energy systems are vulnerable because they rely on water, and the demand from coal also impacts on other water users, especially agriculture.
3. The opening of gas exports from eastern Australia and introduction of high cost coal seam gas to the market has driven up gas prices and expensive gas is making the price of electricity for households and businesses unsustainably high.
4. Annual emissions from NSW coal exports, when burnt in overseas power stations, are approximately triple NSW's annual domestic greenhouse emissions. This gives New South Wales a global role to play in tackling climate change.

Professor Will Steffen recently stated in an email that: "As always, the solution to climate change remains the same. We must rapidly phase out our use of polluting fossil fuels and transition to clean, efficient and affordable renewable energy and storage technologies."

Dr Martin Rice in an email from the Climate Council outlined their concerns and recommended actions:

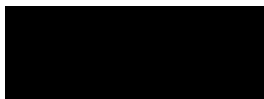
1. The electricity sector is Australia's biggest opportunity to act on climate change. That's because it's our biggest polluter, generating 33% of our emissions and yet the solutions energy efficiency, renewable energy and storage technologies - are readily available and can be rapidly deployed
2. Burning coal is the most polluting way to generate electricity. Since 1990, greenhouse gas pollution in the coal-dominated electricity sector has increased by 42%, largely because of the burning of fossil fuels.
3. "Clean coal" is not a thing. All coal power stations, old or new, cause greenhouse gas pollution. Even a new, "high-efficiency" coal power station would produce about 75% of the emissions of an existing power station of similar size.
4. On reliability, renewable power and storage - not ageing, inflexible coal power stations - are the clear winners. Australia's ageing coal power stations are struggling to cope, with most rapidly approaching the end of their operating lives. A mix of renewable energy technologies, such as wind, solar PV and solar thermal, along with energy storage, can provide electricity 24/7 to power Australia's 21st century economy.
5. Wind and solar can't be beaten on cost. Renewable energy from wind and solar farms is now the cheapest form of new energy generation in Australia. And when coupled with storage, renewable energy technology is best placed to replace old, polluting coal.

Rampant Climate Change will bring costly and disruptive social, economic and environmental hardships. In regional areas we are already dealing with the impacts of climate change in the form of more extreme heatwaves, droughts, our rivers drying up, town water supplies disappearing and extended bushfire danger seasons.

Mudgee District Environment Group recommends:

- **Renewable energy projects and technical development actively supported by the NSW Government.**
- **No New coal mines or extensions be approved**
- **A plan to ensure ALL Coal mines wind down and coal fired power stations be replaced by renewable energy is developed.**
- **Transition adjustment examples from other places are considered and those lessons are applied to support communities.**
- **A plan that includes public investment, community participation, worker re-training and re-employment and diversification planning is developed.**

Phyllis Setchell



Chairperson MDEG

14.9.2019