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INDEPENDENT CROSS BENCH MEMBERS OF THE LEGISLATIVE ASSEMBLY

28 February 2019

Mr Michael Daley, MP
Leader of the Opposition
GPO Box 535
MAROUBRA NSW 2035
Email: leader.opposition@parliament.nsw.gov.au

Dear Mr Daley

Coal Communities Transition Plan

We write to request that you protect coal communities from serious economic disruption as a result of an expected decline in the coal export market.

There is strong scientific consensus that climate change is a major threat to our future and across the globe governments are responding by transferring power generation to clean energy based on renewables. The NSW Labor Opposition has already promised massive growth in renewable energy generation. As this trend spreads into more and more countries, there are major implications for our coal exports and the communities that rely on them.

Most of the coal mined in NSW is exported for use in coal fired power stations and this not only makes us responsible for massive carbon emissions; it makes us vulnerable to changes in the coal market.

There are estimates that efforts across the globe to meet Paris Agreement targets will dramatically cut demand for coal in the next two decades by more than 50 per cent. Coal exports are already decreasing with our major coal export markets scaling back and closing coal-fired projects. The Institute of Energy Economics and Financial Analysis recently reported that the NSW coal industry has begun a period of permanent decline and last week, Australia's largest coal exporter Glencore announced it will cap its coal output, favouring assets resilient to climate change for shareholders.

A transition away from coal is what the planet urgently needs but it requires planning to avoid social and economic impacts in mining regions. A new report by the University of Western Sydney commissioned by Lock the Gate titled 'Weathering the storm: The case for transformation in the Hunter Valley' predicts serious economic disruption in Hunter coal communities if we don't start to prepare now. Some regions rely heavily on coal mining and little is being done to build resilience in their economies. Coal mine closures are harder to predict than coal power stations yet less is being done to prepare for these events.

In a post carbon economy, there are great opportunities for regional communities like the Hunter including agriculture and wine, tourism and renewable energy. These diverse industries boost job creation while they better preserve local soil, air quality, water and biodiversity as well as liveability.

Research from the Australia Institute suggests that the renewable energy industry alone could create up to 60,000 new jobs and we want as many of these jobs in NSW as possible. Just as the threat of automation led to the creation of Jobs for NSW and an inner city tech hub for new and emerging businesses, we need a transition authority to support new jobs, retrain workers and prepare local coal economies for the future. Such an authority would need to be led by local advocates of affected communities and involve workers and regional industries, including emerging industries.

If we are serious about saving the world from catastrophic climate change and protecting our local economy, we must take a holistic approach towards energy. We must not only transition our energy supply to clean renewables but also support current coal mining regions to adapt and thrive as more sustainable economies for the long term. Addressing climate change and transitioning jobs from the coal industry must be a package deal. We don't want to repeat the decimation of communities that came out of the manufacturing decline; we have to look at opportunities for communities and invest in retraining and job creation.

We ask you to commit to a ten year adjustment strategy for coal mining communities backed by financial resources to affected regions. By acting decisively now, we can prepare for the imminent change in coal demand, protect the environment and become a leader in job creation and economic gain from the emerging clean energy market.

Could you please urgently develop a strong transition policy framework to support workers and diversify economies in coal mining regions?

Yours sincerely



Greg Piper, MP
Member for Lake Macquarie



Alex Greenwich, MP
Member for Sydney



Dr Joe McGirr, MP
Member for Wagga Wagga