

Parliamentary Inquiry into the retirement of coal-fired power stations

Submission

**Port Augusta City Council
4 Mackay Street
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Terms of Reference

Inquiry into the retirement of coal-fired power stations

On 13 October 2016, the Senate referred the following matter to the Environment and Communications References Committee for inquiry and interim report by 28 November 2016 and final report by 1 February 2017:

- (a) the experience of closures of electricity generators and other large industrial assets on workers and communities, both in Australia and overseas;
- (b) the role that alternative mechanisms can play in alleviating and minimising the economic, social and community costs of large electricity generation and other industrial asset closures, drawing on experiences in Australia and overseas;
- (c) policy mechanisms to encourage retirement of coal-fired power stations from the National Electricity Market, having regard to:
 - (i) the 'Paris Agreement' to keep global warming below 2 degrees Celsius, and ideally below 1.5 degrees Celsius,
 - (ii) the state and expected life span of Australia's coal-fired power plants,
 - (iii) the increasing amount of electricity generated by renewable energy and likely future electricity demand,
 - (iv) maintenance of electricity supply, affordability and security, and
 - (v) any other relevant matters;
- (d) policy mechanisms to give effect to a just transition for affected workers and communities likely impacted by generator closures, as agreed in the 'Paris Agreement', including:
 - (i) mechanisms to ensure minimal community and individual impact from closures, and
 - (ii) mechanisms to attract new investment and jobs in affected regions and communities;
- (e) the appropriate role for the Federal Government in respect of the above; and
- (f) any other relevant matters

Introduction

This submission is limited to briefly addressing (a) of the terms of reference.

In May 2016 the Northern Power Station in Port Augusta ceased generation, bringing to a conclusion over fifty years of coal-fired power generation. The closure was virtually without notice and without a planned economic or environmental transition. The resulting loss of jobs, income and disruption to the economy of the region, social reeling and environmental problems has left the community of Port Augusta in duress. The community has been left with the burden of environmental problems that impact directly on the health and image of the city without the funding capacity to address the issues.

As Port Augusta seeks to deal with its economic, social and environmental issues resulting from the closure of coal-fired power it has observed other areas being offered Federal & State Government funding and assistance such as that offered to Hazelwood, the northern suburbs of Adelaide and Whyalla, yet negligible for Port Augusta. The neglect and disregard for the current and future community of the Port Augusta is clearly evident.

Economic Impact

Port Augusta has faced the loss of some 300 jobs through the Alinta closures, but this is on top of another 1,500 lost from the Far North in recent years (RDAFN Strategic Plan 2015).

Acil Allen modelling of Alinta's socio-economic contribution to Port Augusta and Leigh Creek in early 2015 showed that Alinta's Flinders Operations accounted for 14%-16% of the Port Augusta economy and 97%-99% of the Leigh Creek economy (summing the direct, production and consumption effects). The Flinders Operations also had important social contributions. The modelling clearly confirms the significance of the jobs and other activity at the power stations and coal mine to the region, and to Port Augusta. The 300 jobs equating to around \$160m value of additional utilities activity.

Loss of rates

The closure of the Alinta Power Station and the cessation of the Indenture Agreement resulted in an immediate and ongoing loss of \$430k rates (2.8% of rates) in the 2016/17 financial year.

Reduction in Community Services & Asset Maintenance

To accommodate the reduction in rates the Council has been forced to cut & reduce community services and planned expenditure on essential asset renewal and debt reduction.

This reduction in services and service level has a direct impact on the community and its ability to leverage its amenity, lifestyle and services for future economic investment.

Environmental Damage

The cessation of water-flow from the Augusta Power Stations into the Augusta Lakes has resulted in a significant and as yet unresolved environmental problem. At this moment the lakes are rapidly drying out resulting in a loss of bird habitat, offensive odours and the mass breeding of insects.

The highly visible location of the lakes directly adjacent to the Augusta Highway and in close proximity to residents represents a significant reputational risk to the town and its amenity.

It is somewhat incredulous that the local community is burdened with not only an environmental mess to deal with, but also the financial cost of fixing it.

Air Pollution

Following the cessation of power generation in May 16 the 220 hectare ash storage area has dried out. Previously Alinta used a seawater flooding technic comprising a slurry of ash and water to provide moisture on the surface of the storage area, allowing a salt crust to form on the ash surface and preventing dust being emitted in windy conditions. Without the addition of ash the seawater is not spreading over the area adequate and on the frequent windy days, for which Port Augusta is known, large plumes of ash are emitted from the site. If the wind is blowing from the south which is frequently the case, the plumes of ash are blown over the residential areas of the township. Flinders Power is currently seeking to address this significant issue via the application of s dust suppressant by a crop-duster. Recently the Environmental Protection Authority has advised that air quality monitoring has been installed, although it is noted that the ash has been blowing of site for months and the monitory sites will now only capture information after the application of a dust suppressant.



Ash emissions from the Augusta Power Stations 18th August 2016 (one of many occasions)

Ash & Coal dust

In addition to dust from ash, dust from residual coal is also emitting from the site as evidenced by the attached photographs taken by local medial on the Monday 7th November 2016. Note: Flinders Power advised that the dust emissions were the result of a 'felled conveyor'.



Unreasonable and shifting timelines

A consistent experience in the closure of Augusta Power Stations has been short and shifting timeframes pertaining to actions that have a critical impact upon the community. Essentially the community has been left with no time or resources to prepare or respond to economic, social or environmental issues.

In February 2015, Council received a presentation from Alinta advising that the power station had a future operating expectancy of fifteen years (15). In June, without further notice a public announcement was made that the power station would be closing in 2018. Over the next few months this time frame reduced several times, until the closure of the plant in May 2016.

Lack of Community Involvement and Representation

The lack of engagement with the Port Augusta Community and Port Augusta City Council has been a feature of the closure of the coal fired power station. This is most clearly illustrated by the South Australian Governments establishment of a task force to deal with the impact of the closure on Leigh Creek and Port Augusta that did not include representation from Port Augusta.