



Federal Ministry
for Economic Affairs
and Energy



Federal Ministry
of Education
and Research



Australian Government

Department of the Environment and Energy



Australian Government

Department of Foreign Affairs and Trade



Welcome to the

Australian-German Energy Symposium

18-19 September 2019



Deutsch-Australische
Industrie- und Handelskammer
German-Australian Chamber
of Industry and Commerce



#AU_DE_Energy2019

The logo for the Energy Transition Hub, featuring a stylized infinity symbol or figure-eight shape. The top half is white, the middle is yellow, and the bottom half is blue. To the left of the symbol, the text 'ENERGY TRANSITION HUB' is written in white, with 'an Australian-German innovation partnership' in smaller text below it.

**ENERGY
TRANSITION
HUB** an Australian-German
innovation partnership

Facilitating transitions

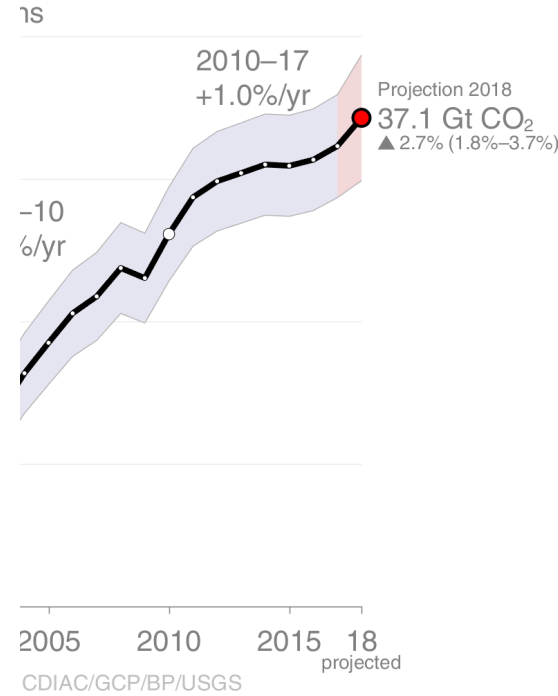
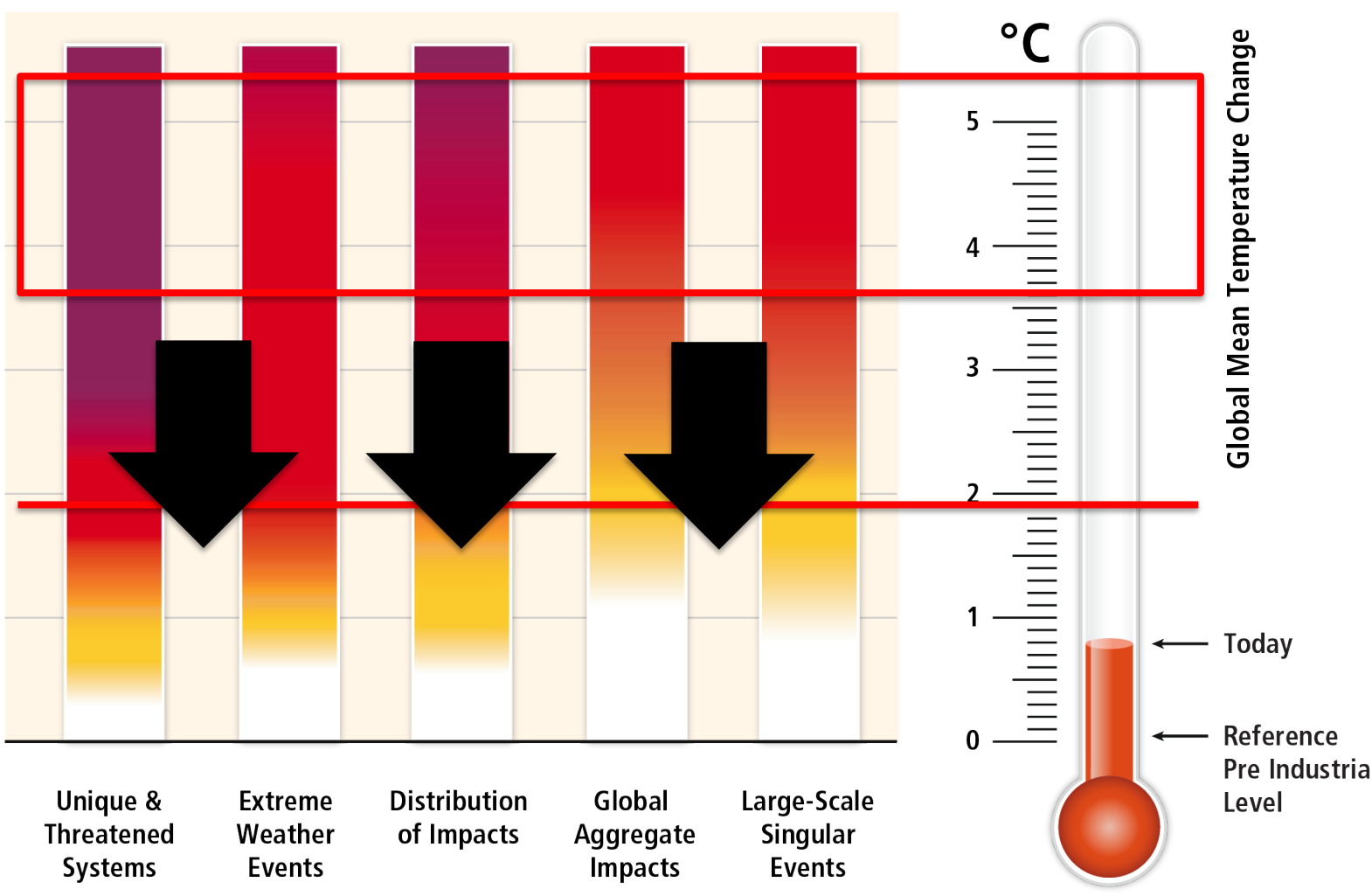
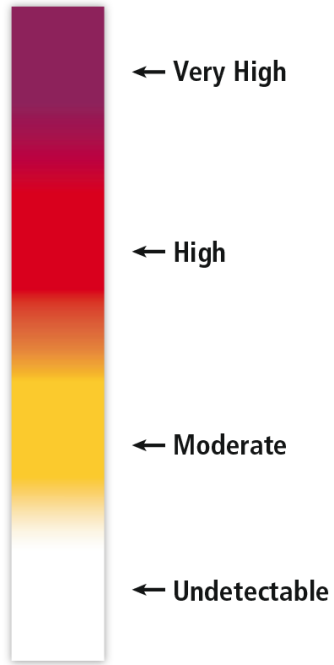
Moderator: Professor Jan Minx

Co-Director, Energy Transition Hub, Head of
Working Group Applied Sustainability Science,
Mercator Research Institute on Global
Commons and Climate Change

Our panel:

- James Hay - Deputy Secretary Energy, Climate Change and Sustainability, New South Wales Department of Planning, Industry and Environment *(no slides)*
- Karen Cain - CEO, Latrobe Valley Authority
- Stefan Kapferer - Chairman of the General Executive Management Board, German Federal Association of Energy and Water Industries (BDEW) *(no slides)*
- Luke Haywood - Lead Researcher Economic Consequences of Coal Exit, Mercator Research Institute on Global Commons and Climate Change
- Amanda Cahill - Founder and CEO, The Next Economy *(no slides)*

Level of Additional Risk Due to Climate Change



Nations Unies

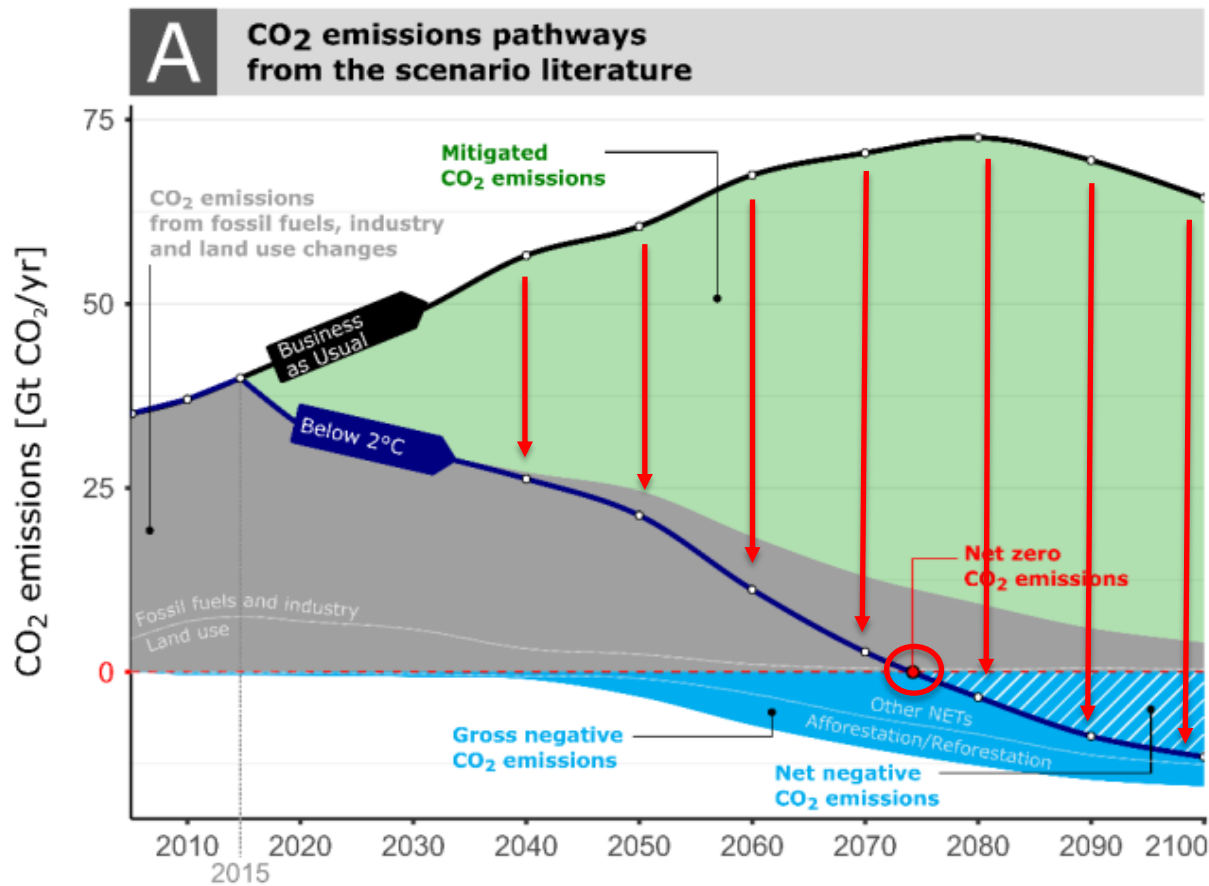
Conférence sur les Changements Climatiques 2015

COP21/CMP11

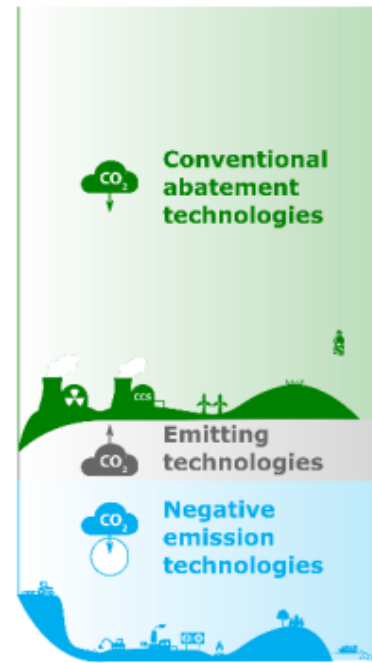
Paris France



Towards a prosperous, modern, competitive and carbon-neutral economy



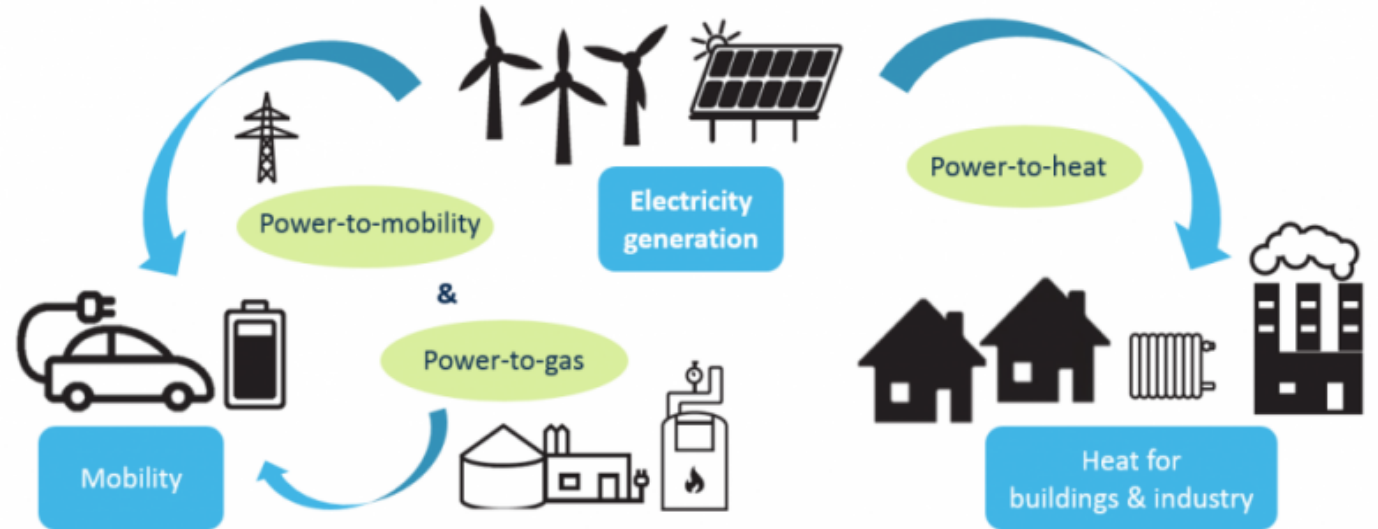
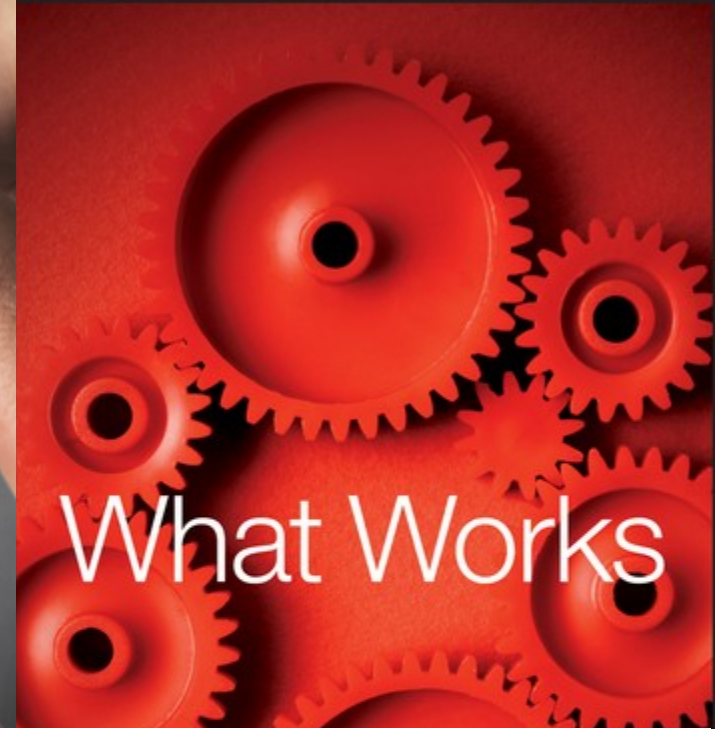
B Examples of technologies



- Fundamental departure from business-as-usual
- Net-zero emissions during 21st century requirement for meeting Paris goals
- Rapid and comprehensive change

Three pillars of Hub Research

- Technology
- (Energy) Systems
- Policy Assessments



Managing transitions

- Opportunities - new markets, new industries, sustainable investments [...]
- Just transition – not leaving people, communities, or industries behind [...]



A just transition for the Latrobe Valley.

Latrobe Valley Authority
18 September 2019
Karen Cain



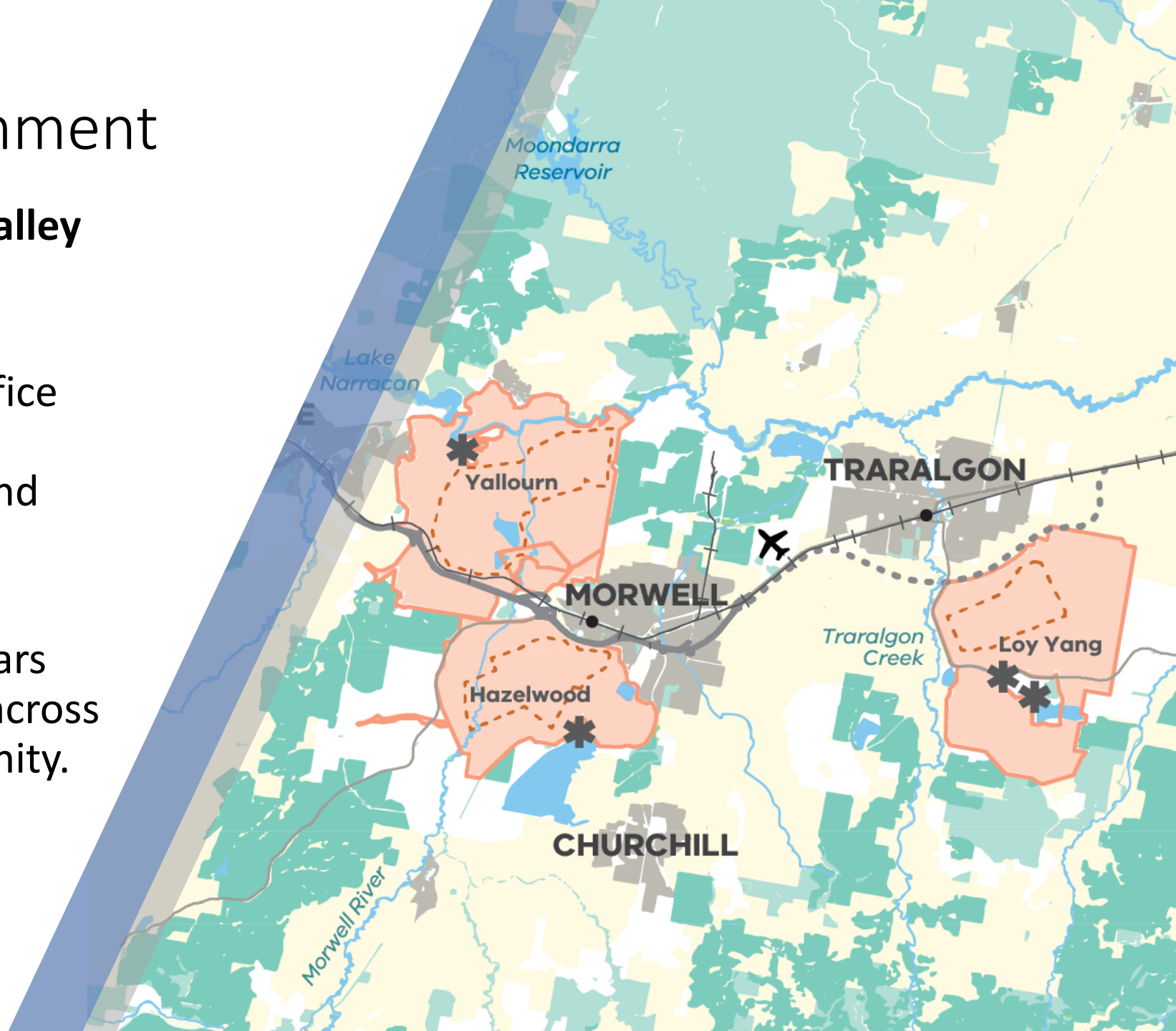


Latrobe Valley transition

In November 2016 Engie announced the closure of the Hazelwood Coal Fire Power Station and Mine by the end of March 2017 resulting in a loss of approximately **1000 jobs** with associated supply chain and community impacted.

Response from Government

- Establishment of the **Latrobe Valley Authority** in November 2016.
- The Latrobe Valley Authority established by the Premier's office based in the Latrobe Valley supporting workers, business and community.
- State Government investment package of \$266m over four years with comprehensive coverage across state departments and community.



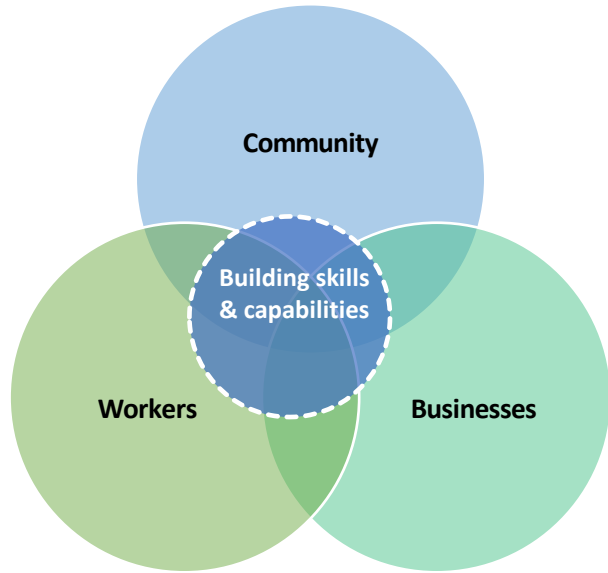
A unique approach to regional prosperity for the benefit of the State

Combining...

with...

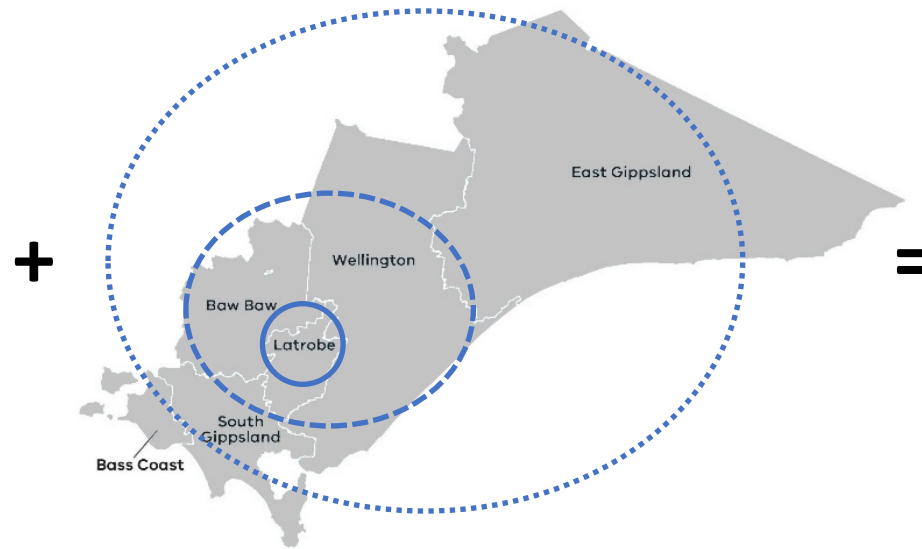
to...

What we do



- **Customised responses** that are tailored to needs and context
- **Integrated services** that change lives by building on strengths
- **Transformative projects** that deliver sustainable change

How we work



- **Listening, learning & collaborating** on things that 'matter'
- Applying **what works** here and elsewhere
- Shifting **mindsets** and attitudes
- Working on the **system** and **practice**
- **Bottom up & top down**

Make lasting impacts



E.g.

- Worker support
- Business support
- Community infrastructure projects

E.g.

- Current and future workforce development
- GROW Gippsland

E.g.

- Regional Innovation System
- Industry comparative advantages
- Knowledge infrastructure
- Community leadership

- Strategic use of resources
- Strong return on investment
- Legacy of locally-driven change
- A platform for Latrobe Valley and beyond

Evaluating German Coal Transition Policies

Luke Haywood - MCC Berlin

18th September 2019

Evaluating German coal transition policies



- 1 Coal is a **state affair**
- 2 Transition policies **influenced by interest groups**
- 3 Better transition policies require **objectives & evaluation**

1 - German coal mining: a state affair



A **politically managed** industry

- **hard coal nationalized** in early 1960s (gov't run up to 2018)
- brown coal (mining for electricity) **heavily regulated**
- **no exports (!)**

Coal depends on **domestic electricity & climate** policy...

2 - Coal exit as state responsibility



Coal commission: **responsibility** of state to **compensate losers**

- **Regions:** variety of subsidies
- **Coal industry:** on-going negotiations
- **Workers:** fear of replay of catastrophic 1990s

Aim of policies is **building coalition**. Policies **not evaluated**.

Not always strategic & sustainable.

German transition policies: a mixed bag



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-
-

Some good: invest in **universities**, **services** (logistics, energy) & **infrastructure**

Some bad: large subsidies for industry, attempt to **re-industrialize** (automobile, white goods...)

Many **costly & not transparent**: Example early retirement

3 - Empirical evaluation of a transition policy



Example: Early retirement at age 58

Coal commission's only **measure for coal workers.**

┆ Who benefits? Only **older workers.**

┆ Who *really benefits most*? **Coal industry:**

Data reveal: average **retirement age is already 58**, but so far *firms* pay early retir't.

Evaluating consequences of policies important.

Conclusion: Corporatist policies come at cost



German transition policies have **broad support**, but...

- create incentive for industry to **slow** transition
- too **expensive** to be a universal model
- some are **inefficient & not transparent** - not evaluated

Maybe Australia can do better.



Thank you.

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