

Blueprint Institute

# Breaking new ground

Challenges and opportunities of a changing  
energy landscape in regional Australia



Collie, Western Australia

# Contents

- 1 Executive summary**
- 3 Collie, Western Australia**
- 4 The task at hand**
- 5 The opportunities—what’s on offer?**
  - 5 Renewable opportunities**
    - Clean industry
    - Critical minerals mining
    - Tourism
  - 8 Recommendations**
- 9 Local perspectives**
  - 9 Interview insights**
  - 9 Blueprint’s *Voices from the regions* poll**
- 10 Conclusion**

## This series

This paper is part of a series exploring the specific challenges and opportunities facing those regions housing the majority of Australia's coal assets. We take a close look at each region, reviewing local economic opportunities in the context of a changing economic mix. This research equips policymakers with the information necessary to act and embrace the potential of our regions. The series builds on two of our past releases—[\*From the ground up: A Blueprint for economic diversification in regional Australia\*](#), and our [\*Voices from the regions\*](#) polling. These papers drew on international examples, as well as the perspectives of local communities, to recommend a cohesive policy framework to renew economies, by empowering communities and supporting workers through the shift to a clean energy economy.

## About Blueprint Institute

Every great achievement starts with a blueprint.

Blueprint Institute is an independent public policy think tank established in the era of COVID-19, in which Australians have witnessed how tired ideologies have been eclipsed by a sense of urgency, pragmatism, and bipartisanship. The challenges our nation faces go beyond partisan politics. We have a once-in-a-generation opportunity to rethink and recast Australia to be more balanced, prosperous, resilient, and sustainable. We design blueprints for practical action to move in the right direction.

For more information on the institute please visit our website: [blueprintinstitute.org.au](https://blueprintinstitute.org.au)

## Acknowledgements

Thank you to the experts who have contributed through consultation and peer review in the development of this work, including: Jay Rutovitz and Chris Briggs at University of Technology Sydney.

Images are courtesy of Unsplash.

## Attribution

This report may be cited as: Akhurst, T., Barrett, T., Cross, D., Green, K., Grice, J., Jafferjee, A., Ouliaris, M., Steinert, J., (2022) Breaking new ground: Challenges and opportunities of a changing energy landscape in regional Australia, Collie, Western Australia. Blueprint Institute.

## About the authors

### David Cross

David is a public policy expert and leader with extensive experience managing large teams and providing advice across multiple portfolio areas to senior government ministers, heads of departments, c-suite business leaders, and university Vice-Chancellors. As CEO of Blueprint Institute, David leads one of Australia's newest and most dynamic public policy think tanks—crafting policy roadmaps for our political leaders in climate and energy policy, education, tax and fiscal policy, and productivity reform. His commentary has been featured in the Sydney Morning Herald, The Australian Financial Review, the ABC, and Sky News—as well as on numerous other outlets. Prior to joining Blueprint, David was Chief of Staff to the NSW Minister for Education and Early learning and led the crafting of significant pieces of education reform. He has also worked as a public policy adviser to the University of Sydney and as a business analyst in the private sector. David holds a Masters degree (MPhil) from the University of Cambridge in politics and international studies, and a first class honours degree from ANU. He is presently completing a PhD in public policy decision making processes at the University of Sydney.

### Josh Steinert

Josh is an experienced political scientist and economist. He holds a Bachelor of Arts in Politics, Philosophy, and Economics (PPE) from the University of Oxford and a Master of Science in environmental economics from the Bartlett School of Environment, Energy & Resources at University College London. His previous published work has addressed a wide range of topics from constitutional reform to energy policy and many areas in between.

## **Mark Ouliaris**

Mark holds a Master of International Relations from the University of Melbourne and a Bachelor of Arts in Economics and Political Science from McGill University. Prior to joining Blueprint Institute, his passion for pragmatic and evidence-based policy reform led to stints at the Institute of Health and Social Policy at McGill University—a multidisciplinary institute for research in support of effective social policy—and Reset Australia—an initiative working to counter digital threats to democracy across the world.

## **Kate Green**

Kate holds a dual Bachelor of Economics/Arts degree from the University of Queensland and is continuing her studies with an Honours in Economics in 2022. Her thesis is in the field of behavioural economics to complement a major in psychology in her Arts degree. She has experience working at KPMG in their Policy, Economics, and Public Impact division.

## **Tom Barrett**

Tom holds a First-Class Honours in Politics from the University of Sydney, with his thesis examining the conduct of China, and other nations, in elections for United Nations Specialised Agencies. He also has a Bachelor of International and Global Studies, majoring in Political Economy and Government & International Relations from the University of Sydney. He was also selected to work in the Sydney University Policy Reform Project, studied Populism, Authoritarianism and International Relations at the Freie Universität Berlin and Wissenschaftszentrum Berlin (WZB) overseas, and has previous experience working with community social justice organisations.

## **Josh Grice**

Josh is a Vice-Chancellor's Scholar at the University of Queensland completing a dual degree in Economics (Quantitative Methods) and Arts (History). He has experience as a research assistant in political economy and has previously co-authored a winning proposal for the 2020 Stanford/MIT COVID-19 Policy Hackathon. He will complete his studies at the National University Singapore as a New Colombo Plan Scholar.

## **Ali Jafferjee**

Ali holds a Bachelor of Business in Economics and Business Strategy from Monash University. His previous experience at a Sri Lankan public policy think tank fostered a strong background in economics and public policy. As a researcher, he has worked on projects which address a wide range of social and economic issues such as advocating for the alleviation of the tax on sanitary napkins and formulating a post-pandemic economic recovery plan.

## **Tom Akhurst**

Tom holds a Bachelor of Arts (Honours) majoring in politics and international studies from the University of Melbourne. He recently completed his thesis which investigated China's revisionist foreign policy observed through its Digital Silk Road telecommunications initiatives in the Pacific. Tom was previously speechwriter and policy researcher to the federal Assistant Minister for Industry, Energy, and Emissions Reduction. He has also studied abroad at King's College London and is concerned about threats to liberal democracy in the emerging information age.

# Executive summary

Situated in the federal electorate of O'Connor, Collie has long formed a cornerstone of Western Australia's economy. The town's coal mines and generators have brought power into households and businesses, and created direct and indirect jobs for thousands of people.

But times are changing. Across the country, coal-fired generators are wilting under increased competition, and many are set to close—unviable in the face of ever-cheaper renewable energy. Private players in international finance have thrown their full weight behind the energy transition. COP26 galvanised international support for decarbonisation and coal appears to be the first major target. With unanimous agreement to 'phase-down' coal-fired generation secured at Glasgow last October, even China and India are now pursuing net-zero agendas.

Australia's energy market has already made up its mind about coal-fired power—the old, expensive technology cannot compete with the combination of renewables and storage. Blueprint's analysis of the latest Australian Energy Market Operator's (AEMO) data shows that our nation's coal fleet will retire years, if not decades, before their officially stated closure timelines.

With the International Energy Agency's analysis showing that global coal demand will fall from more than US\$400 billion per annum to less than \$50 billion in a net zero by 2050 world, there will be few buyers for Collie's thermal coal after local generators close.

The clean energy shift may appear daunting in Collie. But there is a path to renewal and sustainable prosperity for this corner of Western Australia. Lessons from overseas regions that have faced similar challenges teach that timely action is key. The sooner we act, the better positioned Collie's economy will be as its coal mines dig their last loads and coal-fired generators burn their last megawatts of electricity.

**“The effort to build a prosperous future for Collie, built around clean energy, has received a massive boost with \$550 million in new investment announced by the Western Australian government in June. But engagement with local stakeholders through institutions like our proposed coal adaptation authority is key to ensuring Collie's economic future. Top-down handouts will simply not be effective.”**

– David Cross, CEO

Unlike other coal regions explored in this series, up until recently it seemed as if little thought had been afforded to Collie's future beyond coal. However, the \$662-million package announced by the Western Australia government to diversify Collie's economy and aid its shift away from coal is a welcome step forward. While the investment is aimed at ensuring Collie's role in a clean energy economy is secured, handouts from centralised government alone will be ineffective.

Now that appropriate resources have been allocated, the task is to ensure they are spent wisely. While the level of economic diversification in the region has been modest thus far, it possesses natural and industrial assets valued by the clean industries that can drive future growth. Repurposed coal infrastructure could host the waste and mineral processing associated with emerging clean industries, while the region's sophisticated energy infrastructure and industrial workforce could help Australia climb up the steel, hydrogen, and critical minerals value chains. This same infrastructure places Collie in a perfect position to take advantage of the ample sun and wind resources in the region.



Lasting prosperity in a clean energy economy is attainable in Collie, but it will necessitate sustained engagement with local stakeholders and targeted government support. The policies required to ensure effective economic diversification in Collie can be found in Blueprint's report, *From the ground up*. The report called for:

- the creation of a locally led coal adaptation authority in Collie, established with \$20 million in initial federal funding. The authority's ongoing expenses would then be borne by the Western Australia government, as it is best-placed to ensure local community expertise is taken into account;
- development of a national coalfield and infrastructure renewal and repurpose strategy to ensure that existing assets are utilised to help communities pivot and access new opportunities; and
- well-designed support for workers through job search and retraining services, income insurance and, where necessary as a last resort, early retirement packages.

The Western Australian governments' new commitments reflect some of these policy requests. For example, the government has committed \$300 million to the decommissioning of power stations to create local jobs. However, if Collie is to truly benefit from such a shift, greater ambition may be required. This report sets out the opportunities available to meet this ambition.

Most importantly, while the government has committed ample funds, any allocation of these funds, or change in policy, must be locally led. Regional Australians do not require prescriptive paternalistic help from state or federal governments—rather they must be empowered to take the opportunities in front of them.

Communities like Collie have made life easier and more prosperous for all Australians, supporting government revenue and driving growth. It is our collective responsibility to ensure that they too can thrive in the clean energy future.

Our polling shows that voters in Collie are demanding their leaders step up to the plate. We hope that this research helps policymakers follow through to embrace these opportunities with confidence.



# Collie, Western Australia

## O'Connor

The township of Collie, some 200km south of Perth, was founded in 1897 upon the discovery of rich coal resources in the region. One hundred and twenty five years later, it remains an established coal mining and coal-fired power generation stalwart home to around [7,600](#) people.

The town contains four coal-fired power generators—Muja, Collie, and Bluewaters 1 and 2—which account for Western Australia's entire coal-fired power capacity. It also hosts the state's two operational coal mines—[Premier](#) and [Ewington](#)—which sell the vast majority of their product to their neighbouring power stations (for instance, Premier sells [80%](#) of its product to the Muja and Collie power stations).

This has created a cycle of mutually reinforcing decline as mines struggle to make profit amid falling demand and the stations, in turn, experience higher prices and [supply shortages](#). There are a number of other local industries which rely on coal for their industrial processes—including cement production—but these alone cannot ward off the financial stress facing Collie's coal mines as their dominant customer, local power generators, phase down.

For a small town, Collie punches well above its weight in its contribution to Western Australia's economy and electricity grid. Exports from the region's assets were valued at [\\$3.46 billion](#) as of March 2020, and the four generators are able to

provide over 1500MW of capacity collectively—enough to power [450,000](#) homes. As coal still makes up around [40%](#) of the Wholesale Electricity Market in Western Australia, Collie plays an integral part in keeping the lights on. But this is about to change.

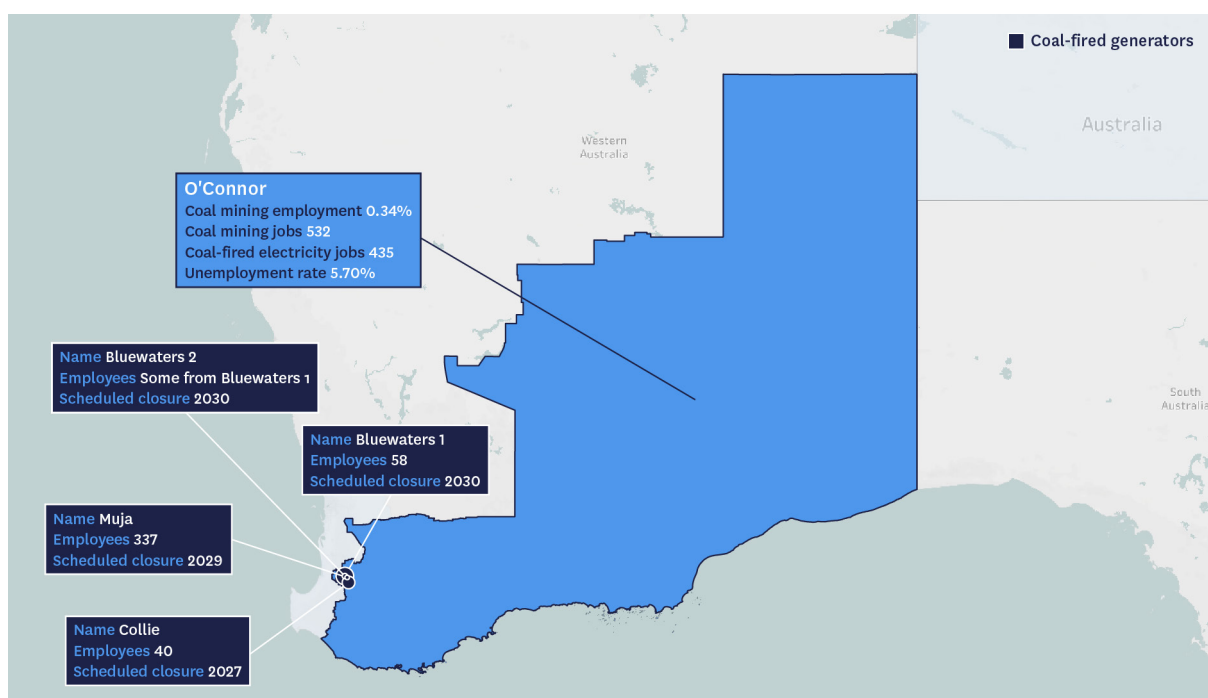
The Western Australia government has [announced plans](#) to close all three of the state-owned coal-fired generators in Collie by 2029. Collie's remaining coal generators—the privately owned Bluewaters—faces a doubtful future, as its contract with its electricity retailer is due to expire in 2025 and [will not be renewed](#). There are few active or foreseeable alternative markets for the region's thermal coal product beyond its existing uses in local power generation. With [accelerating renewables penetration](#) and [reduced demand](#) in Western Australia's energy grid, the decline of Collie's coal mining sector is imminent.

The shift to a clean energy economy will require significant structural change for Collie's local workforce, business environment, industry, and community. Coal workers in Collie have enjoyed high salaries and secure employment, which are not available in other industries in the local area. Without future-oriented growth, retrenched coal workers will either have to compete for scarce, lower-paying opportunities or relocate to find an employer who demands their skills. But significant opportunities exist—and they must be taken advantage of.





# The task at hand



**Figure 1** The demographics and coal assets of Collie, Western Australia

**Source** [Australian Bureau of Statistics](#), Company websites, Blueprint Institute Analysis

Collie has been built on the opportunities afforded by coal. Coal mining and fossil fuel electricity generation account for [13.8%](#) and [5.5%](#) of the town's workforce respectively, making up a total of over 1,000 workers. A 2020 survey found that of Collie's coal and energy employees, [52%](#) had worked in the sector for over 10 years. With such deep and enduring reliance on coal, policymakers, community leaders, and industry must work proactively and collaboratively to develop new growth opportunities.

Fissure points are already emerging—Collie's population has been [shrinking](#) since 2013. In 2017, the 200 workers employed at the Ewington coal mine accepted a [35% pay cut](#) to keep the mine financially viable, after it had been losing around \$50 million per year for more than half a decade. The impending partial retirement of Muja power station means that around 80 jobs will be lost in the next two years. More recently, the Blueswaters generators were written off as [worthless](#) by the owner due to increased renewable energy penetration in the grid.

Western Australia is rapidly shifting to renewable power, with a [third](#) of households now host to rooftop solar, with that portion expected to increase to half of households by 2030. The

growth of this industry does offer significant opportunities to the region. Indeed, the South West Interconnected System plan [predicts](#) that renewable generation in the region will at least triple by 2040.

Collie's cause for alarm is heightened by its relatively high degree of unemployment and low level of education attainment in the area. Very few people hold a Bachelors degree and only [43%](#) have completed Year 12, compared to a national average of [61%](#). Few other local industries with transferable skills operate in the area, as most other jobs are found in teaching, retail services, and hospitality.

Unlike other coal regions studied in this series, Collie does not yet benefit from a strong emerging renewable energy sector. In fact, there are no renewable projects in the pipeline in Collie at all. But this wasn't always the case—in 2019, the state government scrapped [\\$60 million](#) of funding for a biomass energy plant and solar farm intended for Collie. Vast wind and solar resources indicate that opportunities exist, but capitalising on them requires support from industry and government.

These opportunities can secure economic prosperity and employment security in the region.



# The opportunities— what's on offer?

Importantly, whether the clean energy shift will eventuate is no longer up for debate. To adapt and thrive, Collie will need to diversify into opportunities beyond its traditional role in the power sector.

## Renewable opportunities

There are currently no renewables projects in the pipeline for Collie or surrounding regions. But this does not mean there cannot be. In fact, Collie is ideally located and well resourced for wind, solar, and biomass energy opportunities. The area's wind speeds of around [seven metres per second](#) are considered [appropriate](#) for utility-scale wind farms, and there is [no lack of sun](#) either. Collie was also considered for a biomass energy generation facility, until [funding was scrapped](#) in 2019. The town possesses the right infrastructure for the transmission and distribution of power, along with a workforce knowledgeable in electricity generation and maintenance. Geographically, it is ideally located to provide power to the South West Interconnected System.

Beyond wind and solar, Collie could even repurpose its retired coal mines to develop local pumped hydro power storage capacity. Retired coal pits are the ideal setting for storing power in pumped hydro and could avoid—or at least delay—hefty [rehabilitation costs](#). The [Kidston Clean Energy Hub](#) in northern Queensland, currently under construction on the site of a former gold mine, will be the first new hydro capacity introduced to Australia's energy grid in decades and could serve as inspiration.

Proximity to transmission infrastructure and adequate variations in elevation make Collie the most suitable candidate for pumped hydro compared to the state's mostly flat, isolated regions. With the hope of providing greater energy security to Western Australia, state-owned Synergy is conducting a [feasibility study](#) into the repurposing of retired mines for pumped

hydro. But this is far from a new idea, with studies as early as [2017](#) modelling the potential for Collie's coal pits to store energy with pumped hydro. This kind of innovative regeneration of local coal pits could see Collie fill a firming role in the wider southwest region's electricity supply. Such a development could meet [12%](#) of the entire state's overnight demand.

## Clean industry

Collie's legacy as a coal mining and power generation hub has endowed the surrounding area with assets that will appeal to clean industry—such as robust connectivity with Western Australia's electricity grid, favourable geography, ample industrial land, port access, and a skilled workforce. The [two hundred million dollars](#) in new funding announced in June for an Industrial Transition Fund can go a long way to setting Collie up for a prosperous future—provided it is invested wisely.

Collie's central location on the energy transmission grid in particular means that it is ideally suited to expand into new energy intensive industries. A [Strategic Industrial Area](#) has been established at Shotts, a short drive east of Collie, to enable industrial firms to take advantage of the region's excellent resources.

[Cannaponics](#), a medical marijuana cultivation and manufacturing firm, is the first planned tenant of the Collie-adjacent Strategic Industrial Area. Cannaponics stands as an example of the potential of the agribusiness sector in the region. Its plant will be situated at a 160-acre site, and will consist of a greenhouse and a manufacturing facility utilising 100% renewable energy resources. It is supported, in part, by [two million dollars](#) from the Collie Futures Fund. Construction is expected to create [50 local jobs](#) over a 12-month period. Once operational, Cannaponics will be staffed by more than [20 people](#) and the multi-million-dollar business is projected to provide a significant boost to the local economy.

Another innovative local company is [Colliecrete](#), with a method of producing concrete from existing stocks of fly ash, a potentially toxic waste by-product of coal power generation. Not only could Colliecrete eventually produce up to 10% of Western Australia's annual concrete requirements while cleaning up fly ash left over from years of coal-fired power, it could do so sustainably by emitting up to [80%](#) less greenhouse gas. Given that the cement and concrete manufacturing sectors account for [eight percent](#) of global carbon dioxide emissions, Colliecrete and its low-carbon concrete can play a critical role in a net-zero future. Colliecrete has, as of July 2021, secured funding for its project, partially from the Collie Futures Fund.

Supported by [two million dollars](#) from the Collie Futures Fund, Rengeri has been given the green light to construct a \$9.4-million waste management facility in the region. The plant is expected to produce 18 million tonnes of renewable diesel annually with waste biomass that would have otherwise been destined for landfill. [Renergi](#) estimates that this project will avoid 18,000 tonnes of carbon dioxide output. This is a kickstart for industry decarbonisation, too, as the zero-carbon fuel can significantly reduce emissions from heavy vehicles. An offset from this renewable diesel production is biochar—a resource highly demanded by farmers for its potential [to increase crop yields and mitigate environmental impacts](#). The facility's completion will create an additional [34](#) jobs for Collie residents.

International Graphite, a Western Australia-based company, is building a new plant in the industrial area of Collie. The plant will manufacture graphite products for export and is projected to create about [40](#) full-time jobs. The company has said it was [attracted](#) to Collie by its skilled local workforce, strong government support for new industrial developments, and [two million dollars](#) in funding from the Collie Futures fund.

The recent expansion of the Collie Futures Fund now supports the feasibility studies necessary to unlock Collie's energy storage potential. One million dollars from the fund will be used to analyse the possibility of a [Battery and Hydrogen Industrial Hub Project](#) with hopes of jumpstarting new clean industry in the region. Powered by

renewable energy, a hydrogen electrolyser and 600-800MWh battery will provide an opportunity for Collie's industries to decarbonise and expand production. This is a battery at unprecedented scale—for comparison, South Australia's giant Tesla battery can store only [189MWh](#) of electricity. If the project proceeds, the Hub could support up to 500 construction jobs and 400 ongoing jobs, many of which will be locally sourced.

## Critical minerals mining

We are often led to believe that serious climate action will destroy our traditional mining industries. This is far from true.

In fact, in the emerging green economy, there are opportunities for Australia to establish itself as a leading supplier of [critical minerals](#)—a globally underdeveloped resource that serves as a key input for low-carbon technologies and other important growth areas like computer chips. The [International Energy Agency predicts](#) that mineral requirements for low-carbon technologies are likely to double by 2040, and could almost quadruple if the world manages to achieve its Paris Agreement goals.

Instead of a lengthy retraining process and disruptive career transition, a significant number of Collie's coal miners could find their existing skills in high demand in the rapidly expanding critical minerals industry. The state government acknowledges this and is already promoting [upskilling and reskilling programs](#) for affected workers.

Western Australia possesses an abundant supply of critical minerals—a key input for low-carbon technologies. In fact, Western Australia boasts [nine of the world's top 50 mineral mines](#) and [30%](#) of all critical mineral deposits in the country. As the global demand for these critical minerals grows with the demand for clean energy, Western Australia has a golden opportunity to capture a [major proportion](#) of the growing market. To the extent that the state's critical mineral industry receives an appropriate level of attention and investment, [projections](#) indicate that an additional 3,600 to 6,300 mining jobs could be created by 2040.

A [green magnesium refinery](#) in Collie has passed a pre-feasibility study and has recently received an

additional two million dollars in funding from the Collie Futures Fund to conduct further study into the opportunity. The facility intends to rely on renewable energy for its processes, making it the magnesium refinery with the lowest emissions in Australia to date.

Recently, the federal government announced much-needed support for the industry. Under the [2022 Critical Minerals Strategy](#), a \$50-million loan to EcoGraf will help expand their Western Australian facility, supporting 250 construction jobs and a further 125 ongoing jobs. Two other critical minerals projects in Western Australia will also receive funding under this new scheme. The first, a nickel and cobalt battery material refinery, is expected to support [380](#) construction jobs and 125 ongoing jobs. The second project expects [750](#) jobs to be created through a battery industry powered by clean hydrogen.

An important consideration is that most of these jobs are located outside of Collie. The choices for those left behind after the exit of coal will likely come down to two options—stay and retrain, or chase the growing opportunities in critical mining elsewhere that still demand their skills. For the many fly-in-fly-out workers, this transition is simple. But for local residents, this may prove to be more challenging. However, with the right resources and assistance the region of Collie can find a new niche and regain its strength by

decoupling the town's economic prosperity from coal.

## Tourism

Tourism has been a major focus of the [Just Transition Plan](#) developed for Collie by the state government in collaboration with employers, unions, and community. The plan envisions tapping the region's natural beauty—notable destinations include Lake Kepwari, Wellington National Park, Black Diamond Lake, and numerous outstanding mountain bike trails—to establish Collie as a picturesque tourist destination. The sector has the potential to significantly diversify Collie's economic base moving forward. Lake Kepwari, for instance, has received [\\$2.9 million](#) in funding to develop it as a watersport precinct. The State Government has spent another \$10 million to back Collie Adventure Trails. The project aims to promote Collie as an exemplary mountain biking and hiking trails destination and has generated 181 jobs to date.

[Four](#) more tourism projects are expected to receive funding after the expansion of the Collie Futures Fund, including revitalising the iconic Premier Hotel and establishing new accommodation. Historically, investing in tourism has been a worthwhile investment, with the initial \$38 million from the Fund resulting in a [73%](#) increase in tourism to Collie.





# Recommendations

It is crucial that policy settings, determined by federal, state, and local governments, reflect the reality that current efforts will be inadequate to counterbalance the loss of significant, localised employment and economic activity in coal. If Collie is to thrive in the clean energy future, federal, state, and local governments must collaborate to empower local communities and businesses to leverage the opportunities described above.

In order to achieve these goals, we recommend that the federal government:

- support the state government's efforts by establishing a local coal adaptation authority in Collie and equipping it with \$20 million in initial funding. This would supersede the [Collie Delivery Unit](#) (CDU), which was established by the state government in 2020 for an initial period of five years, to coordinate the delivery of its various commitments to Collie. Unlike the CDU, which is part of the Department of Premier and Cabinet, a coal adaptation authority in Collie would be staffed by local community leaders, employers, employees, and industry. This would decentralise decision making and empower those who are the most informed—the local Collie community—to identify and respond to emerging challenges and opportunities. Collie's local coal adaptation authority would be tasked with analysing the shift to clean energy and its implications for regional residents. It would maintain statutory independence while continuously engaging with the community to develop and iterate strategies to respond appropriately to local concerns.
- provide financial and administrative support to Collie's coal mine and generator operators to develop renewal strategies for their infrastructure. In order to support innovative rehabilitation plans, the federal government would match private investment, from the operator or otherwise, up to a value of \$100 million per asset. Such a figure is in line with existing government support for energy infrastructure investments, though in this case the benefits for local communities

would be far greater. Collicrete's new project converting waste fly ash from Collie's coal plants into eco-friendly concrete indicates that, with government support, there could be extensive commercial interest in other potential uses of retired coal assets.

- develop well-designed support for workers through job search and retraining services, and where necessary, income insurance.

In collaboration with the local government, the Western Australian government should:

- empower a locally-led coal adaptation authority and support it with funding for ongoing costs to ensure that it can deliver its mission. This would include providing resources and expertise to enable the authority to complete thorough fact-finding missions, and establish employment hubs to reduce hiring costs for firms and job seeking costs for workers in the impacted regions. Unlike the other states explored in this series, coal royalties in Western Australia are negligible. We therefore suggest that the ongoing cost of Collie's coal adaptation authority is given a portion of the roughly \$550 million in new funds [recently announced](#) to finance Collie's economic diversification.
- continue to support and investigate the possibility of renewable energy opportunities in Collie, among other clean industries and critical minerals projects, to further encourage investment into the shire of Collie.

These recommendations are outlined in greater detail in Blueprint's [From the ground up: A Blueprint for economic diversification in regional Australia](#).



# Local perspectives

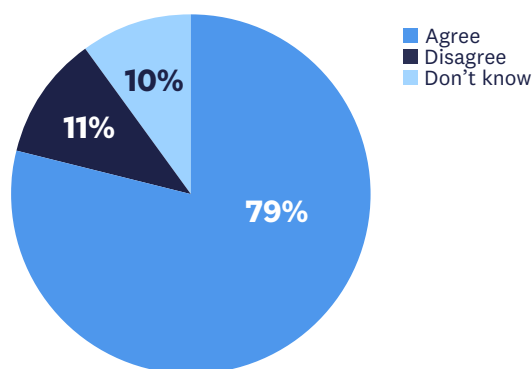
## Interview insights

Interviewing locals on the ground in the Collie region has revealed the desire for certainty shared by many in the community. Residents recognise the inevitable changes that are coming, and they are searching for a clear vision of how they can respond and thrive. A CFMEU representative from Western Australia noted there was a clear sense of unease and “uncertainty [over] what will replace the current jobs”, with

many locals suffering from mortgage stress in the Collie region. They also emphasised that coal supply was the largest issue—with competition from renewables growing exponentially, coal was “not always being bought”. This and the worsening profitability of the mines and power stations meant that in the last six months it has really started to “hit home.”

## Blueprint’s *Voices from the regions* poll

Our polling shows that proactive diversification is widely supported across Collie. Local residents recognise the challenges before them, but they also have some sense that with these challenges come opportunities. In Blueprint Institute’s poll—[\*Voices from the regions\*](#)—79% of respondents in O’Connor aligned with the view that with proper government support, there are industries and jobs that can thrive in their region other than coal. Only 11% thought that coal mining was the only viable industry that could provide a majority of high-paying jobs in the area.



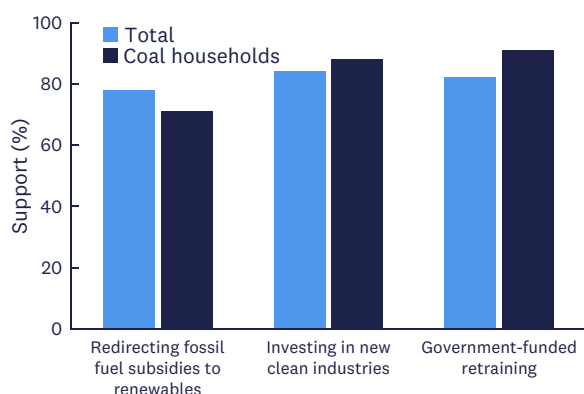
**Figure 2** O’Connor residents’ response to the statement: “with proper government support there are industries and jobs that can thrive in this area other than coal”

**Source** Blueprint Institute’s [\*Voices from the regions\*](#) poll, conducted by YouGov

In terms of the government support communities favoured, two themes emerged. Firstly, they want strong government investment to kick-start new industries and attract further private capital. Three quarters of respondents believed that building more renewable energy facilities would create new jobs in the area. This included 60% of those who disagreed that human activity is the main cause of climate change, showing that even those who doubt the science find the economic case compelling.

Seventy-eight percent of O’Connor residents support reducing subsidies for coal and gas companies and using the savings to invest in large-scale renewable energy. Among coal-working households support reached 71%. It is hard to imagine a more ringing endorsement for forward-looking investments. Even those working in coal see the writing on the wall, and they want the government to continue their legacy in energy generation by prioritising the renewable opportunities of the future, even if it means sacrificing current subsidies to their own jobs.

On the industrial front, 84% in O’Connor support investing in new clean industries such as green hydrogen, with support actually increasing to 88% among coal households. This optimism far exceeds the support for new gas-fired (60%) or nuclear (47%) power stations.



**Figure 3** O'Connor residents' support for different policies relating to the energy transition

**Source** Blueprint Institute's [Voices from the regions](#) poll, conducted by YouGov

On top of this economic renewal, communities know that workers need individual support. While certainly related, many of the jobs offered by the new energy economy will not involve identical skills to those practised in the coal industry. That's why 82% of respondents and 91% of coal households support coal workers receiving government-funded training if they are made redundant.

Communities in O'Connor are open to change, so long as they are not left behind. Fortunately for policymakers at all levels, they have been abundantly clear about the types of policy they desire.

## Conclusion

There is no denying that our coal industries are in their twilight, living on borrowed time. The migration of capital from carbon-intensive economic activity to low-carbon alternatives like renewable energy has sounded the death knell for coal's long-standing cost advantage. International financiers and our leading trade partners are all pursuing ambitious climate agendas, meaning that it is not only our coal-fired energy generators that struggling but also our rich coal exports.

Rather than burying our heads in the sand, governments must be honest with coal communities like Collie, and position them to benefit from a changing economic landscape. Australia's regions have been the cornerstone of our agricultural and resource sectors for many decades. As hosts to many of the country's biggest industries, their prosperity means prosperity for all Australians.

Collie faces more challenges than other coal regions as its coal industry is extremely

geographically concentrated and there are no renewables projects in the pipeline that can absorb workers from retired power generators and coal mines. However, the essence of the challenge is much the same for Collie as it is in other coal regions—even a vibrant new local renewables sector would not be able to compensate for the hundreds of secure jobs built on coal. Collie will need to leverage its potential advantages in emerging clean industries to adapt smoothly to a clean energy economy to offset those losses. It is already beginning to do so. The region's entrenched infrastructure assets and connectivity to the electricity grid is attracting new clean heavy industry in green concrete and graphite.

In our report, [From the ground up](#), we outline how governments can best empower communities, renew economies, and support workers. With well-funded local leadership to unite stakeholders and proactively embrace promising opportunities, Collie can thrive well into the future.

