

Latrobe Valley Mine Rehabilitation Advisory Committee

MEETING #28 MINUTES (WITH CONFIDENTIAL INFORMATION REDACTED)

MONDAY 13 DECEMBER 2021

MORWELL GOVHUB, 65 CHURCH STREET MORWELL VIC 3840

ATTENDEES

Roland Davies (Chairperson), Latrobe Valley community
Susan Lloyd (Deputy Chairperson), Latrobe Valley community
Ron Mether, Latrobe Valley mine operators (EnergyAustralia Yallourn)
Tony Hicks, Loy Yang B
Graeme Middlemiss (partial attendance), Latrobe City Council
Terry Flynn, Southern Rural Water
Chris Wood, Gippsland Water
Jane Burton, Department of Jobs, Precincts and Regions
Ian Filby, Department of Jobs, Precincts and Regions
Brett Millsom (secretariat), Department of Jobs, Precincts and Regions

OBSERVERS

Jamie Lowe, Latrobe Valley Mine Operators (ENGIE)
Greg Drumm, Latrobe City Council
Andrea Ballinger, Department of Environment, Land, Water and Planning
Rae Mackay, Chairperson, Mine Land Rehabilitation Authority

APOLOGIES

Jon Missen, Latrobe Valley mine operators (AGL Loy Yang)
Anne Murphy, Gippsland Trades and Labour Council
Anna May, Department of Environment, Land, Water and Planning
Alan Freitag, Department of Environment, Land, Water and Planning

GUESTS

Chris McAuley, Senior Project Manager – Latrobe Valley Regional Rehabilitation Strategy, Department of Jobs, Precincts and Regions
Heather Griffith, Director Policy Partnerships, Department of Environment, Land, Water and Planning
Zoe Wood, Director Yallourn Emergency Management, Department of Environment, Land, Water and Planning

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Agenda Item	Minutes
1	<p>Welcome and introduction from the Chairperson</p> <ul style="list-style-type: none"> The Chairperson opened the meeting and acknowledged the Traditional Owners of the land. The Chairperson noted apologies for Jon Missen, Anne Murphy, Anna May and Alan Freitag.
2	<p>Latrobe Valley Regional Rehabilitation Strategy summary of implementation action feedback</p> <p><i>Delivered by Chris McAuley, Senior Project Manager – Latrobe Valley Regional Rehabilitation Strategy, Department of Jobs, Precincts and Regions and Andrea Ballinger, Senior Manager Water Assessment Projects and Planning, Department of Environment, Land, Water and Planning.</i></p> <p>The Committee was provided with an update on the stakeholder feedback received regarding Latrobe Valley Regional Rehabilitation Strategy (LVRRS) implementation actions three, four and five and next steps.</p> <p>Action 3 – Guidance on potential water sources and access arrangements for mine licensees to undertake rehabilitation.</p> <p>Action 4 – Further assess the feasibility of manufactured water sources that could be used for mine rehabilitation.</p> <p>Action 5 – Identify alternative/contingency rehabilitation options to manage land stability and fire risks is sufficient water is not available.</p> <ul style="list-style-type: none"> Preliminary findings for each of the actions were completed in the middle of 2021, with work since then being focussed on engaging key stakeholders regarding these findings and identifying any gaps in information. Key feedback from mine licensees to date regarding water sources, if needed, for mine rehabilitation includes: <ul style="list-style-type: none"> The cost of a large-scale, manufactured water supply is considered to be too high to be viable if used solely to support mine rehabilitation. An interest in exploring lower-cost, smaller manufactured water options if available and costs were to be shared across multiple parties. The importance of certainty for stakeholders, particularly given the long lead times associated with mine rehabilitation and required planning. Interest in the risks and opportunities presented by climate variability and change, i.e. managing stability risks if surface water availability is limited, as well as realising opportunities presented in wetter years and high-flow/flooding events. Interest in sequencing access to water for mine rehabilitation. Consultation on the draft <i>Central and Gippsland Region Sustainable Water Strategy</i> (CGRSWS) has been occurring at the same time as consultation on the LVRRS implementation action findings. Local farmers and irrigators are seeking opportunities to expand irrigation in the region to provide jobs and other positive socio-economic outcomes for Gippsland. Environmental groups such as Environmental Justice Australia, Environment Victoria and Friends of Latrobe Water have expressed concerns about more water being allocated to consumptive use when the Latrobe River's flow is stressed, as well as concerns about the pollutant loads in rivers. In the case of local irrigators expressing a desire for more water for irrigation purposes, it was asked if any information was provided as to exactly how much water was being sought and over what timing? More detailed feedback is expected through the CGRSWS consultation process (which is yet to be reviewed). Southern Rural Water has recently completed a study into irrigation development along the Latrobe River from Yallourn to Longford, the findings of this study can be found here. Several common areas of focus are emerging across stakeholder groups from consultation as part of the LVRRS and the CGRSWS including: <ul style="list-style-type: none"> Broad concerns that cost could be the final driver of rehabilitation decisions at the expense of the other high-value criteria. Consistent reference to climate change and climate variability and the effects of these on mine rehabilitation decision

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making.

- Broad aspirations among the Latrobe Valley community as it transitions beyond coal-fired power generation and the expectation of sustainable and diverse economic development.
- The ongoing tension and competing needs and priorities for water use.
- Lack of demand for a large-scale manufactured water supply for urban growth in the Latrobe Valley.
- Feedback regarding non-water rehabilitation options has included:
 - Stakeholders, in particular the mine licensees, are keen to see a stability analysis case study that was undertaken for Yallourn also undertaken for the other Latrobe Valley coal mines.
 - An agreed Factor of Safety for the final rehabilitated landforms that is acceptable to government is required to allow the mine licensees to be able to plan for mine rehabilitation.
 - The need to evaluate opportunities to further reduce the slope of mine batters, noting reducing batter slopes doesn't always improve the factor of safety and can in some cases reduce it.
- A Committee member noted that it seems to be becoming increasingly more and more unlikely that a non-water option will be pursued. At what point do you determine there's too much risk associated with a non-water option and potentially rule it out? We can't have government and the mine licensees continuing to pursue an option indefinitely when the evidence against that option is mounting. There are a number of factors that need to be considered in making such a decision.
- The final rehabilitation landform design should be prepared by the mine operators with the Environment Effects Statement (EES) process under the *Planning and Environment Act 1987* to determine if that design, and the risks associated with it, are acceptable or not.
- The Committee discussed the need for a clear decision-making and approvals process for mine rehabilitation.
- Stakeholders have expressed a desire to be able to see a like-for-like comparison of water and non-water rehabilitation options undertaken.
- The variability of timing for mine rehabilitation also needs to be considered, particularly taking into account recent reporting suggesting the Latrobe Valley brown coal mines may close much earlier than currently projected.

3 Central and Gippsland Region Sustainable Water Strategy

Delivered by Heather Griffith, Director Policy Partnerships, Department of Environment, Land, Water and Planning

The Committee was provided with an overview of the draft *Central and Gippsland Region Sustainable Water Strategy* (CGRSWS).

- The draft CGRSWS was available for public comment between 8 October 2021 and 10 December 2021.
- The CGRSWS is a 50-year water plan that will be reviewed after 10 years and is required to be prepared under the *Water Act 1989*. It identifies threats to water supply and quality posed by climate change and population growth and sets out policies and actions to protect environmental, economic, cultural and recreational water values.
- River water supplies 90 per cent of our water needs but is declining.
- Water use is outstripping supply.
- There is currently no 'spare water' within the system but more water is needed to cater to population growth, farmers, flow-stressed rivers and Traditional Owners.
- There is a need to look at smarter ways of using the water that we do have and diversifying our water sources.
- The CGRSWS discussion draft proposes to:
 - Use water more efficiently
 - Grow our water supplies
 - Use all sources of water
 - Share and manage water
 - Invest to secure our water supply.
- The total volume of water sources available in Greater Melbourne in 2020 was 500 gigalitres. In 2065, under a high climate change, high demand scenario the projected water sources for Greater Melbourne is 870 gigalitres.
- A member asked if the CGRSWS considers the infrastructure required to be able to capitalise on wet years to support mine rehabilitation and/or other purposes? Consideration is being given to how water can be accessed in wetter years and

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at wetter times of the year for a range of purposes.

- A member asked if the CGRSWS identifies when another desalinated water source might be required? The CGRSWS highlights a risk of water shortages within this decade to supply greater Melbourne including growth areas to the west of Melbourne and Geelong and proposes a transition to using more manufactured water (desalination and fit-for-purpose recycled water) and stormwater to meet urban needs. To secure the water supply for towns in Gippsland (Warragul and Drouin) the CGRSWS proposes to increase Gippsland Water's access to water from Tarago Reservoir (i.e. not a desalinated water source).
- Further information was sought regarding the underlying population data of the 2040 and 2065 scenarios presented in the CGRSWS. By 2065, the population for the CGRSWS region is expected to be approximately 10 million compared with six million currently.
- Power generation currently comprises 14 per cent of the demand on water from the Latrobe River system.
- Possible future water demands from the Latrobe River System include:
 - Traditional Owners seeking an equitable proportion of water that becomes available.
 - Agriculture seeking up to an additional 10-20GL/year.
 - Electricity generation expected to decline.
 - The environment seeking up to 22GL/year in the short term, but up to 137GL/year in the long term.
 - Uncertain future needs for industry/manufacturing.
 - Up to 2,800GL to rehabilitate the Latrobe Valley brown coal mines and 15GL/year top up.
 - Maintenance and/or improvement of social and recreation uses.
 - A small increase in urban water supply demand expected over the long term.
- The CGRSWS does not identify potential water sources for mine rehabilitation.
- The CGRSWS considers other changes that may be needed as we transition away from electricity generation, regardless of the mine rehabilitation option pursued.
- Regarding water transition, the CGRSWS proposes:
 - That decisions about water from the Latrobe Loy Yang ¾ Bench entitlement will consider sharing between Traditional Owners, the environment, agriculture and other uses, to support the region's socio-economic transition and build its resilience to climate change and variability, taking account of the volume of water required to support Victoria's energy security.
 - To provide guidance and an improved information base to electricity generators/mine licensees to inform mine rehabilitation planning through the implementation of the LVRRS. This includes further information on water and non-water-based mine rehabilitation approaches, including an assessment of the feasibility of using a climate-resilient water supply, such as recycled water.
 - To undertake a review of the Latrobe Reserve in its current form within five years, to evaluate the future need for the reserve as the Latrobe Valley transitions away from coal-fired electricity generation.
 - To facilitate the development of a quadruple-bottom-line vision for the future of the Latrobe Valley and the Latrobe River system that is consistent with the broader vision of the CGRSWS. This will encompass consideration of how the Latrobe water supply could be redesigned and rehabilitated over time as the region makes the transition away from coal-fired electricity generation. This includes bolstering the climate resilience of irrigated agriculture, industry and the environment, and providing water access for Traditional Owners.
 - To work with Traditional Owners to identify and to further quantify the benefits that access to water from the Latrobe River system could provide.
- Stakeholder feedback to date regarding the CGRSWS has included:
 - Rehabilitation of the Latrobe Valley coal mines was raised as a key challenge in community forums and responses to the Engage Victoria survey. The use of alternative sources of water, such as recycled water was suggested.
 - Environmental groups in Gippsland raised concerns about mine rehabilitation and industrial discharges.
- The CGRSWS sets five and 10 year targets regarding environmental flows based on a pragmatic approach, taking into account projects and initiatives already on the horizon, while trying to avoid cease-to-flow events and dangers to specific species.
- The need to find a way to more directly deliver water to the environment where it's needed rather than having it travel all

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the way down the river was raised.

- Further information was sought regarding Traditional Owner allocations of water entitlements proposed in the CGRSWS. The CGRSWS proposes returning water to Traditional Owners to use as they wish, including potentially for cultural purposes, to grow Traditional plants, or for economic purposes. The return of 2GL of water to GLaWAC earlier this year was the first of its kind in Victoria.

4 Yallourn emergency update

Delivered by Zoe Wood, Director Yallourn Emergency Management, Department of Environment, Land, Water and Planning

The Department of Environment, Land, Water and Planning is the lead government agency coordinating the response to the Yallourn energy emergency and the Morwell River Diversion (MRD) remediation. The Committee was provided with an update on remediation works on site and upcoming milestones.

- While short-term repair works have temporarily stabilised the situation, the MRD and the Yallourn Coal Mine remain at risk of significant rainfall.
- Based on technical assessments, work will see EnergyAustralia divert flows from the Morwell River around the damaged MRD and into the Latrobe River.
- The diversion will dewater the MRD, enabling engineers to undertake necessary investigations and repairs. EnergyAustralia and ENGIE are currently working on the diversion activities as agreed by Government.
- Global supply chain shortages have resulted in some delays in procurement of materials and construction of immediate repairs.
- Without further wet weather, initial assessment of the MRD is expected to occur in early 2022, with repair works to follow.
- ENGIE has submitted its EES referral which was published on the Department of Environment, Land, Water and Planning (DELWP) website on 2 December 2021.
- Further information was sought about the long-term outlook for the temporary arrangements in place and whether these are expected to remain beyond the completion of repairs. No, these arrangements are only envisaged to be in place until the repair works are completed.
- Drone video footage of the extensive bypass works being undertaken at the Yallourn and Hazelwood Mines was shown to the Committee.

5 Mine Land Rehabilitation Authority update

Delivered by Rae Mackay, Chairperson, Mine Land Rehabilitation Authority

The Chairperson of the Mine Land Rehabilitation Authority (MLRA) provided an update on the MLRA's activities

- Recent appointments to the MLRA include:
 - Rosemary Joiner, Senior Engagement Officer
 - Suzanne Fussell, Executive Assistant
 - Nathan Gardiner, Technical Specialist
 - Ellie-Rose Rogers, Graduate Officer.
- The MLRA has been tasked with investigating the recommended methods for geotechnical assessments of the Latrobe Valley coal mine's batter stability and the criteria employed to demonstrate stability during water filling. Matters for investigation must include:
 - Standards for assessing failure risk covering both Probability of Failure and Factor of Safety analysis during water filling.
 - Suitable processes for method application, presentation of results, and underpinning assumptions and uncertainties.
- The MLRA has also been tasked with identifying risks to the environment, to members of the public, land, property or infrastructure and the controls and mitigation strategies needed to eliminate or reduce those risks as far as reasonably practicable to safely manage water fill at the declared mine land, including:

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- The sufficiency of the licensee's assessment of the risks to the environment, members of the public, land, property and infrastructure.
 - The adequacy of the licensee's proposed controls and mitigation strategies to eliminate or reduce those risks as far as reasonably practicable.
 - Risks associated with dewatering the declared mine land and types of relevant controls if works are later determined to be necessary to manage risks arising for dewatering declared mine land.
 - Recommendations for an adaptive monitoring, assessment and management approach to geotechnical and erosional risks for a rapid and/or episodic water inflow.
 - Achieving a Probability of Failure of less than 0.5 per cent over the long term will require a Factor of Safety of more than 2.
 - The MLRA has hosted four Mineland chats, with good, wide-ranging discussion and strong interest from a number of local special interest groups in attendance including Friends of Latrobe Water, Latrobe Valley Irrigators, and the Latrobe Valley Sustainability Group.
 - The MLRA has been providing support to the Cooperative Research Centre for Transformations in Mining Economic (CRC-TIME).
 - The MLRA's Monitoring and Evaluation Framework has been submitted to all key stakeholders for review and is expected to be finalised in February.
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6 Operational updates from members

Ron Mether, Latrobe Valley mine operators (EnergyAustralia Yallourn)

- Truck and shovel operations and Southern Ash Pond excavation have commenced.
- With the exception of the June flood event, coal supply is meeting the requirements of the power station.
- Surface water management has been challenging due to the very wet conditions of 2021.
- Construction of the coffer dam to support the MRD repair works is underway with bypass pipes installed.

Roland Davies, Latrobe Valley Community

- The Parliamentary Inquiry into the Closure of the Hazelwood and Yallourn Power Stations is continuing.
- A number of battery development projects are currently being proposed for the region.

Susan Lloyd, Latrobe Valley Community

- Attended the MLRA's presentation with Karsten Feucht on 15 November 2021. It was useful to understand the perspectives of another community.
- Susan has been appointed as Chairperson of the Yallourn Environment Review Committee.

Chris Wood, Gippsland Water

- Gippsland Water is progressing with its pricing submission.

Graeme Middlemiss, Latrobe City Council

- The recently released AEMO report is predicting closure of coal-fired power by 2032 which has significant implications for the region.

Tony Hicks, Loy Yang B

- Level of renewables penetration continues to grow rapidly and offloading events are increasing.

Greg Drumm (observer), Latrobe City Council

- Kellie O'Callaghan was appointed as Mayor and Dan Clancey was appointed as Deputy Mayor of Latrobe City Council in November 2021.

Jane Burton, Department of Jobs, Precincts and Regions

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- Ian Filby has stepped in as the Acting Director of Coal Resources Victoria within the Department of Jobs, Precincts and Regions.

Andrea Ballinger, Department of Environment, Land, Water and Planning

- Alieta Donald has been appointed as the Executive Director of the Water Resource Strategy Division within the Department of Environment, Land, Water and Planning.

8 Other business and next meeting

- Meeting dates for 2022 to be confirmed.
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