

Latrobe Valley Mine Rehabilitation Advisory Committee

MEETING #12 MINUTES (WITH CONFIDENTIAL INFORMATION REDACTED)

THURSDAY 14 FEBRUARY 2019

DJPR ELLINBANK, 1301 HAZELDEAN ROAD, ELLINBANK
VICTORIA 3821

ATTENDEES

Ms Susan Lloyd (Chairperson), Latrobe Valley community
Mr Roland Davies, Latrobe Valley community
Mr James Faithful, Latrobe Valley mine operators (ENGIE Hazelwood)
Mr Ron Mether, Latrobe Valley mine operators (EnergyAustralia Yallourn)
Ms Sarah Gilbert, Latrobe Valley mine operators (AGL Loy Yang)
Mr Angelo Saridis, Gippsland Water
Ms Gail Gatt, Latrobe City Council
Mr Troy McDonald (observer), Aboriginal community
Ms Jane Burton, Department of Jobs, Precincts and Regions (DJPR)
Ms Anna May, Department of Environment, Land, Water and Planning (DELWP)
Mr Alan Freitag, Department of Environment, Land, Water and Planning (DELWP)
Emeritus Professor Rae Mackay (observer), Latrobe Valley Mine Rehabilitation Commissioner
Mr Brett Millsom (secretariat), Department of Jobs, Precincts and Regions (DJPR)

APOLOGIES

Mr Trevor Williams, Gippsland Trades and Labour Council
Cr Graeme Middlemiss, Latrobe City Council
Mr Terry Flynn, Southern Rural Water
Mr John Krbaleski, Department of Jobs, Precincts and Regions (DJPR)

GUESTS

Ms Karen Cain, Chief Executive Officer, Latrobe Valley Authority
Dr Brett Davis, Senior Manager, Latrobe Valley Regional Water Study, Department of Environment, Land, Water and Planning (DELWP)

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Agenda Item	Minutes
1	<p>The Latrobe Valley Authority (LVA) – Overview of work program</p> <p><i>Delivered by: Ms Karen Cain, Chief Executive Officer, Latrobe Valley Authority</i></p> <p>The presentation provided an overview of the LVA and its current priorities and work program.</p> <ul style="list-style-type: none"> The Latrobe Valley Authority has recently moved from the Department of Premier and Cabinet into the Department of Jobs, Precincts and Regions (DJPR). The LVA has four key priorities: <ul style="list-style-type: none"> Victoria creates jobs now and in the future in the Latrobe Valley People in the Latrobe Valley learn to develop and succeed Latrobe Valley ‘communities’ are resilient The Latrobe Valley is liveable, connected and vibrant. The LVA’s role has evolved from administering immediate transition services and stimulus investments to facilitating region-wide, long-term growth strategies that require collaborative effort across all parts of the community. Part of the LVA’s role is to understand the issues that are unique to specific industries. It then works with relevant government agencies and other stakeholders to support those industries and solve and address problems they may be facing. The LVA has a significant pool of funding to support community initiatives and programs. LVA has moved into a stage of building in systems for the long-term prosperity of the region. The LVA has been funded for four years; it’s just over two years into this. There’s a strong interest from the new DJPR in the work in rural and regional communities and supporting those communities to prosper and thrive. It was asked how far does the forward planning of the LVA extend? Is the LVA looking at what will happen in the next 20-30 years when the region might be facing the closure of the remaining two operating coal mines and power stations? The LVA hasn’t looked that far ahead at this stage but acknowledges there is piece of work to do regarding this. There may be some work for the LVA to do with the Latrobe Valley Mine Rehabilitation Commissioner on this issue. The number one lesson learned is that local understanding, relationships and trust matter. The LVA has looked at the transition experience of a number of European communities. The key feedback from the European experience has been that investment in infrastructure doesn’t necessarily lead to long-term growth and sustained prosperity for the region. It’s a short-term “sugar-hit”. The LVA has also been doing work with local businesses to help in informing its priorities. Businesses are keen to see a focus on supporting the local visitor economy and growing local procurement. It was asked how many companies have decided to locate in or relocate to the Latrobe Valley because of the reimbursement of government fees and charges offered by the LVA. Karen Cain advised that while she doesn’t have the exact figures, she understands that there have been a number of businesses that have made the decision to locate in the Latrobe Valley as a result of the incentives on offer, as well as a number of businesses that are expanding. It was asked if the LVA has done any work measuring the intangibles around liveability and sentiment (i.e. pride of place)? It was noted that the feedback received by the LVA on this matter has been anecdotal and that measuring changes in liveability and sentiment can be a difficult thing to quantify. The LVA is currently working on what data can be examined to understand behaviour and system change for sustainability alongside more traditional data.
2	<p>Committee administration</p> <p>Minutes from last meeting and actions arising</p> <ul style="list-style-type: none"> Minutes from the previous meeting of the Committee (Meeting #11) were noted. Apologies for Trevor Williams, Graeme Middlemiss, Terry Flynn and John Krbaleski were noted. <p>Project status update</p>

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Delivered by: Ms Jane Burton, Director Coal Resources Victoria, DJPR

- Work has progressed on a number of studies since the last meeting of the Committee including:
 - water resource modelling
 - water supply options
 - pit lake water quality
 - water environmental effects
 - a cultural heritage assessment and Aboriginal Waterways Assessment (being undertaken by the Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC))
 - the regional geotechnical study
 - a preliminary land use vision
 - a social history study.
- The LVRRS Team wishes to thank members of the Committee and their respective organisations for their time in providing reports, data and feedback to inform the studies. This has been highly valuable.
- DELWP is hosting two workshops with Latrobe City Council planning staff on 21 and 28 February 2019 to help finalise the Preliminary Vision Report.
- There have been some delays in progressing the regional geotechnical and water studies (*Hazelwood Mine Fire Inquiry Victorian Government Implementation Plan June 2016* (Implementation Plan) actions 194 and 195).
 - Due to circular dependencies between the water and geotechnical studies, there is a component of both studies that will require further work beyond March 2019 as part of the integration of findings.
 - The project teams across DJPR and DELWP intend to prepare a synopsis of key findings in March 2019 to acquit these two Implementation Plan actions.
 - Water, environmental and geotechnical studies will continue after March 2019 as part of the integration of findings and cumulative impact assessment, with a view to converging on a preferred Strategy in parallel.
- Work has also commenced looking at how the final LVRRS will be presented. The Committee will be kept informed of this.
- The project team has been working to finalise the scenarios and receptors reports. All feedback provided from Advisory Committee members has been addressed and incorporated.
- The Project Team has also arranged for mine tours at Yallourn and Loy Yang for new team members. Some members of the Latrobe Valley Mine Rehabilitation Advisory Committee also attended. A tour of Hazelwood has been scheduled for late February.

Update from the Latrobe Valley Mine Rehabilitation Commissioner

Delivered by: Emeritus Professor Rae Mackay, Latrobe Valley Mine Rehabilitation Commissioner

- The Commissioner has published his *Monitoring and Evaluation Framework*. An overview of the Framework and how it will be implemented was provided at the Commissioner's public forum in December 2018.
- ENGIE is rapidly moving through a large body of work in preparing its rehabilitation and closure plan, particularly in relation to closure criteria. The Commissioner has been actively involved in this work.
- The Commissioner has also provided advice on EnergyAustralia Yallourn's Workplan Variation.
- The Commissioner has also been taking an active interest in the Traralgon Bypass, in particular the geotechnical risk assessment being undertaken as part of the preparation of the business case.
- The Commissioner is working to establish a social media presence to connect into the broader community audience. It was acknowledged that the project is well connected with the 'professional' stakeholder community but not necessarily the broader community.
- The Commissioner and his office is continuing to support the delivery of the LVRRS Project, including review of the technical studies and reports.

Review of Committee performance and achievements

In accordance with clause 3.6.1 of the *Latrobe Valley Mine Rehabilitation Advisory Committee Terms of Reference and Management Procedures* (Terms of Reference) the Committee is required to undertake a review of its performance and achievements in April 2018 and November 2019. In meeting this obligation for the April 2018 review, at the November 2018

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meeting the committee undertook a review of the membership, with a particular focus on the skills and experience of the members. Members were asked to complete a questionnaire outlining their skills and experience relevant to the work of the Committee.

- The Committee discussed its performance and achievements since its inception.
- Work is underway to establish the key objectives for the Committee, and how it will go about achieving these as the LVRRS Project enters into Stage Four.

3 Latrobe Valley Regional Water Study update

Delivered by: Dr Brett Davis, Senior Project Manager, Latrobe Valley Regional Water Study, DELWP.

- The Latrobe Valley Regional Water Study is investigating the viability of pit lake filling options and impacts, including:
 - potential water availability and use of regional water resources
 - analysis of potential alternative sources of water to those currently available to the Latrobe Valley coal mines, including a high-level technical and financial assessment
 - potential water quality impacts in pit lakes, groundwater and off-site surface waters
 - potential impacts on aquatic ecosystems and downstream users
 - scope of likely requirements for regional long-term groundwater monitoring.
- Inflows into the Latrobe River system are fully allocated, and the system is currently operated to ensure very high reliability of supply for power generation. These operating rules are likely to change as a result of power station closure.
- The preliminary findings of the Regional Water Study show that since 1997 there has been a significant reduction in inflows into the Latrobe River which has impacted river flows and the condition of downstream wetlands and Lake Wellington.
- An adaptive approach to allocating water for rehabilitation considering the possibility of both very dry years and abundant periods is being considered.
- Groundwater behavior under various mine rehabilitation scenarios will focus on the movement of groundwater into and out of the pits, and the potential for further regional subsidence.
- With the technical studies now nearing completion, the LVRRS Project Team will be running a consultation process regarding the general parameters for regional scale mine rehabilitation and then potentially honing in on one or more of those as preferred option(s).
- It was noted that recreational needs influence the operation of the Narracan and Blue Rock storages.
- Troy McDonald advised that for GLaWAC to do a cultural assessment across the river system, officers need to understand how the system is regulated. Brett Davis advised that this work is occurring, and he is working with relevant officers to make sure they are fully briefed on the issue.
- It was noted that high and flood flows occur in the system over a period of days, and the ability to utilise meaningful volumes of water under such high flow conditions for pit filling, if licensed, would require significant infrastructure.
- The method for determining environmental flows has changed and a new environmental flow requirements study is underway to inform the Regional Water Study.

4 Water Supply Options Feasibility Assessment Report

Delivered by: Dr Brett Davis, Senior Project Manager, Latrobe Valley Regional Water Study, DELWP.

- The purpose of the water supply options feasibility assessment is to investigate all possible sources of water for mine rehabilitation and look at new and existing sources of water.
- Water source options considered for mine rehabilitation originated from the original project brief and discussions with key stakeholders. A rapid assessment in line with DELWP's assessment framework was undertaken on a long list of ideas, and 12 realistic water supply options were presented for consideration. Any option that was considered feasible at the rapid assessment stage would have been explored in further detail, but none of the options assessed fell into that category.
- The options assessed included:
 - **New water sources** – Eastern Treatment Plant, Gippsland Water Factory, Victorian Desalination Plant, a

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potential new Gippsland desalination plant, urban stormwater from nearby towns and the Victorian Water Grid.

- **Existing water sources** – Latrobe bulk entitlements for power generators, Gippsland Water – supply by agreement, Groundwater licenses, Long Yang 3/4 Bench Bulk Entitlement, Latrobe Reserve Bulk Entitlement, Trading of river diversion licenses.
- Recycled water from the Eastern Treatment Plant and/or Gippsland Water Factory, or desalinated seawater from either the existing Victorian Desalination Plant or a potential new desalination plant is cost prohibitive. While it has a high reliability of supply, it also features high capital and operating costs and requires planning approvals.
- Urban stormwater is unreliable, has high operating costs, requires a range of approvals and infrastructure and water quality may be problematic.
- The Victorian Water Grid would require high capital and operating costs and potentially low water reliability due to competition with higher priority needs such as Melbourne.
- Access to additional groundwater may be possible subject to an approvals process considering the sustainable yield of the aquifers, however this would require large investment in a bore field and extraction costs and would be led by the mine operators.
- It was noted that the community highly is sensitised to the price of water in the Latrobe Valley.

5 Other business and next meeting

- Due to several members needing to leave the meeting at 12:30PM, round-the-table updates were not provided.
 - Next meeting scheduled for Thursday 11 April 2019.
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