

Latrobe Valley Mine Rehabilitation Advisory Committee

MEETING #23 MINUTES (WITH CONFIDENTIAL INFORMATION REDACTED)

FRIDAY 16 OCTOBER 2020

VIDEOCONFERENCE VIA MICROSOFT TEAMS

ATTENDEES

Ms Susan Lloyd (Chairperson), Latrobe Valley community

Mr Roland Davies, Latrobe Valley community

Mr Ron Mether, Latrobe Valley mine operators (EnergyAustralia Yallourn)

Mr James Faithful, Latrobe Valley mine operators (ENGIE Hazelwood)

Ms Sarah Gilbert, Latrobe Valley mine operators (AGL Loy Yang)

Mr Tony Hicks, Loy Yang B

Ms Gail Gatt, Latrobe City Council

Cr Graeme Middlemiss, Latrobe City Council

Mr Troy McDonald, Aboriginal community

Mr Terry Flynn, Southern Rural Water

Mr Chris Wood, Gippsland Water

Ms Anne Murphy, Gippsland Trades and Labour Council

Ms Jane Burton, Department of Jobs, Precincts and Regions

Mr Anthony Feigl, Department of Jobs, Precincts and Regions

Ms Anna May, Department of Environment, Land, Water and Planning

Mr Alan Freitag, Department of Environment, Land, Water and Planning

Mr Brett Millsom (secretariat), Department of Jobs, Precincts and Regions

APOLOGIES

None

GUESTS

Emeritus Professor Rae Mackay, Chairperson, Mine Land Rehabilitation Authority

Ms Laura Cronin, Manager Legislation Reform, Department of Jobs, Precincts and Regions

Ms Preethi Rupanagudi, Principal Resources Economist, Department of Jobs, Precincts and Regions

Mr Geoff Steendham, Senior Manager Hydrology and Climate Science, Department of Environment, Land, Water and Planning

Ms Rebecca Lett, Senior Project Officer, Department of Environment, Land, Water and Planning

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Agenda Item	Minutes
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1	Introduction from the Chairperson and Committee administration
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- Minutes from the previous Committee meeting (Meeting #22) were noted.

2	Latrobe Valley Regional Rehabilitation Strategy implementation update
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Delivered by Anthony Feigl, Acting Director Coal Resources Victoria, Department of Jobs, Precincts and Regions and Anna May, Director Water Resource Assessment and Planning, Department of Environment, Land, Water and Planning

Work is progressing on the implementation of the LVRRS, including delivery of the six implementation actions. This agenda item provided an update on the status of implementation actions, including how feedback provided by the Advisory Committee at Meeting #22 in August 2020 has been considered.

- Delivery of the LVRRS implementation actions will contribute to the following outcomes:
 - That licensees and Government are able to:
 - prepare, assess and review Declared Mine Rehabilitation Plans;
 - undertake progressive and final rehabilitation; and
 - achieve successful relinquishment.
 - That licensees, community and Government work together to establish an improved information base and regulations which support positive, post-mining outcomes for the Latrobe Valley. More specifically:
 - licensees, community and Government have improved clarity on the constraints, opportunities, risks, costs and benefits associated with different water-based and non-water rehabilitation options; and
 - licensees and Government are able to plan and make decisions relating to rehabilitation of declared mine land and the risks and liability attached to it.
- The first review of the LVRRS will take place between January 2023 and June 2023.
- Regarding the provision of guidance on the use of climate change scenarios for water resource planning for mine rehabilitation (LVRRS implementation action one), there was general level support for this action and the need to incorporate climate change uncertainty into mine rehabilitation planning. The Department of Environment, Land, Water and Planning (DELWP) will host an information session with key stakeholders to help understand the science informing the guidelines, how they inform investment decisions and application of the guidelines in the context of mine rehabilitation planning.
- Regarding guidance on potential water sources and access arrangements for mine licensees to undertake rehabilitation (LVRRS implementation action three), there's been a general level of support for this action. Specific feedback included:
 - the current regulatory framework may constrain rehabilitation outcomes.
 - mine licensees are looking for as much certainty as possible.
 - the need for the inclusion of potential access pathways for local water sources from the Latrobe River system.
 - a level of uncertainty as to whether environmental water in the Latrobe system creates value.
 - the need to consider excess water in wet years.
- Regarding further assessing the feasibility of alternative water sources that could be used for mine rehabilitation (LVRRS implementation action four), there's a general level of support for the collaborative approach being taken to deliver this action. Specific feedback included:
 - new and additional options for consideration, including shorter-term options.
 - the potential for presenting costs as a sliding scale, given that they can only be high-level in the timeframe allocated to complete the action.
 - the economic assessment should consider the regional benefits and costs an alternative water source might provide and identify the beneficiaries.
 - the need to take different time horizons into account and to be explicit about risk trade-offs.
 - consideration of water quality and the mine void as a water storage.
- For ENGIE, implementation action three (guidance on water sources and access arrangements) is more critical than implementation action four (feasibility of alternative water sources). There's no point considering alternative water

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sources until you know how you might go about accessing those already existing sources and conditions that might be applied.

- The Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC) is keen to explore a combination of rehabilitation options (including water-based and non-water-based options).
- GLaWAC is interested in understanding the impact of taking water from the Latrobe River to support mine rehabilitation and how these impacts vary based on volume, timing, seasonal conditions and climate change.
- It was noted there has been strong community interest for the last several years on external water supply options (such as water from the Eastern Treatment Plant) to support mine rehabilitation. There is a level of interest in this because of the opportunity an external water supply presents to futureproof the water supply for the Latrobe Valley going forward.
- Members expressed the need for strong communications to support implementation actions four and five regarding consideration of alternative water sources and alternative (non-water-based) and contingency rehabilitation options, particularly how this work applies to live rehabilitation planning.
- How existing and potential water users are referred to in undertaking this work is important with a suggestion that the terminology 'future water users' be used.
- Consideration of future water users, particularly from an economic development perspective, will be important in undertaking this work.
- Regarding the implementation action to identify non-water and contingency rehabilitation options to manage land stability and fire risks (LVRRS implementation action five), feedback provided included:
 - that reports considering alternative rehabilitation options completed as part of the Hazelwood Mine Fire Inquiry should be utilised as part of this study.
 - the importance of community and other key stakeholders understanding the risks associated with non-water rehabilitation options.
 - government's acceptability of risk will be key.
 - the timeline for this study is challenging as it's difficult to take a high-level approach to this work.
 - the need to manage expectations regarding who pays for different options.
 - the need to consider the social and environmental costs.
 - the need for clear communications regarding this study and how it applies to Hazelwood given its live workplan variation.
- Three non-water based rehabilitation option scenarios have been developed as part of implementation action five (to consider alternative (non-water-based) and contingency rehabilitation options):
 - A baseline option which describes the end of mining operations.
 - A minimum option which is defined based broadly on the principles in the LVRRS, the Minerals Industries Regulations 2019 and Earth Resources Regulation Rehabilitation Guidelines.
 - An added value option that includes additional benefits such as reduced risks, reduced maintenance and ongoing costs and increased beneficial land use outcomes.
- It was suggested that community expectations and resistance to certain rehabilitation options ought to be captured in the risks for delivery of this action.
- Concern was expressed about raising community expectations for opportunities that the mine licensees might not support (i.e. consideration of alternative, non-water-based rehabilitation options may suggest to the community that these are being actively explored when the mine licensees may not support these options).

3 Declared Mine Regulations

Delivered by Laura Cronin, Manager Legislation Reform and Preethi Rupanagudi, Principal Resources Economist, Department of Jobs, Precincts and Regions

Targeted consultation with key stakeholders on the Declared Mine Regulations is underway ahead of a full Regulatory Impact Statement (RIS) public consultation process. This presentation provided an update on the Declared Mine Regulations and the RIS consultation process.

- The *Subordinate Legislation Act 1994* governs the preparation of making the statutory rules and legislative instruments in Victoria.
- Regulatory Impact Statements (RIS):
 - Consider the costs, benefits and alternatives to regulatory changes.
 - Present a best-practice, transparent framework for undertaking an assessment of the economic and social

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impacts of regulatory changes.

- Provide a mechanism for government to engage with stakeholders likely to be affected by regulatory changes.
- Ensure that there is an adequate level of public consultation in the development of subordinate legislation.

4 Climate change in long-term water planning

Delivered by Geoff Steendham, Senior Manager Hydrology and Climate Science and Rebecca Lett, Senior Project Officer, Department of Environment, Land, Water and Planning

The agenda item provided an update on the Department of Environment, Land, Water and Planning's work considering climate change in long-term planning for water resources in Victoria.

- The Victorian Water and Climate Initiative considers past, present and future issues related to rainfall and climate, hydrology and the availability of Victoria's water resources.
- Research partners include the Bureau of Meteorology, the University of Melbourne, CSIRO and DELWP.
- Over recent decades there have been significant changes in observed rainfall and runoff in Victoria.
- It was asked what happened in 1996/1997 that caused a dramatic drop in streamflow across all river systems. Rainfall is the primary driver for this drop and this time period corresponds with the start of the millennium drought.
- It was asked if there's been any work been examining correlations (if any) between the temperature increase in the 1960s and the drop in water availability in the 1990s. Increase in temperature is a factor but it's likely to be a secondary factor. The drop in water availability in the 1990s is much more likely to be as a result of reduced rainfall.
- It was asked if any of the changes are coincident with the construction of the Thomson Dam? There is no identified correlation. The streamflow data series presented were all recorded upstream of major water storages and water supply off-takes and were not from sites downstream of the Thomson dam.
- CSIRO has developed projections of future climate and water availability in Victoria using the outputs of global climate models. Global climate models use as input scenarios of future greenhouse gas emissions and concentrations over time. Global climate models model plausible scenarios of future regional rainfall which is then input to rainfall runoff models to generate projections of future streamflow.
- Most global climate model projections show a reduction in both rainfall and future water availability in Victoria.
- In summary, the observed changes to Victoria's climate to date include:
 - Higher temperatures.
 - Reductions in rainfall in autumn and winter, and in some locations, increases in rainfall during the warmer months.
 - In many catchments, a shift in the streamflow response to rainfall.
- In summary, over the longer-term future we can expect:
 - The rainfall reductions in winter to remain, or become drier still.
 - Possible increases in summer rainfall.
 - Increases in potential evapotranspiration due to higher temperature.
 - Reductions in streamflow across all catchments because of less rainfall and higher potential evapotranspiration.
 - The streamflow response to rainfall to no longer remain the same, and generally decline.
- DELWP's *Guidelines for Assessing the Impact of Climate Change on Water Supplies in Victoria* (the Guidelines) provide climate change scenarios for potential evapotranspiration, rainfall, runoff and groundwater recharge for assessing the impact of climate change on water availability, supply and demand in Victoria.
- The longer-term past no longer reflects the conditions today. The Guidelines recommend historic reference periods which can be used to characterise past climate and water availability, and which can be used to generate scenarios of plausible future climate and water availability.
- The Guidelines are currently being updated to take into account lessons learnt from their previous application, new legislation and water policy and research findings.
- The Guidelines recognise that a one-size-fits-all approach is not appropriate and recommend a risk-based approach.
- It was asked if the information is recalibrated every year to take into account yearly data. Periodic review is an important part of the Guidelines, but this doesn't occur annually. For example, the projections that are used are based on global climate models which have often been updated about every six years. These projections describe projected long-term trends based on scenarios of greenhouse gas emissions and concentrations over time so short-term

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variations in the historic record would not impact the outcomes of the modelling significantly.

5 Round the table updates

Tony Hicks, Loy Yang B

- Loy Yang B is currently in the middle of a major outage which is the final component of a \$170M upgrade program. There are approximately 500 people on site at the moment.
- A big focus for Loy Yang B has been dealing with the COVID-19 risk while having an extra 500 people on site.

Ron Mether, Latrobe Valley mine operators (EnergyAustralia Yallourn)

- EnergyAustralia has commenced truck and shovel operations at Yallourn with a focus on placing material strategically within the mine to align with the flooded lake rehabilitation option.
- EnergyAustralia is currently managing an old Morwell River Diversion (1946) and its impact on remnant coal batters excavated in the 1940s. This is having some impacts on stability within the mine.
- The stacker has commenced placing overburden against Latrobe Road batters to aid stability for a flooded rehabilitation option.
- Mark Pearson Head of Yallourn is retiring today (16 October 2020).

James Faithful, Latrobe Valley mine operators (ENGIE)

- Dredger 11 was collapsed on Thursday 15 October 2020.
- A large amount of work is currently going into getting ENGIE's work plan variation for Hazelwood signed off.

Sarah Gilbert, Latrobe Valley mine operators (AGL Loy Yang)

- Summer readiness work is underway at AGL Loy Yang.
- AGL's application to change overburden boundaries at Loy Yang has been approved.
- AGL submitted its workplan variation at the end of June 2020. This is currently going through regulator and referral agency assessment.
- AGL's Environmental Review Committee and Community Dialogue Group met for their regular, quarterly meetings in September 2020.

Gail Gatt, Latrobe City Council (Council Officer)

- Council officers will follow up with Laura Cronin regarding the Declared Mine Regulations after today's meeting.

Graeme Middlemiss, Latrobe City Council (Councillor)

- Latrobe City Council is currently in caretaker mode.
- Local government election results are likely to be known somewhere around 14 November 2020.

Terry Flynn, Southern Rural Water

- Southern Rural Water is currently in flood watch mode.
- Southern Rural Water is currently working on the Southern Victoria Irrigation Development Project looking at the feasibility of establishing irrigation areas.

Chris Wood, Gippsland Water

- Gippsland Water is currently working with Latrobe City Council in supporting its investment prospectus for the region.
- Gippsland Water is currently establishing a team to prepare and deliver its next pricing submission.
- One of Gippsland Water's current priority projects is to double storage capacity at the Moe Treatment Plant.

Roland Davies, Latrobe Valley Community

- Regional Partnerships are currently working through a recruitment process for new members.
- In reflecting on today's presentations, regardless of what rehabilitation looks like into the future, the thinking has to be nimble enough to account for a number of variations.

Rae Mackay, Latrobe Valley Mine Rehabilitation Commissioner

- The Mine Land Rehabilitation Authority has advertised for a Chief Executive Officer with a recruitment process

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underway.

Anna May, Department of Environment, Land, Water and Planning

- Draft guidelines for water recycling are currently available for feedback on Engage Victoria.
- Sustainable Water Strategies are in the process of kicking off with engagement to follow in 2021.

6 Other business and next meeting

- Next meeting scheduled for Friday 11 December 2020
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