

Latrobe Valley Mine Rehabilitation Advisory Committee

Meeting 2 Minutes *(with confidential information redacted)*

MEETING #02 MINUTES *(with confidential information redacted)*

THURSDAY 6 APRIL 2017

HAZELWOOD MINE, BRODRIBB ROAD, HAZELWOOD

ATTENDEES

Susan Lloyd (Chairperson), Latrobe Valley Community

Roland Davies, Latrobe Valley Community

James Faithful, Latrobe Valley Mine Operators (ENGIE Hazelwood)

Sarah Gilbert, Latrobe Valley Mine Operators (AGL Loy Yang)

Ron Mether, Latrobe Valley Mine Operators (EnergyAustralia Yallourn)

Graeme Middlemiss, Latrobe City Council (Councillor)

Phil Stone, Latrobe City Council (Council Officer)

Nicole Griffin, Gippsland Water

Terry Flynn, Southern Rural Water

Tim Delany, Gippsland Trades and Labour Council

Jane Burton, Department of Economic Development, Jobs, Transport and Resources (DEDJTR)

Alan Freitag, Department of Environment, Land, Water and Planning (DELWP)

Grace Mitchell, Department of Environment, Land, Water and Planning (DELWP)

Brett Millsom (Secretariat), Department of Economic Development, Jobs, Transport and Resources (DEDJTR)

APOLOGIES

Luke Wilson, Department of Economic Development, Jobs, Transport and Resources (DEDJTR)

Joanne Brunt, Aboriginal Community representative

GUESTS

David Douglas, Senior Policy Manager, Low Emission Resources, Department of Economic Development, Jobs, Transport and Resources (DEDJTR)

Natalia Southern, Deputy Secretary, Resources, Department of Economic Development, Jobs, Transport and Resources (DEDJTR)

Tony Innocenzi, Asset Manager, ENGIE Hazelwood

Garry Wilkinson, Director of Mining, ENGIE Hazelwood

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Agenda Item	Minutes
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1	<p>Introduction from the Chair and Committee administration</p> <ul style="list-style-type: none"> Minutes from the previous meeting of the Committee (Meeting #01) were noted by the Chairperson. Apologies for Joanne Brunt and Luke Wilson were noted by the Chairperson. The Committee agreed that it would be given seven (7) days to review Meeting Minutes and provide any feedback to the Secretariat.
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2	<p>Presentation on key Latrobe Valley initiatives related to mine rehabilitation</p> <p>Delivered by: Jane Burton, Director, Coal Resources Victoria, Department of Economic Development, Jobs, Transport and Resources (DEDJTR)</p> <p>The presentation provided the Committee with an overview of the range of work being undertaken in the Latrobe Valley by DEDJTR regarding mine rehabilitation, including:</p> <ul style="list-style-type: none"> The Latrobe Valley Regional Rehabilitation Strategy (LVRRS) The rehabilitation of the Hazelwood Mine in accordance with obligations under the <i>Mineral Resources (Sustainable Development) Act 1990</i> The Latrobe Valley Mine Rehabilitation Commissioner The Latrobe Valley Mine Rehabilitation Advisory Committee. <ul style="list-style-type: none"> Clarification sought as to if the LVRRS will produce an individual rehabilitation plan for each of the Latrobe Valley coal mine voids once completed. Members advised no, it is not the responsibility of the LVRRS project to determine individual mine rehabilitation plans, the LVRRS work program does however involve investigating technical knowledge gaps on a regional scale and the information gleaned through that process might inform the rehabilitation strategies of each of the three individual mines. Mines may review/revise workplans as a result of work undertaken as part of LVRRS. It was noted that Earth Resources Regulation (ERR) within DEDJTR is the lead agency for mining regulation. The Department of Environment, Land, Water and Planning (DELWP) is a referral agency in the process. It's important to note that mine rehabilitation is a complex process and will take significant time to achieve a safe and stable outcome. James Faithful noted that ENGIE has commenced the final closure and rehabilitation planning period which is estimated to take between four and seven years. During this planning period, ENGIE would be exploring options for water sourcing for final rehabilitation, or would be doing other work/exploring other options as determined by results from the LVRRS studies. It was noted that there was a large amount of beneficial information and reports provided to the reopened Hazelwood Mine Fire Inquiry regarding mine rehabilitation that may be of benefit to the Committee. The Committee was advised that the first reading of the Bill to establish the office of the Latrobe Valley Mine Rehabilitation Commissioner by amendment to the <i>Mineral Resources (Sustainable Development) Act 1990</i> occurred on 21 March 2017. The second reading occurred on 22 March 2017. The Commissioner will be based at the Latrobe Valley Authority offices in Morwell. The Latrobe Valley Mine Rehabilitation Advisory Committee will have a relationship with the Commissioner. The Commissioner is able to attend Committee meetings as an observer. There is not expected to be a public announcement of the Commissioner until the legislation passes both houses of Parliament. Once the legislation has passed, formal Cabinet endorsement of the preferred candidate will be sought. It is expected that they will commence on or around 1 July 2017. Question regarding how does the Committee formally advise the Minister on the preparation of the LVRSS? It was noted this would occur though the Chair. The annual report on the work of the Committee that the Chairperson is required to prepare as per the Committee's Terms of Reference provides one opportunity to do this. The Chairperson noted that any advice to the Minister for Resources from the Committee will be tabled at a Committee meeting prior to being provided to the Minister. Several members of the Committee sought clarity regarding the role of the Latrobe Valley Mine Rehabilitation Commissioner, including the difference between Earth Resources Regulation's role within DEDJTR and the Commissioner. For example, can
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the Commissioner direct the mine operators to do anything? Members advised that the Commissioner has a number of functions and powers that are detailed in the amendment to the Act and include provisions for the Commissioner to conduct investigations and enter premises if required to conduct those investigations. The role of the Commissioner is not to enforce a specific Act. It was noted that the Commissioner is independent of Government and will therefore focus on the work being done by a number of parties in relation to mine rehabilitation including Government departments.

- Tim Delany noted that the scale of work to be undertaken requires a significant amount of community engagement. He questioned whether the balance is right regarding the number of community members on the Committee. This was addressed during agenda item three.

3 Presentation on community and stakeholder engagement approach for the Latrobe Valley Regional Rehabilitation Strategy

Delivered by: Brett Millsom, Senior Engagement Specialist, Coal Resources Victoria, DEDJTR

The presentation provided Committee members with an outline of the approach to community and stakeholder engagement that will be adopted throughout the life of the LVRRS project. The Committee was also provided with a draft copy of the *Latrobe Valley Regional Rehabilitation Strategy Community and Stakeholder Engagement Strategy*.

- Committee members were advised that Latrobe City Councillors are very interested in the best future use of the mine voids and surrounding areas in Latrobe City.
- Members were advised that the LVRRS does include a land use planning component that will be integrated into the project and that it's important that council and community be part of this decision making.
- It was noted that there are range of stakeholders currently involved in mine rehabilitation issues in the Latrobe Valley (i.e. existing government departments and agencies, the Latrobe Valley Authority, the Latrobe City Council, ENGIE, private companies/individuals seeking to access the mine for future uses/alternative rehabilitation proposals).
- The use of colours in the key stakeholders diagram for the LVRRS does not represent any stakeholder hierarchy/prioritisation of stakeholder groups and is simply an artistic choice.
- Some members of the Committee questioned the breadth of the stakeholder groups contained in the key stakeholder diagram, including whether or not environmental and recreation groups were included. It was noted that environmental groups were included in the diagram and recreation groups would be picked up under 'social interest' groups.
- It was noted that some groups that are listed in the diagram are not specifically represented on the Committee.
- Members were advised that stakeholders are described in high level as more of a "catch-all". This minimised the risk of some stakeholder groups feeling as though the diagram doesn't capture them. Members were also advised that just because a stakeholder group is not specifically represented on the Advisory Committee does not mean that they will not be consulted during the preparation of the Strategy and are not an important stakeholder to the LVRRS.
- An important focus of the engagement for the LVRRS is having people understand highly technical and complex information. How project collateral and information is presented and the language and format used will be critical. A high level of knowledge and awareness of the issues will allow for meaningful contributions to the LVRRS.
- The Committee was advised that for the project team to develop an understanding of what is important to the community a piece of market research will be undertaken. This will help the project team in tailoring its engagement approach. There is the possibility with this market research to design the scope so that we can get an understanding of local Latrobe Valley views in regards to mine rehabilitation compared with a broader, statewide sample.
- A question was asked regarding how the market research would be undertaken? Members were advised it's too early to tell given scope is still being developed however there is a possibility for telephone interviews and online response questionnaires.
- The need for a coordinated approach and avoidance of over-consultation was noted. Some members expressed concern that there are a number of different entities consulting on the "same thing" which increases the likelihood of stakeholder confusion.
- Clarity was also sought regarding the role of the Commissioner in delivering community/stakeholder engagement for mine rehabilitation activities.
- Natalia Southern advised that the Commissioner will have a key role in developing and delivering community and stakeholder engagement activities for mine rehabilitation.

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4 Presentation on rehabilitation bond policy paper

Delivered by: David Douglas, Senior Policy Manager, Low Emission Resources, DEDJTR

David Douglas, Senior Policy Manager, Low Emission Resources within DEDJTR provided the Committee with an update on the work being undertaken to develop a mine rehabilitation bond policy.

- He noted that there are three key considerations in developing a rehabilitation bond policy:
 - How are we going to assess liability in the first place?
 - How do we go about doing that? i.e specifying the manner and form for rehabilitation bond policy.
 - What is the most appropriate financial assurance mechanism?
- This work is being undertaken in the context of a commitment from government to deliver a three stage increase to rehabilitation bonds for the three Latrobe Valley coal mines as part of its response to the Hazelwood Mine Fire Inquiry.
- A key objective of the bond policy review is to provide a financial assurance that reflects the risk of default while at the same time encouraging progressive rehabilitation and better rehabilitation planning.
- As part of the policy development, a review of mine rehabilitation bond policies in other states and jurisdictions has been undertaken.
- The Department is currently undertaking targeted consultation on the bond policy position paper.
- A bond liability assessment tool is currently being developed by independent consultants. This is a probabilistic tool that puts a price on risk and uncertainty in the model.
- It was noted that this position is a draft and comments have been received. It is not necessarily the final position and feedback provided is currently being considered.
- It was also noted that the Department was criticised by the Hazelwood Mine Fire Inquiry for not undertaking reviews of the bonds frequently enough. Government needs to balance the needs of not wanting to impose a significant additional cost on the mine operators with the need to provide financial assurance to the state.
- The concerns regarding the cost and availability of the water for the current, proposed pit lake rehabilitation options were noted. The proposed bond policy assumes that water is going to be available and at a set cost.
- The mine operators have not disputed that they're responsible for rehabilitation. This is about insurance policies that in the event of a default ensure that taxpayers are not left to foot the bill.
- It was noted that the efficient use of capital by the mine operators and the flow on effects this might have needs to be considered. For example, dead money going into servicing bonds will inevitably put up the price of electricity for consumers.

5 Presentation on progressive rehabilitation undertaken at Hazelwood to date

Delivered by: James Faithful, Technical Services Manager, Hazelwood Mine, ENGIE

James faithful provided the Committee with an update on the work currently occurring at Hazelwood after the mine and power station ceased operations on 31 March 2017.

- Both a partial pit lake and a full pit lake have been proposed in the Workplan Variation submitted to DEDJTR on 28 February 2017.
 - James Faithful noted that based on studies already undertaken, the full and partial pit lake options proposed will provide for a safe and stable final landform.
 - DEDJTR provided comments on the Workplan Variation back to ENGIE on 31 March 2017.
 - ENGIE is required to submit an updated Workplan Variation within six weeks (from 31 March 2017) addressing the Department's comments.
 - James Faithful noted the already acknowledged challenges of taking complex information and providing this in a simple easy to understand language and format. ENGIE has been working to achieve this through its Sustainability Report.
 - Graeme Middlemiss advised that the Latrobe City Council is urging government to publish figures regarding land movement data in Morwell South. He noted that the data has remained confidential for some time which has led to the community thinking that there is something to hide.
 - James Faithful noted that ENGIE is working hard to get out there and dispel some of these myths, including the land movement issue raised by Graeme Middlemiss.
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6 Round-the-table updates

Alan Freitag, Department of Environment, Land, Water and Planning (DELWP)

- Work progressing to streamline planning processes in the Latrobe Valley.
- The Red Tape Commissioner has been in the Latrobe Valley working with businesses, Latrobe City Council and other stakeholders looking at how planning schemes and coal overlays may be holding back development.

Ron Mether, Latrobe Valley mine operators (EnergyAustralia Yallourn)

- Progressive rehabilitation work continuing.
- Currently working with Federation University to close out the Batter Stability Project – there have been a number of delays to the overall project delivery associated with drilling delays.
- EnergyAustralia has also been providing input to the bond policy.

Roland Davies, Latrobe Valley community

- Noted that the Chairperson had made an attempt to get community members together prior to this meeting of the Committee. Will work with Chairperson to try and organise a suitable time for this to occur prior to the next Committee meeting.

Nicole Griffin, Gippsland Water

- Sarah Cumming assumed the role of Managing Director at Gippsland Water effective 5th April 2017. She was formerly the General Manager Corporate Services at Latrobe City.
- Noted that the Gippsland Water Board is interested in receiving feedback from this Committee.

Terry Flynn, Southern Rural Water

- Noted that Paul Lloyd from DELWP has briefed Southern Rural Water and Gippsland Water on the water studies being undertaken as part of the Latrobe Valley Regional Rehabilitation Strategy.

Graeme Middlemiss, Latrobe City Council (Councillor)

- Latrobe City Council has been approached by a large sporting organisation with two sites in Melbourne set to close for housing developments later in the year. The organisation is looking to reestablish itself in regional Victoria and has approached Latrobe City.

Phil Stone, Latrobe City Council (Council Officer)

- Noted that a range of individuals are approaching Latrobe City with a range of rehabilitation options for the Hazelwood mine.

James Faithful, Latrobe Valley mine operators (ENGIE)

- ENGIE is currently progressing through Workplan Variation process – currently working to address comments provided by DEDJTR.
- ENGIE has also contributed to bond policy review consultation process.
- Work is also being undertaken to assist and support staff at this time to make the transition from operation to closure as easy as possible.

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

- Relocation of the TS4 stacker into the base of the mine safely completed.
- Relocation of the stacker was a significant task, costing \$63 million for the 35 kilometre trip.
- AGL also contributing to bond policy review consultation.

Grace Mitchell, DELWP

- DELWP involved in assessing ENGIE's Workplan Variation as a referral agency.
- Noted that the project plan for the LVRRS has now been endorsed, pending the resolution of some outstanding issues.

Natalia Southern, DEDJTR

- Significant work being undertaken to develop bond policy.

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- Currently working through assessment of Workplan Variations.

Jane Burton, DEDJTR

- Noted that the project plan for the LVRRS has now been endorsed. Huge milestone for LVRRS project team and a significant amount of work by the project team involved in getting to this point.
- Have had a presentation from an individual putting forward an alternate proposal for mine rehabilitation at the Hazelwood Mine, similar to the Eden Project in the UK. An invitation for this individual to present to the next Advisory Committee meeting to be extended.
 - Nicole Griffin noted the need for a gatekeeping process to assess the viability of these proposals.
 - Natalia Southern noted that the Committee ought to be provided with a whole range of proposals of alternative options for mine rehabilitation.

Susan Lloyd (Chairperson), Latrobe Valley community

- Noted there is a large international mine closure conference in Germany in September in 2018. Has requested further information on the program.
 - Has been approached by a consultant with geo-environmental, mine closure, town planning and sustainability experience offering services to assist with mine rehabilitation in the Latrobe Valley.
 - Has undertaken independent research regarding mine rehabilitation. Secretariat will provide resources to members.
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7 Other business and next meeting

Next meeting to be held on Thursday 8 June 2017 at Yallourn.
