

Latrobe Valley Mine Rehabilitation Advisory Committee

MEETING #25 MINUTES (WITH CONFIDENTIAL INFORMATION REDACTED)

TUESDAY 23 MARCH 2021

WEST GIPPSLAND ARTS CENTRE, CORNER OF SMITH AND
ALBERT STREETS, WARRAGUL AND VIDEOCONFERENCE VIA
MICROSOFT TEAMS

ATTENDEES

Mr Roland Davies (Chairperson), Latrobe Valley community
Ms Susan Lloyd (Deputy Chairperson), Latrobe Valley community
Mr Ron Mether, Latrobe Valley mine operators (EnergyAustralia Yallourn)
Mr Tony Hicks, Loy Yang B
Mr Terry Flynn, Southern Rural Water
Ms Gail Gatt, Latrobe City Council
Ms Anne Murphy, Gippsland Trades and Labour Council
Mr Jon Missen, Latrobe Valley mine operators (AGL Loy Yang)
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
Ms Aimi Johnson (secretariat), Department of Jobs, Precincts and Regions

APOLOGIES

Mr Chris Wood, Gippsland Water
Mr Alan Freitag, Department of Environment, Land, Water and Planning

GUESTS

Cr Graeme Middlemiss, Latrobe City Council
Emeritus Professor Rae Mackay, Chairperson, Mine Land Rehabilitation Authority
Mr Julian Turecek, Head of Yallourn, EnergyAustralia
Mr Lance Wallace, Manager Mining Yallourn, EnergyAustralia
Ms Lisa Gooding, Transformation Lead, EnergyAustralia
Mr Matt Bowler, Team Leader Project Delivery, West Gippsland Catchment Management Authority
Dr Andrea Ballinger, Senior Manager Water Assessment Projects and Planning, Department of Environment, Land, Water and Planning
Mr Mark Facciolo, Project Lead - Water and Mining, Department of Environment, Land, Water and Planning
Ms Laura Cronin, Manager Legislative Reform, Department of Jobs, Precincts and Regions
Mr Chris McAuley, Senior Project Manager Latrobe Valley Regional Rehabilitation Strategy, Department of Jobs, Precincts and Regions
Ms Nikita Buck, Senior Economist, Department of Jobs, Precincts and Regions

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Agenda Item	Minutes
1	<p>Welcome and introduction from the Chairperson</p> <ul style="list-style-type: none"> The new Chairperson Roland Davies opened the meeting and acknowledged the Traditional Owners of the land. Roland Davies thanked outgoing Chairperson Susan Lloyd for her leadership of the Committee to date. The Chairperson welcomed AGL Loy Yang's new representative on the Committee Jon Missen, replacing Sarah Gilbert. Apologies for Chris Wood and Alan Freitag were noted. <p>Committee administration</p> <ul style="list-style-type: none"> Minutes from the previous Committee meeting (Meeting #24) were carried over. Anthony Feigl and Anna May provided an update on the status of the Latrobe Valley Regional Rehabilitation Strategy (LVRRS) implementation actions, noting further, more detailed information will be provided as part of today's agenda items.
2	<p>Latrobe Valley Regional Rehabilitation Strategy Implementation Action Two - update</p> <p><i>Delivered by Laura Cronin, Manager Legislative Reform and Nikita Buck, Senior Economist, Department of Jobs, Precincts and Regions</i></p> <p>The Committee was provided with an update on LVRRS implementation action two to develop new Declared Mine Regulations.</p> <ul style="list-style-type: none"> The <i>Mineral Resources (Sustainable Development) Amendment Act 2019</i> introduced new rehabilitation and post-closure requirements for mine licensees. The department met with stakeholders towards the end of 2020 to discuss two options being considered for the new Declared Mine Regulations. One of these options took a largely prescriptive and outcomes-focussed approach, while the other is principles-based. Stakeholders largely preferred the principles-based option, which is consistent with the approach taken in other jurisdictions. Work is continuing on the draft regulations and impact assessment which will be explored in further detail in a Regulatory Impacts Statement (RIS). The public consultation period for the RIS has been delayed due to additional time being required to incorporate the feedback received by stakeholders to date. The Committee discussed the importance of ensuring relevant stakeholders are engaged in the development of the Declared Mine Regulations. The mine voids only occupy a small area within the mining licence boundary and there's a number of land uses that may be possible on the land surrounding the voids. The need for a clear approvals pathway for rehabilitation plans was discussed. The Committee was advised that this feedback had come through consistently from a number of stakeholders as part of the consultation undertaken to date, with the mine operators noting that it is challenging to prepare rehabilitation plans without a clear pathway for the consideration and approval of such plans. The Committee discussed that the lack of a clear approvals process for rehabilitation plans has impacts for stakeholders broader than the mine licensees. Consideration ought to be given as to how the Committee can capture these broader impacts and advise the department and government accordingly. In addition to the mine licensees needing certainty, the community also needs certainty about mine rehabilitation decision-making and timelines for rehabilitation activities. Wyoming and Germany provide two international examples of where government, industry and other stakeholders have been able to unite around, and deliver on, a clear vision for mine rehabilitation. The key resource that the mine operators have put forward as enabling rehabilitation (i.e. water) may not be available in the volumes anticipated when these plans may have been conceived. Without a clear, confirmed position on the use of water for mine rehabilitation (or not), and the risk profiles associated with various rehabilitation options, clarity on the approach for considering and approving rehabilitation plans is difficult to obtain.

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3 Latrobe Valley Regional Rehabilitation Strategy Implementation Action Three - update

Delivered by Andrea Ballinger, Senior Manager, Water Assessment Projects and Planning, Department of Environment, Land, Water and Planning and Matt Bowler, Team Leader Project Delivery, West Gippsland Catchment Management Authority

The Committee was provided with an update on LVRRS implementation action three to provide guidance on potential water sources and access arrangements for mine licensees to undertake rehabilitation.

- A technical working group comprising representatives from DELWP, GLaWAC, West Gippsland Catchment Management Authority (WGCMA), Southern Rural Water and Gippsland Water has been convened.
- The Committee discussed whether there were opportunities to create a weir to support mine rehabilitation with the ability to control inflows (i.e. weir gates). It was noted that a range of solutions are possible, but each must be considered in terms of its costs and the benefit(s) derived for that cost.
- The Committee discussed the possibility of bringing water into the Gippsland Lakes from sources other than the Latrobe River system. It was noted that flows into the Gippsland Lakes, regardless of their source are important, however any inflows must not be too high in nutrient levels.
- The Committee discussed the opportunity to visit some of these waterways to better understand the relationship between them.

4 Latrobe Valley Regional Rehabilitation Strategy Implementation Action Four - update

Delivered by Mark Facciolo, Program Lead - Water and Mining, Department of Environment, Land, Water and Planning

The Committee was provided with an update on LVRRS implementation action four to further assess the feasibility of alternative water sources that could be used for mine rehabilitation.

- The Committee discussed the current operations and orders from the Wonthaggi Desalination Plant. DELWP advised that the plant is currently operating at approximately 80 per cent of its capacity of 150 gigalitres (GL) per annum with 125 GL ordered each year for the past two years.
- DELWP will provide an update on Central and Gippsland Sustainable Water Strategy at an upcoming Committee meeting.
- Water in the Thomson system is fully allocated. It is a critical supply for both urban water security for greater Melbourne and the Macalister Irrigation District. Government and irrigators have made significant investments into the modernisation of the Macalister Irrigation District to enable water to be returned to the environment. Investment into the climate-resilient water supply from the Victorian Desalination Project has also been needed to augment drinking water supplies for a growing population of greater Melbourne.

5 Latrobe Valley Regional Rehabilitation Strategy Implementation Action Five - update

Delivered by Anthony Feigl, Acting Director, Coal Resources Victoria and Chris McAuley, Senior Project Manager Latrobe Valley Regional Rehabilitation Strategy, Department of Jobs, Precincts and Regions

The Committee was provided with an update on LVRRS implementation action five to identify alternative/contingency rehabilitation options to manage land stability and fire risks if sufficient water is not available.

- The Committee discussed the use of fill material (other than water) to achieve a safe, stable and sustainable rehabilitation outcome, however questions remain about where this material would come from and the costs associated with obtaining this. DJPR's work as part of this implementation action is seeking to understand by how much such material would increase the factor of safety for the rehabilitated sites, rather than the costs or source of such material. The current priority is understanding how various volumes of material increase safety.
- The Committee discussed that if non-water-based rehabilitation options are to be adopted, there are flow-on effects that need to be considered when it comes to sourcing such large volumes of material from offsite. The sources and suitability of such material is outside of the scope of the current work being undertaken as part of implementation action five. The Committee agreed this is important information to be able to paint a complete picture for stakeholders of the challenges and

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opportunities non-water-based rehabilitation options may present.

6 Operational updates from members

Tony Hicks, Loy Yang B

- A large focus for Loy Yang B has been dealing with the COVID-19 risk while having an extra 500 people on site to support current major outage.

Ron Mether, Latrobe Valley mine operators (EnergyAustralia Yallourn)

- EnergyAustralia announced in March 2021 that it intends to close the Yallourn Power Station and Brown Coal mine in 2028, rather than 2032 as previously planned.

Terry Flynn, Southern Rural Water

- Craig Parker has resigned as General Manager Service Delivery with Southern Rural Water to take up the role of the Executive Officer with the Gunaikurnai Traditional Owners Land Management Board.

Roland Davies, Latrobe Valley community

- Demolition of the Energy Brix site in Morwell has been completed. The liquidator (PwC) has notified the State Government that it has relinquished control of the site.

Rae Mackay, Mine Land Rehabilitation Authority

- The board of the Mine Land Rehabilitation Authority has appointed David Salmon as its inaugural Chief Executive Officer.

Anne Murphy, Gippsland Trades and Labour Council

- The Gippsland Trades and Labour Council recently met with new Regional Development and Agriculture Minister the Hon. Mary-Anne Thomas MLA.

Jane Burton, Department of Jobs, Precincts and Regions

- Recently visited the Anglesea Mine and had the opportunity to see first-hand the work done by Alcoa in progressing its site rehabilitation.

Jon Missen, Latrobe Valley mine operators (AGL Loy Yang)

- AGL has recently submitted a work plan variation for Loy Yang to Earth Resources Regulation, which includes a pit lake rehabilitation option with a final water level of RL +45 metres.
- AGL has recently finalised its Enterprise Agreement for the Loy Yang site.

Gail Gatt, Latrobe City Council

- The Latrobe City Mayor visited Canberra last week to lobby for priority projects and initiatives ahead of the Federal Budget. This proved a timely visit given the announcement of Yallourn's early closure and the need for economic transition and diversification within the region.
- Chunxing's proposed lead battery recycling plant at Hazelwood North has been a particular area of focus for council officers, and Hazelwood North residents recently, after approval of the project from the Planning Minister in January this year.

7 Other business

- Next meeting date to be confirmed
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8 Yallourn closure update

Delivered by Julian Turecek, Head of Yallourn, Lance Wallace, Manager Mining Yallourn and Lisa Gooding, Transformation Lead, EnergyAustralia

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In March 2021, EnergyAustralia announced its intentions to close the Yallourn Power Station in mid-2028, four years earlier than originally planned. The Committee was provided with an update from EnergyAustralia regarding the announcement and plans in the years leading up to 2028.

- As part of the closure, EnergyAustralia has committed to building Australia's first, four-hour utility-scale battery with a 350-megawatt capacity in the Latrobe Valley.
- EnergyAustralia's carbon emissions will reduce by over 60 per cent with the retirement of the Yallourn asset.
- The seven-year lead time provides certainty for the energy market and provides the opportunity for more supply to be developed, which in turn minimises the risk of increased energy prices.
- The closure will see all units cease operating at the same time, rather than in a staged fashion.
- The Committee discussed future uses for brown coal and whether or not EnergyAustralia would consider divesting if there was a customer seeking to take on the mine to support a low emissions coal project. EnergyAustralia advised this would make rehabilitation difficult. It is currently working with several customers trialling low emissions coal technologies and will continue to do so while the mine is operating, however it is unable to provide long-term certainty beyond 2028.
- The Committee discussed the lessons learnt from Hazelwood's closure, noting that less than six months' notice ahead of closure was a shock to the local community. EnergyAustralia is still hiring apprentices and has committed a \$10 million support package for reskilling and retraining of workers.
- EnergyAustralia is also supporting workers by providing financial and retirement planning advice for workers. It will also look to refer workers to other support agencies within the region including the Latrobe Valley Authority.
- EnergyAustralia is committed to keeping the community engaged as it moves towards closure and rehabilitation of the site, noting that community interest in the issue is likely to increase closer to the closure date.
- The Committee discussed the timeline for rehabilitation of the Yallourn mine. EnergyAustralia has advised that clarity around water availability and its use for rehabilitation is critical to determining the timeline for rehabilitation.