



Latrobe Valley
Mine Rehabilitation
Commissioner

ANNUAL REPORT 2017-18

The Latrobe Valley Mine
Rehabilitation Commissioner
is an independent officer,
appointed by the Governor
in Council on the recommendation
of the Minister for Resources.

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Commissioner's Foreword

The Latrobe Valley Mine Rehabilitation Commissioner's role was established in Victorian Law in 2017 to provide independent assurance to the community that public sector bodies and the Latrobe Valley mine operators are planning effectively for the rehabilitation of the three Latrobe Valley brown coal mines, and to promote community and stakeholder participation in the planning processes.

Since commencing in this role at the end of June 2017, I have been fully involved in reviewing the planning activities of the Government and mine operators. I have also introduced myself and my role to a wide section of the community, as well as to the major stakeholders. I have attended many meetings with community groups and, through these meetings, I have had informative and fruitful conversations around the timescales for rehabilitation, the options for future land forms and land uses and the basis for achieving a safe, stable and sustainable post-mining environment for future generations to enjoy.

The diversity of opinions about the best way to rehabilitate each mine and the options for future land use presented during all these community engagements has been large and looks set to remain so. Suggestions range from mothball closed mines until a new miner and coal use is found, to a wide range of landforms from keeping the pits empty to full pit lakes connected to the rivers. Many future uses have been proposed from vertical gardens, biking and hiking trails and motor sports complexes to floating solar power and hydro electricity generation. This range highlights the richness of the opportunities that exist.

As the Victorian Government continues, over the next two years, to investigate the advantages and disadvantages of different landforms and land uses and as the implications for future management of the final landscapes become clear, the regional rehabilitation strategy will evolve, and preferred future directions will emerge.

Continuing the conversation is essential to inform selection of the final preferences.

In accordance with section 84AZH of the *Mineral Resources (Sustainable Development) Act 1990 (Vic)*, I am pleased to present the Latrobe Valley Mine Rehabilitation Commissioner's Annual Report for the year ending 30 June 2018.

Emeritus Professor Rae Mackay

Latrobe Valley Mine Rehabilitation
Commissioner

About the Commissioner

The Latrobe Valley Mine Rehabilitation Commissioner (the Commissioner) is an independent officer, appointed by the Governor in Council on the recommendation of the Minister for Resources.

The Commissioner provides independent advice directly to the Government and licensees concerning mine rehabilitation for the three Latrobe Valley brown coal mines, including providing advice on and review of the Latrobe Valley Regional Rehabilitation Strategy (LVRRS) as well as each mine's rehabilitation and closure plans.

The Commissioner works in partnership with the Latrobe Valley Mine Rehabilitation Advisory Committee and closely with other stakeholders, including providing an education and information conduit for the Latrobe Valley community.

Current appointment

The current Commissioner is Emeritus Professor Rae Mackay. Professor Mackay was appointed as Commissioner in June 2017 and is the first person to hold the position. He was previously the Director of the Geotechnical and Hydrogeological Engineering Research Group (GHERG) at the Gippsland campus of Federation University, formerly Monash University, and worked extensively with research staff and students on aspects of stability of the Latrobe Valley mines. As the Director of GHERG, he was also a member of the Victorian Government's Technical Review Board from 2011 to 2017, which had oversight of stability issues for all mines and quarries in Victoria with a particular emphasis on the Latrobe Valley brown coal mines.

Establishment

The statutory office of the Commissioner was established in 2017 by the *Mineral Resources (Sustainable Development) Amendment (Latrobe Valley Mine Rehabilitation Commissioner) Bill 2017*. With the passage of the Bill, the Commissioner's appointment, functions and powers are governed by Part 7A of the *Mineral Resources (Sustainable Development) Act 1990 (Vic) (the Act)*.

Objectives of the Commissioner

Under s84AE of the Act, the Commissioner's objectives are:

- to provide assurance to the Victorian community that public sector bodies and the Latrobe Valley licensees are planning for the rehabilitation of coal mine land, and implementing the regional rehabilitation strategy;
- to promote the participation of the community and stakeholders from the Latrobe Valley region in the development and implementation of the regional rehabilitation strategy;
- to promote the effective and consistent rehabilitation of coal mine land in accordance with the regional rehabilitation strategy.

Powers and functions of the Commissioner

The Commissioner's powers are defined by s84AL of the Act.

This includes (but is not limited to) developing and maintaining a framework for the monitoring of rehabilitation planning activities, carrying out strategic audits of Latrobe Valley licensees and public sector bodies in relation to rehabilitation planning activities, monitoring and evaluating rehabilitation planning activities in accordance with the framework, reviewing research plans in relation to the rehabilitation of coal mine land prepared by Latrobe Valley licensees, coordinating rehabilitation planning activities, and engaging with and conducting meetings between relevant groups and persons. It also includes providing information and education to the Victorian community about brown coal mine land rehabilitation and the rehabilitation strategy, carrying out investigations on the referral of the Minister, and providing advice and recommendations to the Minister on matters related to the exercise of the Commissioner's powers and functions.

The Act grants the Commissioner all powers necessary or convenient to perform these functions.

In performing the Commissioner's functions, the Commissioner must have regard to the objectives of the Commissioner, the regional rehabilitation strategy and the regulatory framework.

Role of the Commissioner

The Commissioner's activities are based firmly upon three founding principles:

- Safe
- Stable
- Sustainable

and a key goal:

- Strategy

A starting point for undertaking the Commissioner's role was to build general consensus with the major stakeholders on the meaning of these terms.

SAFE

The final landform should present the lowest reasonably achievable risk to public health and safety and the environment, both within and beyond the mine boundaries. A range of possible hazards need to be addressed including fire, dust, contamination of air, soil and water, detrimental or uncontrolled water flows or the development of weak or dangerous ground. Controls necessary to maintain safe conditions should be in place with appropriate actions, such as monitoring.

STABLE

Future ground movements of the final landform should be minimised as far as reasonably practicable and those movements that will occur should be understood, predictable and controllable. Controls necessary to maintain stability within and beyond the mine boundary should be in place with appropriate monitoring. The risks of rapid, adverse ground movements leading to damage to infrastructure, property, or the environment should be as low as reasonably achievable. Any risk to human life should be identified and addressed.

SUSTAINABLE

The final landform, including any water bodies, should be feasible from long term stability, environmental, social and economic perspectives, and capable of beneficial use. The ongoing management, monitoring and maintenance of the landforms including any water bodies should be well defined and the appropriate financial and regulatory provisions for these activities in place.

STRATEGY

The strategy will define the goals to be achieved for the rehabilitation of the three mines. These goals will be high-level rather than prescriptive, but will provide clear direction to the mine licensees, the community and government on:

- acceptable approaches to rehabilitation
- expected outcomes from the rehabilitation in terms of the limits to be placed on any impacts arising from rehabilitation
- the opportunities for future beneficial use of the land and water bodies that may be developed through rehabilitation
- coordination of rehabilitation and the oversight of the rehabilitation processes
- the approach to managing long term monitoring, maintenance and reporting of rehabilitation outcomes
- the financial and organisational provisions required to support effective rehabilitation and management of any long-term liabilities arising from the rehabilitation.

Achievements & Key Initiatives

Establishing the Commissioner

Emeritus Professor Rae Mackay was appointed as the first Latrobe Valley Mine Rehabilitation Commissioner at the end of June 2017. During the 2017-18 reporting year, the Commissioner's focus has been on establishing the role and his office.

As the role of the Commissioner is new, part of this year has been dedicated to working with government and industry stakeholders to introduce and explain the Commissioner's functions, as well as to establish the effective working relationships needed to support the role.

Work is well advanced on the first Latrobe Valley Rehabilitation Monitoring and Evaluation Framework 2018-20 (the Framework). The Framework has been developed based on the activities with the key stakeholders undertaken during the first year of operation and addresses the monitoring requirements prior to the publication of the Regional Rehabilitation Strategy in 2020. The Framework focuses on the key aspects of the planning activities of the Latrobe Valley Regional Rehabilitation Strategy (LVRRS) project, the mine licensees, the Integrated Mines Research Group and public bodies, and the monitoring approaches and indicators to be used to assess the success of the monitoring, as well as the risks that are inherent in the planning activities. It is expected that the Framework will be published at the start of the second quarter of 2018-19. The Framework will guide the Commissioner's monitoring and evaluation activities.

A budget for the Commissioner's operations for four years was developed and the funding approval was announced in the State Government Budget in May, 2018.

Two staff have been recruited to assist the Commissioner – a Business Support Manager to handle the administrative aspects of the Commissioner's work, and a Technical Specialist to assist with the Commissioner's technical tasks. A third staff member will be recruited in 2018-19 to manage future communications activities.

A permanent office has been established at 5/55 Grey Street, Traralgon.

Connecting with the community

A major aspect of the Commissioner's role is to facilitate community conversations about the planning for mine rehabilitation. This year, the Commissioner has hosted two major public events – a community forum in November 2017, and a community update in June 2018.

The November community forum was initiated to provide the community with a better understanding of the different roles and responsibilities of the primary stakeholders regarding mine rehabilitation. Representatives from each of the mines, the Latrobe Valley Regional Rehabilitation Strategy project team, the Environment Protection Authority, Earth Resources Regulation and the Commissioner were introduced to the audience and engaged in an open conversation with the audience.

The June community forum allowed the Commissioner to update the community on the rehabilitation planning activities that had been undertaken by the key stakeholders over the preceding twelve months. It also allowed the team undertaking the LVRRS project to give a detailed update on the very extensive geotechnical, water and land use studies that are ongoing and will inform the regional rehabilitation strategy.

Both events were well-attended, giving members of the Latrobe Valley community the opportunity to ask questions about mine rehabilitation directly to government and industry experts. The events also enabled the Commissioner to hear directly from the community about the issues that are important to them.

While large public events have been invaluable in gauging community views on rehabilitation, engagement with individuals, community and business groups has also been a key element of the Commissioner's community engagement strategy. The Commissioner meets with any community and business members who ask for a meeting and has also used community events to speak with individuals. The Commissioner also introduces himself to community and business groups as a means of broadening the participation of community members in the planning for rehabilitation. This strategy will be continued throughout the Commissioner's tenure.

The Commissioner has also attended and contributed to the community engagement activities of the LVRRS, notably around aspects of land use planning and the progress of the feasibility studies on regional water and geotechnical impacts.

In late 2017, a dedicated website was established for the Commissioner - www.lvmrc.vic.gov.au. The website provides the community and other stakeholders with an easily accessible point of entry for information and events related to Latrobe Valley mine rehabilitation. The website averages around 14 users per day, increasing to around 30-40 users per day around LVMRC events or when mine rehabilitation issues receive media attention.

In addition to events and publications related to mine rehabilitation, the website hosts a frequently asked questions section that provides helpful responses to the most commonly asked questions as well as providing a place to ask further questions.

The Commissioner has engaged in conversations around mine rehabilitation on Gippsland community radio and has contributed to television, radio, and newspaper stories relevant to his role.

Working with stakeholders

The Commissioner has established productive working relationships with government and industry stakeholders.

The LVRRS project has made significant progress over the last year, and the Commissioner has been working closely with the project team to review plans and outputs, to provide specialist technical advice on different studies, to address the integration of the different streams of work and to help formalise the relationships between the work stream outputs and the final strategy form. The Commissioner's office provides a commentary on all reports that are prepared by the LVRRS prior to final publication.

The Commissioner is an invited observer at all meetings of the Latrobe Valley Mine Rehabilitation Advisory Committee that provides advice to the LVRRS project and the Minister for Resources.

The three Latrobe Valley brown coal mines' operators have continued their program of progressive rehabilitation. For example, since ceasing mining, ENGIE have undertaken extensive rehabilitation works including detailed designs for stability control of several batters around the mine. The Commissioner has undertaken reviews of each of the batter stability control designs as they have been completed. Furthermore, the Commissioner regularly meets with key personnel from the three mines to get updates on their work, and to provide updates on other work in progress.

The Commissioner and office staff normally attend all community engagement events undertaken by the mine operators and the Commissioner (or a staff member) attends the Environmental Review Committee meetings for Hazelwood and Loy Yang mines.

Rehabilitation and Closure Plans (RCPs) form part of the Work Plan Variations required to be submitted to Earth Resources Regulation (ERR) by each of the mine operators when substantial changes to operational plans at the mines take place. The Commissioner is required by statute to review the RCPs of Work Plan Variations submitted to ERR. Work Plan Variations submitted to ERR by ENGIE (Hazelwood) and AGL (Loy Yang) have been formally reviewed by the Commissioner this year. A review of the draft RCP for Yallourn has been undertaken prior to formal submission of their Work Plan Variation at the end of 2018.

Progressing research

The Commissioner has worked with researchers, academics and technical specialists to increase understanding of the issues that will have an impact on rehabilitation of the mines. GHERG, Federation University, Monash University, Melbourne University, RMIT and GHD are all involved in research to support Latrobe Valley mine rehabilitation planning.

The Integrated Mines Research Group (IMRG) was established in 2016 on the recommendation of the 2015 Hazelwood Mine Fire Inquiry. The IMRG pools the activities and directions for research of the three mines.

A ten year program of research was identified by the IMRG at the start of 2017, with progress and future directions to be reviewed at the end of the first three years.

The Commissioner has been closely involved with the IMRG throughout this year. The IMRG meets bimonthly and the Commissioner attends each of the bimonthly meetings to understand the scope and progress of the research that is being undertaken and to offer support and advice in relation to the direction of the work, as well as the possible approaches to embedding the research within wider national and international agendas. The Commissioner promotes activities that should be considered for future research and the appropriate record keeping of research outputs to support future rehabilitation activities.

The Batter Stability Project, funded by the State Government, is a joint project between Energy Australia and GHERG and is investigating new approaches to improving the measurement and assessment of batter stability based on the area adjacent to the 2007 Yallourn mine batter collapse. It forms one component of the IMRG's research program. Given the importance of this project for future rehabilitation assessment, the Commissioner has attended all Technical Advisory Group meetings for the Batter Stability Project as well as attending GHERG's Advisory Committee meetings.

Planning for the future

In June 2018, the Minister for Resources announced extensions to Yallourn and Loy Yang's mining licences for the purposes of rehabilitation. The Commissioner provided advice to the Minister regarding these extensions, which will ensure the mines have adequate time to conduct rehabilitation once mining activities cease.

The Commissioner has also been working with the Minister and DEDJTR policy specialists to review the current regulatory environment, to ensure it is appropriate to support mine closure and rehabilitation better practice, as well as to ensure that post closure monitoring and maintenance is fully addressed. This work will continue throughout the coming year.

Report on performance of functions and exercise of powers

Under section 84AZH of the *Mineral Resources (Sustainable Development) Act 1990 (Vic)*, the Commissioner must make an annual report to the Minister on the performance of the Commissioner's functions and the exercise of the Commissioner's powers.

The following details the Commissioner's performance of functions and exercise of powers from 1 July 2017 to 30 June 2018.

DEVELOP AND MAINTAIN A FRAMEWORK FOR THE MONITORING AND EVALUATION OF REHABILITATION PLANNING ACTIVITIES

Work is well advanced on developing the Latrobe Valley Rehabilitation Monitoring and Evaluation Framework 2018-20 (the Framework). The Framework is expected to be published no later than the end of 2018.

The Commissioner has used the activities this year in conjunction with the LVRRS, the three mine operators, the IMRG and other stakeholders to establish an appropriate structure for the Framework.

CARRY OUT STRATEGIC AUDITS OF PUBLIC SECTOR BODIES AND LATROBE VALLEY LICENSEES IN RELATION TO REHABILITATION PLANNING ACTIVITIES

The Commissioner did not commence any audits in 2017-18.

MONITOR AND EVALUATE REHABILITATION PLANNING ACTIVITIES IN ACCORDANCE WITH THE FRAMEWORK

Monitoring and evaluation activities have been carried out throughout the year to develop and test the design for the Monitoring and Evaluation Framework. The resulting knowledge acquired in collaboration with the key stakeholders underpins the structure of the proposed Framework and its future application. The full application of the proposed Framework commenced in May 2018.

REVIEW ANY RESEARCH PLAN IN RELATION TO THE REHABILITATION OF COAL MINE LAND PREPARED BY A LATROBE VALLEY LICENSEE AND MAKE RECOMMENDATIONS, IF ANY, FOLLOWING A REVIEW TO THE RELEVANT LATROBE VALLEY LICENSEE

Research plans of the Latrobe Valley licensees are embedded, in part, within Work Plan Variations and the Rehabilitation and Closure Plans and, in part, through the programs of research being undertaken under the direction of the IMRG. Recommendations relating to research and research knowledge management have been made in relation to each of the Licensees work plans.

Specific outputs of research and knowledge acquisition programs for the three mine operators have been reviewed and recommendations provided.

COORDINATE REHABILITATION PLANNING ACTIVITIES

Coordination has been achieved through close engagement with and oversight of the major activities of the mine operators, the IMRG, the LVRRS project and public sector bodies.

Specific attention this year has been on the planning and design of the LVRRS workstreams to deliver a robust strategy for the rehabilitation of all three mines. Recommendations have been made on the proposed approaches of the different streams and on inter-stream activity integration. A key objective has been to ensure that the different streams can deliver comparable results for strategic planning.

Attention has been paid to addressing the requirements for agreed closure criteria for the relinquishment of the mines between the mine operators, the regulators and the community.

ENGAGE WITH THE VICTORIAN COMMUNITY, OTHER STAKEHOLDERS, PUBLIC SECTOR BODIES AND THE LATROBE VALLEY LICENSEES IN RELATION TO THE REHABILITATION OF COAL MINE LAND

During 2017-18, the Commissioner's engagement activities have focused on building awareness of his role and the processes of rehabilitation planning, as well as building his own knowledge of the issues that are concerning community and other stakeholders.

The Commissioner has made use of local media to increase community and stakeholder awareness of his role, regularly giving interviews on local Gippsland radio and television, as well as in print media. The Commissioner's website has also proved invaluable as an engagement tool.

The Commissioner has met formally with Latrobe City Council on two occasions and has met informally with Councillors and Council staff on numerous occasions.

The Commissioner has been in regular contact with staff of the licensees covering a wide range of activities including research, rehabilitation planning, rehabilitation design, and community engagement.

In April 2018, the Commissioner participated in a series of information workshops of Gippsland-based Victorian Public Service personnel. The workshops were intended to inform local public sector staff who may not be directly involved in mine rehabilitation planning about the work of the Commissioner and the LVRRS.

Meetings have been held with the Department of Land, Water and Planning (DELWP), the Latrobe Valley Authority and members of the Gippsland Affiliation of Historical Societies in order to explore aspects of heritage preservation as part of a wider conversation on future rehabilitated land uses. This includes contributions to the Latrobe Social History and Heritage Study funded by DELWP.

In conjunction with staff of the LVRRS, the Commissioner has engaged in a series of workshops, open days and pop-up stand activities to support understanding of the LVRRS project, to support knowledge exchange on options for future land uses and to increase dialogue about future rehabilitation options.

CONDUCT AND SUPPORT MEETINGS BETWEEN THE VICTORIAN COMMUNITY, OTHER STAKEHOLDERS, PUBLIC SECTOR BODIES AND THE LATROBE VALLEY LICENSEES IN RELATION TO REHABILITATION PLANNING ACTIVITIES THAT PROMOTE COMMUNICATION AND THE RESOLUTION OF ISSUES

The Commissioner has organised and facilitated two public forums in 2017-18, to promote communication between the local community, public sector bodies and mine licensees. Both forums were well attended by community members and representatives of community groups, giving them the opportunity to discuss their concerns directly with government and mine representatives.

The Commissioner has also attended at least one public or community group event each month, to promote and facilitate conversations around mine rehabilitation issues, and to ensure that consistent rehabilitation science is presented to the wider community.

PROVIDE ADVICE AND RECOMMENDATIONS TO THE MINISTER IN RELATION TO THE —

- **POSSIBLE CHANGES TO THE REGULATORY FRAMEWORK**
- **OUTCOMES OF ANY ENGAGEMENT BY THE COMMISSIONER WITH THE VICTORIAN COMMUNITY OR STAKEHOLDERS**
- **PLANNING FOR THE MONITORING, AND COMPLETION, OF THE REHABILITATION OF COAL MINE LAND**
- **PLANNING FOR THE MONITORING AND MAINTENANCE OF COAL MINE LAND THAT HAS BEEN REHABILITATED**
- **REGIONAL REHABILITATION STRATEGY**
- **REHABILITATION PLANS OF THE LATROBE VALLEY LICENSEES**

Throughout 2017-2018, the Commissioner has provided regular advice to the Minister on all aspects of mine rehabilitation planning and regulation. Advice has been provided directly to the Minister in verbal and written briefings, as well as through input into departmental submissions to the Minister.

Up to the end of September 2017 the Minister for Resources was the Hon. Wade Noonan and since October 2017 the Hon. Tim Pallas MP has been Minister.

PROVIDE INFORMATION AND EDUCATION TO THE VICTORIAN COMMUNITY ABOUT THE PLANNING FOR THE REHABILITATION OF COAL MINE LAND AND THE REGIONAL REHABILITATION STRATEGY

In late 2017, the LVMRC website was established (www.lvmrc.vic.gov.au). The website is designed to provide a comprehensive and accessible repository for information on all aspects of mine rehabilitation. The website is regularly updated, to provide the community with up-to-date information.

The Commissioner has leveraged off his existing ties with the academic community to promote education and research on mine rehabilitation at the tertiary level. The Commissioner has conducted lectures and seminars at Federation University and Monash University.

In early 2018, the Commissioner established a relationship with the Gippsland Tech School (GTS). The Commissioner and GTS aim to develop a program for secondary school students exploring the science and technology aspects of mine rehabilitation.

CARRY OUT INVESTIGATIONS ON THE REFERRAL OF THE MINISTER UNDER DIVISION 4; AND PROVIDE ADVICE, REPORTS AND RECOMMENDATIONS TO THE MINISTER ON MATTERS REFERRED TO THE COMMISSIONER UNDER DIVISION 4

The Minister did not refer any matters to the Commissioner for investigation under Division 4 of the Act during 2017-18.

PROVIDE ADVICE, RECOMMENDATIONS AND REPORTS TO THE MINISTER ON THE EXERCISE OF THE COMMISSIONER'S FUNCTIONS

Throughout 2017-18, the Commissioner provided monthly written reports to the Minister on the exercise of his functions. Additionally, the Minister and the Commissioner held regular meetings to discuss rehabilitation issues.



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