

Latrobe Valley
Regional
**REHABILITATION
STRATEGY**

Annual Progress Report
July 2016 – June 2017



FOREWORD FROM THE MINISTER FOR RESOURCES

The Latrobe Valley is in a period of unprecedented change.

With its mining industry and economy in transition, local communities are looking for certainty more than ever before.

The Hazelwood Mine Fire Inquiry, which was reopened in May 2015, exposed a need to consider a long-term vision and plan for the Valley.

The importance of mine rehabilitation was one of the Inquiry's key findings.

The Latrobe Valley's mining and energy sector has underpinned the Victorian economy for decades, but the open cut coal mines as we know them today will change.

As part of the *Hazelwood Mine Fire Inquiry: Victorian Government Implementation Plan June 2016* (Implementation Plan), we committed to prepare a Latrobe Valley Regional Rehabilitation Strategy (LVRRS) by June 2020.

This strategy will set out how best to rehabilitate the region's coal mines, while engaging local communities and respecting the natural environment.

It will examine how to achieve a safe, stable and sustainable landform for the coal mine voids and surrounding areas – while feasibility investigations will examine pit lake rehabilitation options.

The Implementation Plan provides more information on how the LVRRS will be prepared.

This report provides an update on Government's progress in preparing the LVRRS, including:

- The establishment of the Latrobe Valley Mine Rehabilitation Advisory Committee
- The establishment of the Latrobe Valley Mine Rehabilitation Commissioner
- Engagement with key stakeholders to plan the technical studies that will inform the LVRRS
- A review of current mine rehabilitation strategies to identify water requirements for mine closure
- A review of the existing regional water setting

Development of the Strategy is on track.

This is the first annual report on the preparation of the LVRRS. The final Strategy will feature open and transparent engagement with key stakeholders and local communities.

Latrobe Valley communities need to have confidence in the future of their region. The Latrobe Valley Regional Rehabilitation Strategy will give them the certainty they deserve.

**The Honourable Wade Noonan MP
Minister for Resources**



Latrobe Valley Regional REHABILITATION STRATEGY:

ANNUAL PROGRESS REPORT (JULY 2016 – JUNE 2017)

This annual report provides an update on the development of a Regional Rehabilitation Strategy (the Strategy), for the Latrobe Valley's three brown coal mine voids, a key element of the Andrews Government's response to the 2015/16 Hazelwood Mine Fire Inquiry (the Inquiry).

THE 2015/16 HAZELWOOD MINE FIRE INQUIRY

On 9 February 2014, embers from a nearby grassfire entered the Hazelwood brown coal mine sparking a fire that would burn for the next 45 days.

The subsequent Inquiry identified a number of the shortcomings in the State's response, but left a number of questions unanswered.

The Government reopened the Inquiry in 2015 to investigate these questions, including options for rehabilitation of the Latrobe Valley's coal mines.

Volume IV of the 2015/16 Inquiry Report concluded that "the pit lake option is currently the most viable rehabilitation option, [however] considerable further investigation is required, as new knowledge could result in an alternative preferred option¹".

WHAT IS THE REGIONAL REHABILITATION STRATEGY?

In June 2016, *the Hazelwood Mine Fire Inquiry: Victorian Government Implementation Plan* was released, which included a commitment to develop a Regional Rehabilitation Strategy for the Latrobe Valley's three brown coal mine voids.

The Strategy is investigating and addressing key knowledge gaps relating to mine rehabilitation that were identified by the Inquiry and working with the community and the operators of the Latrobe Valley coal mines to understand the findings of these investigations.

These investigations will inform the preparation of the Strategy which will guide regional planning for mining operations, rehabilitation, mine closure and post closure.

The Strategy will be completed by 30 June 2020.

¹ *Hazelwood Mine Fire Inquiry Report 2015/16 Volume IV – Mine Rehabilitation*, pg. 114.

WORK UNDERTAKEN IN 2016/17

PROJECT PLANNING

Project planning in 2016/17 included the identification of what was required to address the knowledge gaps highlighted by the Inquiry, as well as testing the feasibility of the pit lake rehabilitation option and how this could be achieved.

This required significant engagement with stakeholders. Over 20 workshops were conducted with key stakeholders including the Latrobe Valley mine operators, industry, academia, water authorities, Latrobe City Council and infrastructure authorities. Independent experts were also engaged by Government to provide peer review of the proposed approach to the investigations.

The investigations commenced in late 2016 and will continue through to June 2020 when the Strategy is delivered. The investigations will address matters relating to land stability, water availability and water quality, at a regional scale.

Findings will be released progressively throughout this period. The Department of Economic Development, Jobs, Transport and Resources (DEDJTR) with support from the Department of Environment, Land, Water and Planning (DELWP) will work with the community, the operators of the Latrobe Valley coal mines and other key stakeholders to communicate and understand the implications of the findings of the technical studies.

The Hazelwood Mine Fire Inquiry: Victorian Government Implementation Plan June 2016 provides an outline of the investigations that will be completed.

TECHNICAL STUDIES COMPLETED IN 2016/17

A review of current mine rehabilitation strategies to identify water requirements for mine closure and restoration strategies has been completed. The review identified further knowledge gaps with regard to the proposed water use in the mines' current rehabilitation plans in the areas of:

- volume of water to achieve various stages of mine pit lake development
- sources of water and volume of each source
- time over which various sources would be utilised.

Consideration of these further knowledge gaps as well as impacts of the mines' current proposed rehabilitation plans on regional water resources is to be undertaken as part of both the individual mine operators' rehabilitation planning and the investigations in the Strategy.

A review has also been completed into existing Latrobe Valley coal mine and power station water entitlements and water licensing (groundwater and surface waters) and an assessment of existing regional water use, water availability, aquatic ecosystems and water quality conditions.

The baseline data identified in this review will be used in the assessment of the possible impacts of climate change on water availability, due to be completed by December 2017. It will also provide important baseline information for the broader regional water study, due for completion by March 2019.

The regional water study, together with the regional geotechnical study and the regional impact assessment, will inform the feasibility of coal mine pit lake filling options and impacts.



COMMUNITY AND STAKEHOLDER ENGAGEMENT

Community and stakeholder engagement is a key component in the preparation of the Strategy. It is vital that the community and key stakeholders are taken on a journey during its preparation so as they can witness the studies being undertaken as well as the information obtained.

The Latrobe Valley Regional Rehabilitation Strategy Stakeholder and Community Engagement Strategy has been prepared and demonstrates the commitment to open and transparent engagement during the life of the project. It outlines how the Government will engage with the community and stakeholders, including opportunities for the community to get involved with the project.

LATROBE VALLEY MINE REHABILITATION ADVISORY COMMITTEE

The Latrobe Valley Mine Rehabilitation Advisory Committee (the Committee) has been established and acts as a key conduit for community and stakeholder engagement throughout the preparation of the Strategy.

The Committee comprises representation from a broad range of stakeholder groups with an interest in mine rehabilitation in the Latrobe Valley including representatives from the Latrobe Valley community, the Latrobe City Council, the mine operators, Gippsland Water, Southern Rural Water, the Gippsland Trades and Labour Council and the Aboriginal community.

The following 15 members have been appointed to the Advisory Committee:

- Susan Lloyd (Chairperson), representing the Latrobe Valley community
- Roland Davies, representing the Latrobe Valley community
- James Faithful, representing the Latrobe Valley mine operators (ENGIE Hazelwood)
- Sarah Gilbert, representing the Latrobe Valley mine operators (AGL Loy Yang)
- Ron Mether, representing the Latrobe Valley mine operators (EnergyAustralia Yallourn)
- Phil Stone, representing the Latrobe City Council (Council Officer)
- Graeme Middlemiss, representing the Latrobe City Council (Councillor)
- Terry Flynn, representing Southern Rural Water

- Nicole Griffin, representing Gippsland Water
- Joanne Brunt, representing the Aboriginal community
- Tim Delany, representing the Gippsland Trades and Labour Council
- Luke Wilson, representing DEDJTR
- Jane Burton, representing DEDJTR
- Grace Mitchell, representing DELWP
- Alan Freitag, representing DELWP.

The Committee will provide advice directly to the Government on the preparation of the Strategy, ensuring that the community and key stakeholders have a decisive voice when it comes to the region's future. More information about the Committee can be found here: <http://earthresources.vic.gov.au/earth-resources/hazelwood/hazelwood-mine-fire-inquiry-implementation-plan/latrobe-valley-mine-rehabilitation-advisory-committee>





**LATROBE VALLEY
MINE REHABILITATION
COMMISSIONER**

The statutory office of the Latrobe Valley Mine Rehabilitation Commissioner (Commissioner) was formally established in June 2017.

Latrobe Valley local and former university academic Professor Rae Mackay assumed the role in June 2017, bringing more than three decades of experience as an engineer, hydrogeologist and academic both within Australia and overseas

The Commissioner reports directly to the Minister for Resources and will work with the mine operators and government departments and agencies to resolve mine rehabilitation issues in the Latrobe Valley, including monitoring the preparation and implementation of the Strategy.

The Commissioner will also have a role in leading and facilitating community and stakeholder engagement activities related to mine rehabilitation, ensuring the community and other key stakeholders' are given opportunities to have a say on mine rehabilitation in the Latrobe Valley.



FUTURE ACTIVITIES PLANNED FOR 2017/18

The focus of the preparation of the Strategy in 2017/18 will be commencing the technical assessments of the possible regional impacts of future mine rehabilitation scenarios on water resources, land stability, and the Latrobe Valley environment.

Community and stakeholder engagement will continue. This will include stakeholder briefings, market research into public attitudes to mine rehabilitation, meetings of the Latrobe Valley Mine Rehabilitation Advisory Committee and activities to be delivered by the Latrobe Valley Mine Rehabilitation Commissioner.

The market research will help Government understand:

- What the community values about the local area
- What the community thinks is important when it comes to the rehabilitation of the Latrobe Valley coal mines
- How the community defines 'safe', 'stable' and 'sustainable' in regards to mine rehabilitation.

The Government will also be working to build the community's understanding of some of the technical issues and challenges associated with brown coal mine rehabilitation.

Progress reports on the development of the Strategy will be prepared on an annual basis.

CONTACT US

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