



**Inquiry into Greenfields Mineral  
Exploration and Project Development in  
Victoria Hearing  
Councillor Darrell White (Mayor)  
Monday, 7 November 2011**

# Where are we?

Victoria



**Gippsland**  
(area in pink)

**Latrobe Valley**  
(area around Traralgon)

# Victoria's Major Regional Centre



- Recognised by the Victorian Government as a major regional centre.
- Population 80,000. Located two hours east of Melbourne. Four major towns and seven small towns.
- Electricity:
  - The Latrobe Valley power stations generate 90% of all electricity in Victoria.
- Revenue:
  - Latrobe Valley's power industry generates \$1.7B per year.
- Home to 4,500 businesses- energy, gas, water, manufacturing, engineering, government services, forestry and agriculture.
- Jobs:
  - For every 10 jobs in the power industry, another 8 jobs in the Latrobe Valley.

# Latrobe City Council Submission



- Brown coal seams of the Gippsland Basin underlie most of the Latrobe Valley. Coal seams underlie most of Latrobe City.
- Latrobe Valley brown coal has low sulphur, ash, heavy metals and nitrogen content. It does however have a high moisture content.
- The known quantity of the resource is 53,000 Mt of economic coal. The current rate of usage is 63 Mt per year (powers 90% of our electricity in Victoria).
- Brown coal is well known and accessible.

# Council's Low Carbon Journey



- Latrobe City Council has identified three themes that underpin its planned policy approach:
  - Pursuing and realising opportunities.
  - Contingency planning.
  - Working together.
  
- 30 Actions developed in line with these themes.
  - Continue to diversify our local economy
  - Support Centre for Sustainable Technologies
  - Advocate for proactive transitional assistance

# Latrobe City Council Position on Coal



- Council supports the retention of existing brown coal related jobs and works to encourage investment in alternative uses and markets for coal.
- New opportunities for Latrobe City to transition to a low carbon emissions future.

# Unlocking the Potential of the Asset



- A sustainable energy industry is important to Latrobe City and the Gippsland community.
- Council identified to maximise new regional energy development opportunities:
  - The need for the community to upgrade their knowledge, planning capacity, infrastructure and general skills.
  - The need for regional energy policy and strategy.

# Investment Attraction



- Latrobe City Council hosts visits from potential project proponents from all over the world.
- Barriers for investors in accessing coal.
- Council would appreciate better advice on potential projects.
- Research and development needs to happen locally and be accelerated.



# Brown Coal Potential Investments



<i>Proposed Project</i>	<i>Description</i>	<i>Employment</i>	<i>Responsibility/Support</i>
Australian Energy Company	\$2 bn project to manufacture urea using brown coal. The plant is projected to produce 1.2 million tonnes of urea fertiliser per year. Up to 50% of the urea produced is expected to be exported.	1180 on-going	Australian and Victorian Government support to work closely with the project proponent to ensure the project proceed.
Environmental Clean Technologies	\$200m project to develop a coal drying plant to produce pellets with 50% less water and increased energy value.	50 jobs based in the Latrobe Valley	Australian and Victorian Government support to work closely with the project proponent to ensure the project proceeds. Firm is seeking assistance in gaining access to port for large volumes of product to be manufactured in stage two.
MBD Energy	\$100 m project to build a commercial plant that will sequester carbon dioxide and create bio diesel, livestock feed and other products.	50 jobs based in the Latrobe Valley	Australian and Victorian Government support to work closely with the project proponent to ensure the project proceeds. Firm is seeking \$50 million in government funding for \$100m project scheduled to commence in July 2012.
Exergen	\$1 bn project to utilise continuous Hydrothermal De-watering process. Proposal is for a 12 million tonne p/a export focussed commercial coal-processing plant.	250-350 new/on-going <i>1000 construction</i>	Australian and Victorian Government support to work closely with the project proponent to ensure the project proceeds. Currently seeking \$15 million in government funding to proceed with \$50 million demonstration facility.
Ignite Energy Resources	\$5 m project to develop a commercial demonstration plant for coal to oil and upgraded dry coal processes from the brown coal.	10 jobs based in the Latrobe Valley	Australian and Victorian Government support to work closely with the project proponent to ensure the project proceeds.
Awyin Property Development	\$50m project to develop the Latrobe Briquette Manufacturing Facility.	200 jobs based in the Latrobe Valley	Australian and Victorian Government support to work closely with the project proponent to ensure the project proceeds.
<i>Nippon Steel Engineering ECOPRO</i>	\$370m project involves a high temperature gasification technology to convert brown coal to other products including- synthetic natural gas, diesel, methanol, acetic acid, hydrogen.	50 ongoing <i>200 construction</i>	Australian and Victorian Government support to work closely with the project proponent to ensure the project proceeds.
<i>Possible Total Jobs</i>		<i>1800+ on-going</i>	<i>1200+ construction</i>

# Brown Coal Social Licence



- Latrobe Valley's brown coal has been cornerstone of Victoria's economic prosperity since 1920's.
- Our community has evolved from this.
- Driven by the Victorian Government who own resource still today.
- Some see brown coal as inherently evil.
- Council supports the sustainable use of brown coal.

# Living with Coal

- Any process, study or project that considers future uses of the coal resource requirements.
- Council needs to be engaged in the formulation of any mine rehabilitation programs.
- Communities need land use certainty- exploration licenses over towns are problematic.

■ Hazelwood



- Loy Yang Power Station



■ Coal mine



# Our Message



- Brown coal is a resource.
- Opportunity to be innovative in utilisation of resource but we need to balance with community and environmental needs.

# Questions?