

**Submission**

**from**

**the Great Latrobe Park Inc. group**

**to the**

**Inquiry into the Closure of the Hazelwood  
and Yallourn Power Stations**

**by the**

**Economy and Infrastructure Committee**

**of the**

**Legislative Council**

**of the**

**Parliament of Victoria**

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# Hazelwood and Yallourn Closures:

## Major Risks...and Opportunities

### 1. The Context.....

In the 100 years that major coal mining and power generating operations have been occurring in the Latrobe Valley:-

- Nearly 3,000 million tonnes of coal has been mined
- Approximately \$200 billion has been contributed to Victoria's economy through the electricity generated from the coal mined in the Latrobe Valley, and
- 3 gargantuan open cut mines (Yallourn, Hazelwood and Loy Yang) have been developed which cover a total area of approximately 50 sq. kms. (about the same size as Sydney Harbour).
- The population of the Latrobe Valley has increased from about 10,000 people to about 75,000 people.

Now that "The Great Coal Era" is progressively closing, what is going to happen?

- What is going to happen to the Latrobe Valley socially and economically?
- What will the massive coal mine areas be like 100 years from now?.....

## 2. Mine Closures and their Implications

A couple of months ago, Energy Australia announced that they would stop operating the Yallourn Power Station in 2028. As a result, nearly 500 jobs will be lost directly in the Latrobe Valley. In addition, a significant number of other jobs, heavily dependant on work from Yallourn Energy, through provision of contracts and services may also become redundant. And, of course, Yallourn's closure is coming not so long after the 2016 closure of the Hazelwood Power Station which is estimated to have resulted in the loss of about 1,000 jobs.

This planned closure of Yallourn will inevitably have a substantial impact upon the Latrobe Valley and quite possibly other parts of Gippsland. It will have a cumulative, compounding effect upon the impacts which have already been made by the relatively recent closure of Hazelwood. Of course, these closures are not either the first, or the largest, business decisions, made outside the region, which has had a massive effect upon the Latrobe Valley. The most major of these in the past couple of decades were the corporatisation and then the privatisation of the State Electricity Commission in the 1990's which resulted in the loss of approximately 5,000 jobs (or about 20% of the Latrobe Valley's workforce).

Unless countervailing ameliorative actions occur, these major industrial closures and contractions will almost inevitably cause serious negative repercussions. These can easily generate a vicious negative cycle arising from the inter-related effects of: increased unemployment, economic depression, outmigration, depressed housing prices, loss of urban amenity, reduced community morale etc.. Positive, pro-active planning and actions will be required if these types of potential negative social and economic effects are to be avoided. Significant State and National government assistance is likely to be required as well as initiatives by the power companies and by local communities and local government.

The Latrobe Valley received no major federal or state government assistance during the privatisation of the SECV. As a result, the Latrobe Valley generally, and some areas in particular, did go into a significant economic depression. The region recovered only slowly and unevenly from this

downturn primarily due to the development and expansion of a diverse range of service activities in health, trade, business, professional, and retailing. With the Hazelwood closure, the Victorian Government has made some substantial investments (together with contributions from Latrobe City and some Federal Government inputs) in valuable infrastructure facilities. The construction phases of these projects are assisting the region to cope with the immediate aftermath of Hazelwood's closure. Unfortunately, however, any attempts to attract new, long-term businesses and employment opportunities to the region have been almost entirely unsuccessful.

In addition to the serious economic risks arising from the direct and the indirect job losses resulting from the Hazelwood and Yallourn closures, there are other major risks arising from: a reduction in regional average incomes; out migration; reductions in the number, range and quality of skills; greatly reduced Council rating income. A combination of some, or all, of these factors could all too easily lead to another round of regional economic depression.

On the positive side, it is likely that there will be some significant positive environmental effects arising from the closures of Hazelwood and Yallourn. These probable environmental benefits are likely to include: improved air quality; removal of some old unsightly industrial facilities; stabilised or reduced land subsidence problems; some increased opportunities for attractive new urban developments.

On the other hand, however, there are huge uncertainties and risks about the future of the Latrobe Valley's massive open cut mines. The Victorian Government has specified that the mines are to be rehabilitated so that they are "safe", "stable" and "sustainable". These are undeniably crucial goals. However, fulfillment of these goals could still result in the mine voids becoming enormous, use-less, unattractive wastelands – perpetually blighting the region's and the state's environment.

## **3. Planning for the Re-purposing of the Mine Voids of the Latrobe Valley**

### **3.1 The Significance of the Repurposing of the Latrobe Valley's Mines**

The combined effects of: the scale; the difficulties; the environmental risks; and the costs inevitably involved in repurposing of the LV's mines result in this undertaking being, arguably, the largest environmental challenge which Victoria has ever had to confront. It is crucially important that considerable care is taken to get it "right". The Latrobe Valley, and Victoria, will have to live with whatever plans, decisions and actions are made in the near future about mine re-purposing for hundreds of years into the future. The following are some of the key matters on which some action is considered necessary in order to significantly improve the chances of getting these crucial undertakings "right" and avoiding the creation of major long-term problems.

### **3.2 Processes**

There will inevitably be massive, widespread, inter-related economic, environmental and social implications involved in the repurposing of all of the LV's gargantuan mine voids. The many variables and their interactions will need to be very, very carefully evaluated. In order to maximize the prospects for achieving the most thorough, technically competent and acceptable outcomes it will be crucial that all aspects and stages of the planning processes are subject to thorough public scrutiny and input and that ultimately repurposing proposals are carefully reviewed by completely independent experts before final Government decision making. This would be appropriately achieved through comprehensive Environmental Effects Statement processes.

### **3.3 Goals**

As with planning for all major issues, planning for the repurposing of the mine voids will require the adoption of appropriate, acceptable, and achievable goals. Inappropriate or inadequate goals will nearly always lead

to inappropriate or inadequate end outcomes. These goals can then provide the basis for key evaluation criteria to be used to assess the potential suitability and desirability of all repurposing options and proposals.

There is a very strong view within the LV community that the goals of “**visually attractive**” and “**economically valuable**” should be added to the Government’s present goals of “**safe**”, “**stable**” and “**sustainable**” in order to guarantee that mine voids do not become “enormous, use-less, unattractive wastelands”.

### **3.4 Early Planning “Hiccups”**

There have been some serious problems with the approaches which have been taken to much of the planning work about mine repurposing which has been undertaken to date. Proposals for rehabilitation of each of the 3 major mines have been prepared by each of the mine operating companies. Each of those individual mine rehabilitation plans proposed that their mine voids should be filled with water. Unfortunately, these individual mine rehabilitation plans have already been given various degrees of tacit Government approval. It is quite understandable how these proposals would be likely to arise when the issues are only viewed from an individual mine viewpoint. However what is possible, or most appropriate, for each individual mine may be very different if all relevant issues from across the whole region are comprehensively and carefully considered. Consequently, it is absolutely crucial to have an adequately detailed regional strategic framework before individual mine void repurposing plans are prepared. The necessity for a suitable regional strategic framework has now been dramatically demonstrated by consideration of the potential availability of water for flooding of mine voids.

### **3.5 Potential Water Availability**

Recent Government studies have confirmed that there is no possibility that sufficient water would be available to fully fill all mine voids without major adverse effects on the environment and major restrictions on the availability of water for agriculture, urban and industrial uses. Consequently, it will be necessary for a range of repurposing planning options to be prepared for each of the mine voids which cover a continuum of options ranging from no flooding, partial flooding through to complete filling with water. The costs,

benefits and implications (economically, geo-technically, environmentally and socially) will need to be carefully weighed up and assessed against the amount of water which can probably be made available for mine repurposing purposes. Ultimately, the Victorian Government will probably have to decide what water allocations, if any, may be allowed to be made available in the repurposing plans for each of the mine voids. This allocation process is likely to be an extremely difficult, highly contentious but totally unavoidable decision for the State Government. This is a very tough “bullet which is going to have to be bitten” by the Government very soon so that planning and repurposing works for the each of the mines can be brought into sync with appropriate regional strategy parameters.

### **3.6 The Great Latrobe Park Vision**

The Great Latrobe Park group envisage that the LV’s massive mine voids will be repurposed so that they become key elements of an internationally significant multi purpose environment catering for an exciting diverse range of sporting, cultural, educational, conservation and recreational activities. This would result in the repurposed mine voids becoming economically, socially and environmentally valuable assets of perpetual benefit for the Latrobe Valley, Gippsland and Victoria. Rather than being wastelands, they would contribute positively to the regional economy and amenity.

### **3.7 Some Short Term Opportunities**

The development of many aspects of the major features and elements involved in the repurposing great mine voids of the LV will have to await the preparation of an adequately detailed regional repurposing strategy. However, it would seem that there are some valuable initiatives which can be taken now which would have significant economic or social benefits which are unlikely to prejudice any longer term plans.

Already, Yallourn Energy has facilitated several valuable community facilities within their licence area including: a motor hill climb circuit; a motor bike training centre and some bicycle paths. The Great Latrobe Park group believes that there are some other valuable initiatives which could be developed/ progressed very soon. They are:-

### **3.7.1 Great Gippsland Bike Trail:**

This trail could be developed through linking up of the Moe – Yallourn bike path , the Morwell – Traralgon bike path and the Traralgon – Stratford bike path. When developed the Great Gippsland Bike Path could become one of Victoria’s iconic and popular bike path opportunities.

### **3.7.2 Mine Viewing Points and Information Centres**

At present, it is not possible for tourists or LV residents to gain a clear, panoramic appreciation of the huge Hazelwood or Yallourn open cut voids or to gain associated information about the past, present and possible futures of these mines.

There is a fabulous, panoramic, virtually 360 degree view of the Hazelwood mine from the Fire Services Building on the north western side of the Hazelwood Open Cut. It is considered that if an attractive public viewing point and information centre were developed at this site that it would become a “must-see” site for both residents and tourists coming through Gippsland.

It would also be hoped that an excellent viewing site could be identified adjacent to the Yallourn Open Cut which would have potential to provide a quality viewing point and information centre for the Yallourn Open Cut

There is an amazing panoramic view over the Loy Yang mine from an existing public viewing point, the Jack Vines Mine Lookout, on the western side of the Loy Yang Open Cut. Unfortunately, however, there is very little provision of interpretative and planning information or other visitor services at this lookout.

Early contacts with each of the companies indicates that they are generally interested and supportive of these ideas.

The development of mine viewing points and information centres of the types outlined would greatly assist public knowledge and understanding about the LV’s mines and the planning and development of re-purposing activity. It would also be expected that they would help increase much needed regional tourist interest and activity.

## 4. Recommendations:-

**That the Victorian Government be advised that there is a pressing need on:-**

### 4.1 Regional Economic Wellbeing

Further proactive Government initiatives in the Latrobe Valley will be needed if the serious risks of a negative cycle of economic downturn in the region is to be averted as a result of the closure of the Yallourn Power Station, particularly coming so soon after the closure of the Hazelwood Power Station. These initiatives should involve much greater consultation with the Latrobe City Council and the regional community than has occurred in recent years and include:-

- Further investments in beneficial community infrastructure, to build on the benefits of some of the excellent infrastructure investments made by the Government in the region following the closure of the Hazelwood Power Station.
- A greatly increased, and better focused, effort to attract or generate new, long-term business and employment opportunities in the region.

### 4.2 Mine Re-purposing Goals

The goals for the rehabilitation of mines to be broadened to include “visually attractive” and “economically valuable” to “safe”, “stable” and “sustainable” in order to guarantee that there is no risk that they could become “enormous, use-less, unattractive wastelands” which would be a possibility under the Government’s existing goals.

### 4.3 Appropriate Planning Processes

Guaranteeing that proposals for the repurposing of the Latrobe Valley’s open cut mines will be open to public input and scrutiny and will be thoroughly reviewed by independent experts through an Environmental Effects Statement process before decisions are made by Government.

#### **4.4 Regional Water Availability and Allocation Strategies**

Developing much more detailed provisions within the Latrobe Valley Mine Rehabilitation Strategy so that it provides a clear, detailed framework on key issues. This will be necessary in order to provide adequate parameters to enable options for the repurposing of each of the individual mines to be developed and later evaluated. In particular, this will need to include very clear specifications about quantities and sources of water which may possibly be made available for mine repurposing processes and the basis on which water allocations may be made to individual mines.

#### **4.5 Short Term Mine –Associated Developments**

Facilitating some key development's adjacent to the mines which will have significant tourism and community benefits, including:-

- The Great Gippsland Bike Trail
- Mine Viewing Points and Information Centres at Yallourn, Hazelwood and Loy Yang mines

through engaging in consultations with the relevant companies, the Latrobe City Council and the community and offering some suitable co-sponsoring grants.