

Regional Inequality in Australia

Submission to the Senate Standing Committee on Economics

October 2019

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Imagine a vast
parkland that
honours the past
whilst providing
a future...



Regional Inequality in Australia – Latrobe Valley, Victoria

Background:

In the 1990s privatization of the State Electricity Commission of Victoria (SECV), amalgamation of local councils, amalgamation of hospitals and schools, saw the loss of approximately 10,000 full time jobs in the Latrobe Valley region of Victoria. No structural assistance was put in place. Senior management levels left the area and with them their income spending locally. It has taken 20 years for the Latrobe Valley region to partially recover.

This has meant we have a section of the community, the children of workers made redundant, who have grown up in entrenched poverty, not knowing what it is like to have a working parent.

Current Situation:

Now, with the Hazelwood Mine Fire Inquiry recommendations and then closure of the Hazelwood Brown Coal Mine, the Latrobe Valley is experiencing further regional upheaval. With no clear government investment policy in the coal mining sector and severely restrictive legislation regarding emissions targets, Energy Australia/Yallourn will shut down its mine in the next few years leaving Loy Yang A & B unfettered by competition.

Into this background arrives the Great Latrobe Park Inc. post closure of the Hazelwood Mine.

After two “community consultation” meetings, by Engie, owner of Hazelwood mine, community leaders across the Latrobe Valley, realizing there was no plan other than state government “going along” with what Engie (Hazelwood) was proposing for the mine.

Great Latrobe Park Inc. is a voluntary community organization committed to ensuring [that the open cuts of the Latrobe Valley are progressively repurposed to become not only safe and secure, but also highly valuable, useful, and visually attractive long-term assets.](#) There is widespread community support within the Latrobe Valley for the goals outlined by the Great Latrobe Park group. Latrobe City Council has unanimously supported the concepts of Great Latrobe Park Inc.

Hazelwood Mine Fire, (February 2014), Inquiry Outcomes:

The Mineral Resources (Sustainable Development) Amendment Bill 2019 has now been given the Second Reading by the Hon Tim Pallas on June 5. The Bill has arisen from the Government’s stated commitment to implement the recommendations of the Hazelwood

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Mine Fire Inquiry which included the recommendation to establish a statutory, independent Mine Rehabilitation Authority “no later than 2026 or earlier in the event of premature closure of one of the Latrobe Valley mines....” (Recommendation 15).

A virtually identical bill (the Mineral Resources (Sustainable Development) Amendment Bill 2018) had been tabled in the previous Parliament by the same Minister in August 2018. An opportunity was provided for public comments on that Bill. The Great Latrobe Park Inc. availed itself of this opportunity and provided comments about that Bill to the Minister in a letter dated 16 October 2018.

Because the 2019 Bill is mostly identical to the 2018 Bill, all the comments made by the Great Latrobe Park group to the 2018 Bill are now equally valid for the 2019 Bill. Consequently, it is appropriate to quote many of the comments provided to the Minister in 2018. These comments are shown italics, while a few recent additional comments are not shown italics.

Introductory Comments

The Great Latrobe Park group welcomes the Government’s initiative in introducing the Mineral Resources (Sustainable Development) Amendment Bill 2018 into the Victorian Parliament. The group is particularly delighted to see that the Bill makes provision for the establishment of a Mine Land Rehabilitation Authority.

Our group strongly supports the move to establish a Mine Land Rehabilitation Authority which was recommended in the Hazelwood Mine Fire Inquiry Report 2015/16. We consider that a Mine Land Rehabilitation Authority, if it is well resourced with skills and finance, should enable mine sites around Victoria, including the massive open cut mines of the Latrobe Valley, to be repurposed to become attractive, useful assets rather to be derelict wastelands.

The proposal to locate the headquarters of the proposed Mine Land Rehabilitation Authority in Morwell in the Latrobe Valley is very appropriate. Due to the vastness of the Latrobe Valley open cuts (over 50 sq kms in area), it is likely that a huge proportion of the Authority’s work will be relating to rehabilitation work in this region. Consequently, this locational decision should greatly facilitate the effectiveness of the Authority’s work. The employment created by the establishment of the Authority will make a useful contribution to helping to improve employment opportunities within the Latrobe Valley.

In assessing the adequacy of the resources to be made available for Latrobe Valley open cut rehabilitation, it will be very important to be mindful of the massive economic

contribution of the Latrobe Valley's power industry to the Victorian economy during the last 90 to 95 years. It has been conservatively estimated that the value of electricity supplied from the Latrobe Valley to Victoria during the last 90 to 95 years is approximately 200 Billion dollars, at present day prices (\$100 per MWh).

Commendations

There are many important provisions of the Bill which we wish to commend. Among some of the most important of these are:-

- *The inclusion of powers to enable the Minister to cancel a mining licence for any licensee that has not complied with a declared mine rehabilitation plan (Clause 6)*
- *Provision for the requirement of a further bond payments in cases where further rehabilitation work is considered to be warranted. (Clause 9)*
- *Scope for the Minister and the Authority to take direct action if further rehabilitation is considered to be necessary. (Clause 10)*
- *The establishment of the Declared Mine Fund to provide funding for monitoring and maintenance of registered mine land (Clause 40)*
- *Empowering the Mine Land Rehabilitation Authority to be able to carry out works (Clause 40)*

Concerns

The Great Latrobe Park group strongly supports the thrust, and nearly all major features of, the Bill. Nevertheless, there are a couple of important features of the Bill which our group is concerned about. These concerns arise, in part, because it would seem that insufficient regard has been given in the drafting of the Bill to a key provision of the Hazelwood Mine Fire Inquiry Recommendation 15 which stated that:-

“The Statutory Authority’s responsibilities should include those of the Commissioner, with increased or additional focus on the following:

...Identifying processes for community and key stakeholder input into the assessment of rehabilitation against closure criteria.”

Having careful regard for this key provision of the Hazelwood Fire Mine Inquiry Recommendation; the acceptability of mine rehabilitation planning processes for the

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Latrobe Valley community; and the importance of planning and approval systems which are open, transparent, accountable and professionally competent, Great Latrobe Park Inc. outlines the following concerns and recommendations:-

Board of the Rehabilitation Authority:

Given the magnitude of the Rehabilitation Authority’s responsibilities and the range of skills and backgrounds likely to be necessary to enable the Board to satisfactorily oversee its functions, it is strongly recommended that the minimum size of the Board should be increased from 3 persons to 5 persons and the maximum size of the Board possibly be increased from 6 persons to 8 persons.

Rehabilitation Planning Process Requirements:

Rehabilitation arrangements in the Latrobe Valley’s open cuts are likely to have massive short, medium and long term social, economic and environmental implications. Consequently, it is considered absolutely essential that all aspects and stages of rehabilitation planning and approval should ensure high levels of transparency, accountability, and technical competence. There should be mandatory requirements for the provision of substantial opportunities for public input, involvement, and information availability. Unfortunately it would seem that the Bill is effectively completely silent on the need for such requirements. The preparation and amendment of all rehabilitation plans should require processes which are at least as open and rigorous as those required for major planning permit applications or, even more appropriately, for the completion of an Environmental Impact Statements. This should include specifying requirements for public advertising and exhibition of proposals; scope for the public to make submissions; for the public hearing of proposals and submissions before well qualified, and fully independent panels; scope for appeals to be able to be made by both applicants and public submitters to the Victorian Civil and Administrative Tribunal or some other independent, expert Tribunal.

The seeming absence of provisions within the Bill of the type outlined above guaranteeing transparency, public input, and independent expert assessment could all too easily result in rehabilitation plan decisions effectively being determined by only a couple of public servants in a totally “closed shop” situation. The scale and significance of rehabilitation plans for the Latrobe valley are so enormous, that the regions rehabilitation plans must be prepared with the utmost care, rigorous evaluation, public involvement and accountability.

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Major Issues for Great Latrobe Park to discuss with Senate Inquiry into Regional Inequality:

1. Consequences of Mineral Resources (Sustainable Development) Bill

Great Latrobe Park Inc. wishes to commend a number of important provisions of the Bill. However, the group is disappointed that none of the proposals for some amendments to the Bill which were suggested to the Minister in an October 2018 letter by the group appear to have been accepted. Unfortunately, it is considered that the failure to make some amendments along the lines suggested could significantly reduce the Bill's effectiveness and the acceptability within the Latrobe Valley of the processes being provided for in the Bill.

2 Additional Rehabilitation Goals

Present Government rehabilitation strategy goals aim to achieve “safe, stable and sustainable” outcomes. These are crucial outcomes, baseline outcomes, but the term “sustainable” is vague and open to widely divergent interpretations. The term could easily be interpreted to encompass outcomes which are visually unattractive with few clear and productive benefits.

It is therefore considered essential that current rehabilitation strategy goals should be amended to add the goals “**visually attractive**” and “**useful**” to the “safe, stable and sustainable”.

These additions would ensure that all rehabilitation plans would be required to be carefully evaluated in terms of their long-term usefulness, visual attractiveness and public acceptability.

3 Short-term actions not to prejudice potential, desirable, long-term rehabilitation options.

While essential research and preliminary planning processes are occurring, it is critical that the potential for all significant long-term rehabilitation options are not prejudiced or even pre-empted. This should include ensuring that options for the establishment of a Great Latrobe Park are carefully protected. There is a serious risk that premature assumptions and rehabilitation activities could be being made about a preferred rehabilitation option well in advance of the completion of adequate research and comprehensive evaluation of the feasibility, costs and benefits of all significant options.

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4 Major rehabilitation difficulties arising from past State Governments' mismanagement.

4.1 Absence of a proper buffer area between Morwell and Hazelwood Open Cut.

In a 1921 report to the Victorian Government, the SECV'S Chairman, Sir John Monash indicated that there should be a separation distance of one mile (1.61 km) of landscaped buffer area between the proposed Yallourn town and the proposed mining areas and power station.

The 1947 Heath Gower Report, prepared for the SECV, recommended that there should be a one mile (1.61 km) wide buffer area between all urban and mining areas to protect against the risks of land subsidence, dust, fire and other environmental risks.

In September 1947, the Victorian Parliament approved a Bill to enable the development of a new Morwell (Hazelwood) Open Cut Mine to the south of the already existing Morwell township. Subsequent plans proposed that the open cut would be located only 400 metres south of the town.

In 1956, the long-delayed mining of coal from the Morwell (Hazelwood) Open Cut commenced, by which time, Morwell had a population of over 10,000 people.

The absence of a proper buffer area between Morwell (Hazelwood) Open Cut and Morwell town was the result of either:-

(a) unchecked, gross professional incompetence, and/ or

(b) a deliberate attempt by a Victorian Government agency, the SECV, to reduce the quality of living conditions in Morwell in order to facilitate the SECV's desire, at a later stage, to remove Morwell town and to mine coal underneath where the town had existed.

Up until 1999, there had been a land subsidence of 1.8 metres on the southern edge of Morwell town, in the period since the commencement of mining in the Morwell (Hazelwood) Open Cut.

In 2014, for a period of over one month, Morwell, particularly those areas closest to the open cut, was very adversely affected by the effects of smoke and dust from a major fire in the Hazelwood Open Cut.

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4.2 Protracted delays in placing overburden back into the mine void

The SECV delayed placement of overburden back into the void of the Hazelwood Mine was delayed for several decades longer than it should have been. Overburden placement into the mine void did not start until 43 years after the commencement of the mine. Consequently, a massive amount of overburden was “stored” in an external overburden dump which could have been placed within the mine void where it could have made a major contribution to long-term mine rehabilitation.

As a consequence of the actions, or inactions, of some previous state governments and a major state government agency, the Victorian Government is complicit in major problems and costs in the appropriate rehabilitation of the Hazelwood Open Cut. Therefore, it is surely incumbent upon the Victorian Government to assume some special, direct responsibility to ameliorate past, present and future problems arising from these failures. It is hoped that the Victorian Government will be giving very active consideration as to what measures it proposes in this regard.

5. The Great Latrobe Park vision

We envisage that the Morwell (Hazelwood) and Yallourn Open Cut Mines and their surrounds will form an internationally significant parkland: the GREAT LATROBE PARK. This park would be planned and developed to contain a diverse range of environmental and conservation areas, and provide a broad range of opportunities for sporting, cultural and recreational activities. We believe such an amenity will attract many visitors – local, state, national and international enabling the Park to be self-sustaining and make an enormous contribution to the Latrobe Valley economically, environmentally, in provision of employment and promotion of the Region.

Conclusion:

The Great Latrobe Park Project Team believe we have intensively researched the treatment of former industrial sites around the globe, how they have been rehabilitated, how they generate income, how they create employment, the effect on their state economies.

The successful rehabilitations involve a coming together of Community, State & Federal governments, private sector, education sector, business and interested parties.

This is about *Transformation*.

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Great Latrobe Park Inc. would welcome an opportunity to discuss with you our ideas and vision for the development of a Great Latrobe Park and to explore the range of employment opportunities we envisage. The Latrobe Valley needs State & Federal Governments to put in the building blocks for a new economy. The Great Latrobe Park is the building block which will enable other developments to take place.

Yours sincerely,

David Langmore,
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