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By email

Dear Madam

Information requested by the Secretariat to the Board of Inquiry into the Hazelwood Mine Fire

We refer to your letter dated 24 April 2014, requesting background information in relation to the operation of the Hazelwood Coal Mine.

Our client's responses are set out below.

Accompanying this letter is a volume comprising the documents which are referred to (by tab number).

1. Please advise who:

(1) owns; and

(2) operates,

the Hazelwood Coal Mine.

The Hazelwood Coal Mine ("**Mine**") is owned and operated by the Hazelwood Power Partnership ("**HPP**"). Since 7 June 2013 the partners of the HPP have been:

- National Power Australia Investments Ltd;
- Hazelwood Pacific Pty Ltd;
- Australian Power Partners BV; and
- Hazelwood Churchill Pty Ltd.

Hazelwood Power Corporation Pty Ltd ("HPC") is the holder of mining licence MIN 5004 issued under the *Electricity Industry Act 1993* (Vic) on 10 September 1996 (the "Mining Licence"), under which the Mine is operated.

MIN 5004 has been amended since its grant, with additional mining licences MIN 5449, MIN 5450, MIN 5451 and MIN 5452 granted in relation to the West Field extension of the Mine amalgamated and incorporated into MIN 5004.

A copy of MIN 5004 as granted is at **tab 1**.

Documentation confirming the amalgamation of MIN 5449, MIN 5450, MIN 5451 and MIN 5452 into MIN 5004 is at **tab 2**.

- 2. The inquiry understands that the Mine is ultimately held by GDF Suez S.A and Mitsui & Co., Ltd. Please outline the corporate structure through which these two companies own the mine. Please include in this outline an explanation of the relationship between the Hazelwood Power Partnership that purchased mine in 1996 and the current corporate structure through which the mine is owned.**

As noted above, since privatisation in September 1996 the Mine has been owned and operated by HPP, with the Mining Licence held by HPC.

HPC and the partners in HPP are subsidiaries of International Power (Australia) Holdings Pty Ltd ("IPAH").

IPAH is jointly owned by subsidiaries of GDF Suez S.A and Mitsui & Co Ltd.

A simplified corporate structure diagram, depicting the corporate structure through which these companies own the Mine, is at **tab 3**. Please note that the diagram at tab 3 is commercially sensitive and is provided to the Board on a confidential basis.

For convenience, throughout the balance of this letter, we refer to the corporate entities that own and operate the Mine as "**Hazelwood**".

- 3. Please outline the management structure at the Mine, identifying by name and position those persons who have responsibility for fire prevention, preparedness and response.**

A chart depicting senior management at the Hazelwood Coal Mine is at **tab 4**.

The Hazelwood managers and senior employees with key responsibilities for fire prevention, preparedness and response are as follows:

Position title	Name(s)
Mine Director	Garry Wilkinson
Manager Production	Rob Dugan

Services Superintendent	Dave Shanahan
Shift Supervisors¹	Scott Roberts, Tony Briffa, Peter Smith, Ian Wilkinson, Shaun O'Neill, Colin Lipman
Services Supervisors²	Dean Soares, Noel Coxall
Senior Project Manager	Darren Grieve

In the context of a fire emergency within the Mine, under Hazelwood's fire and emergency policies (listed below), the following Mine managers and officers have key responsibilities:

Position title	Name(s)
Emergency Services Liaison Officers (ESLOs)	Darren Grieve, Romeo Prezioso, Bob Knight, Alan Roach, Rob Dugan, Chris Morley
Emergency Commander	Garry Wilkinson, Shift Supervisors, Stan Kemsley, Rob Dugan

4. Please provide an overview of the regulatory framework within which the Mine is operated, including identification of which agencies or bodies are responsible for compliance. Please include occupational health and safety and environment protection in this overview.

(a) Mining

The principal instruments in relation to the mining industry in Victoria are:

- *The Mineral Resources (Sustainable Development) Act 1990 (Vic) ("MRSD Act");*
- *The Mineral Resources (Sustainable Development) (Mineral Industries) Regulations 2013 (Vic); and*
- *The Mineral Resources (Sustainable Development) (Extractive Industries) Regulations 2010 (Vic).*

The MRSD Act regulates the grant of licences for exploration and mining, compensation, rehabilitation, royalties for mineral exploration, development activities and enforcement.

Mining operations at the Mine are carried out in accordance with the requirements of the Mining Licence.

A plan of the Mining Licence area as at February 2013 is at **tab 5**.

¹ There are 5 rosters (A – E), with one shift supervisor per roster, and one relief supervisor.

² There are 2 rosters (A – B), with one services supervisor per roster.

Condition 1.1 of the Mining Licence is that "work shall be carried out in accordance with the approved work plan (including a rehabilitation plan) as amended from time to time in accordance with the Mineral Resources Development Act 1990 (MRD Act)..."³.

Hazelwood's current work plan (including a rehabilitation plan) is the Work Plan revision approved by the Department of Primary Industries ("DPI") on 11 May 2009 ("the Revised Work Plan"), a copy of which is at **tab 6**.

As regards fire management, under section 5.4.4 of the Revised Work Plan, Hazelwood is responsible for ensuring that fire management for the West Field [and the Mine more broadly] is "a continuation of existing methods, and generally compl[ies] with the Latrobe Valley Open Cut Fire Protection Policy...".

Hazelwood's compliance with the requirements of the Mining Licence and Work Plan is regulated by the Department of State Development and Business Innovation ("DSDBI"), formerly the DPI.

The Technical Review Board ("TRB") established under Part 4A of the MRSD Act is a separate body involved in the regulatory oversight of the Mine, particularly from the perspective of mine stability.

(b) Fire

Hazelwood has a series of operational plans and policies relating to the mitigation of fire risks and the response to incidents of fire within the Mine.

Current policies and procedures

Hazelwood's principal policies and procedures with respect to the fire planning and response within the Mine consist of:

- *Emergency Response Plan – Hazelwood Mine* revised May 2013 (**tab 7**);
- *Mine Fire Policy & Code of Practice* revised July 2013 (**tab 8**);
- *Hazelwood Mine Fire Instructions* issued 27 July 2011 (**tab 9**);
- *Internal Grass Slashing – Specification for Grass Mowing* issued 17 October 2011 (**tab 10**);
- *Hazelwood Mine Guidelines for Season and Period Specific Fire Preparedness and Mitigation Planning* issued 13 September 2007 (**tab 11**);
- *Check List for Fire Fighting Equipment Annual Inspection* issued 18 January 2013 (**tab 12**);
- *Check List for Season Specific Fire Preparedness and Mitigation Planning* issued 24 November 2008 (**tab 13**);
- *Check List for Hazelwood Slot Bunker Fire Services Wash Down & Routine Inspection* issued 18 January 2013 (**tab 14**);
- *Mine Fireman Assessment* issued 24 February 2012 (**tab 15**); and

³ The Mineral Resources Development Act 1990 (Vic) was renamed to the Mineral Resources (Sustainable Development) Act 1990 (Vic) in 2006.

- *Fire Person Duties Training Manual* issued 23 August 2012 (**tab 16**).

SECV / Generation Victoria predecessor policies

Hazelwood's principal fire policies and procedures set out above are based upon predecessor fire codes applicable to the Mine produced by the State Electricity Commission of Victoria ("**SECV**"), and Generation Victoria, whilst the Mine was in public ownership.

The principal predecessor fire codes include:

- The *Latrobe Valley Open Cut Mines Fire Protection Policy* which was produced by the SECV in about 1981, and subsequently revised in November 1984 (**tab 17**); and
- The *Fire Service Policy and Code of Practice* (April 1994), which was a revision of the SECV Policy produced by Generation Victoria (**tab 18**).

Fires in the Mine since privatisation in 1996

Hazelwood's fire policies and procedures are also informed by recommendations arising from previous incidents of fire at the Mine.

Key instances of fire at the Mine since privatisation in 1996 are outlined below.

Date	Description
21 January 2012	Fire at Dredger 11's centre chute. This fire was the subject of a Hazelwood report entitled " <i>11 Dredger Centre Chute Fire Incident – Final Incident Investigation Report</i> " (tab 19).
14 – 22 September 2008	Fire on Level 5 of the South East Field. This fire was the subject of a report by GHD Pty Ltd (a consulting firm) dated December 2008 entitled " <i>International Power Hazelwood September 2008 Mine Fire Incident Investigation Report</i> " (tab 20).
12 – 18 October 2006	A fire at the tail end of M620 conveyor progressed to the front of the conveyor and then to the M720 conveyor, with spot fires forming along the north side of Dredger 11. This fire was the subject of a GHD report dated January 2007 entitled " <i>International Power Hazelwood October 2006 Mine Fire Investigation Incident Investigation Report</i> " (tab 21).
30 December 2005	Major fire took hold on worked out coal batters between levels 3-5 in the South East Field, extending down onto Operational Level D24. This fire was the subject of a Hazelwood report dated December 2005 entitled " <i>Recommendations from Mine Coal Fire December 2005</i> " (tab 22).

None of these fires was related to bushfire.

Significant fires prior to privatisation

The SECV and Generation Victoria fire policies and procedures, which Hazelwood's policies and procedures reflect, were informed by recommendations arising from the following inquiries:

- the Report of the Royal Commission into the Place of Origin and the Causes of the Fires which Commenced at Yallourn⁴ on the 14th of February, 1944 (**tab 23**).
- the Final and Summary Reports of the Review Committee in relation to the Morwell Open Cut Fire on 4,5 and 6 November 1977 (**tabs 24 and 25**).

The fires at Yallourn in 1944 were bushfire related. The fire in the Mine in 1977 was due to burning particles of coal falling from the exhaust system of a vehicle.

(c) Occupational Health & Safety

The principal legal obligations in relation to the workplace health and safety of Mine personnel are outlined in the *Occupational Health and Safety Act 2004* (Vic) ("**OHS Act**") and *Occupational Health and Safety Regulations 2007* (Vic) ("**OHS Regulations**").

Hazelwood has established and implemented a Safety Management System for the Mine in accordance with 5.3.21 of the OHS Regulations.

"Mine fire" is one of the mining hazards managed under the Mine's Safety Management System, pursuant to regulation 5.3.2(1)(j) of the OHS Regulations.

Further, **major mine fire** has been assessed by the Mine as a "major mining hazard" under the OHS Regulations as an incident with the potential to cause, or which poses a significant risk of causing, more than one death. Pursuant to regulation 5.3.23 of the OHS Regulations, the Mine has conducted a comprehensive and systematic safety assessment of major mine fire as a major mining hazard (**tab 26**).

(d) Environment protection

Hazelwood is the holder of EPA Accredited Licence No. 46436 (formerly EM30856) issued under the *Environment Protection Act 1970* (Vic) ("**EP Act**"), which authorises it to mine brown coal and generate electricity in a coal fired power station with a nominal generating capacity of 1600MW (**tab 27**). The licence was issued on 30 April 1997 and was last amended on 25 October 2013.

The relevant regulatory body with respect to the licence is the Environment Protection Authority Victoria.

Hazelwood is the holder of Groundwater Licence No.2007412 issued under s 51 of the *Water Act 1989* (Vic), which took effect from 1 September 1995, which authorises it to take and use up to a total of 22,892 ML of groundwater per annum from the M1 and M2 aquifers in and around the Mine to "*facilitate...generation of electrical energy and purposes incidental thereto..*".

The relevant regulatory body with respect to the Groundwater Licence is Gippsland Water.

⁴ Despite the different location and nature of the Yallourn mine, the findings of this Commission were relevant to the development of the SECV and Generation Victoria policies.

(e) Operators under the Electricity Safety Act

We note that under the *Electricity Safety Act 1998 (Vic)* and the *Electricity Safety (Bushfire Mitigation) 2013 (Vic)*, Hazelwood constitutes a "specified operator", and has produced an "*Electricity Safety - Bushfire Mitigation Plan*" for period commencing 1 July 2013 (**tab 28**).

The relevant regulatory body with respect to the *Electricity Safety - Bushfire Mitigation Plan* is Energy Safe Victoria.

5. Please advise whether the Mine is a "prescribed mine" for the purposes of the Occupational Health and Safety Regulations 2007.

The Mine is a "prescribed mine" for the purposes the *Occupational Health and Safety Regulations 2007 (Vic)*.

6. Additional background information

Some additional background information in relation to the Mine, which we hope may be of assistance, is as follows:

- the Mine was originally established by the SECV to provide the steaming and briquetting coal requirements of Morwell Briquette and Power;
- works commenced at the site for the open cut in about 1949, with the excavation of coal commencing in about 1955 in what is now known as the East Field;
- in about the late 1950s, the Victorian State Government determined that the Hazelwood Power Station would be established at the open cut with initial plans for the Power Station to consist of six 200 MW generating units;
- the Hazelwood Power Station commenced operations in about 1964;
- the capacity of the Power Station was increased to eight 200 MW generating units by about the early 1970s;
- the East Field of the Mine (including the north batters) was developed during the period from about 1955 to 1980;
- the South-West Field of the Mine was developed during the period from about 1975 to the mid-1990s;
- the Mine and the Power Station were privatised in 1996;
- the South-East Field of the Mine was developed during the period from about 1992 to 2006;
- development of the West Field of the Mine commenced in about 2004 and is continuing ;

- the Mine Licence area currently covers approximately 3,138 hectares, with the open cut covering an area of about 1165 hectares;
- the Mine occupies an area of a similar size as the township of Morwell;
- the perimeter of the open cut is over 18 kilometres in length;
- infrastructure within the Mine includes 4 dredgers, 100km of pipework, four coal conveyors (together, over 60kms in length), and 100km of roads;
- the Mine produces about 18 million tonnes of brown coal per year;
- the Hazelwood Power Station is a base load generator which supplies up to 25% of Victoria's electricity;
- the Mine does not maintain stores of coal. Coal once excavated is conveyed to a slot bunker, then crusher houses where the coal is reduced in size and then combusted in the Power Station;
- the coal is covered by overburden, made up of clay, gravel and top soil. This overburden must be removed before the coal can be mined;
- the average depth of overburden is 18 metres;
- the average depth of the coal is around 85 - 100 metres; and
- more than 700 million tonnes of coal have been mined to date.

A large scale aerial photograph of the Mine dated 22 January 2014 is in the volume accompanying this letter.

We trust that the foregoing is of assistance.

Yours faithfully

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.