

**IN THE MATTER OF
The Hazelwood Coal Mine Fire Inquiry**

FURTHER STATEMENT OF LUKE CAMERON WILSON

Date of document	30 November 2015	Telephone: +61 3 8684 0444
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I, LUKE CAMERON WILSON of Level 23, 1 Spring Street, Melbourne, Victoria, Lead Deputy Secretary, Agriculture, Energy and Resources, at the Department of Economic Development, Jobs, Transport and Resources (**DEDJTR**) can say as follows:

1. My full name is Luke Cameron Wilson.
2. I am the Lead Deputy Secretary, Agriculture, Energy and Resources, at DEDJTR.
3. My role and my background are summarised in my previous statement of 20 November 2015.
4. I make this further statement pursuant to the request made by the Hazelwood Coal Mine Fire Board of Inquiry (**Board**) by letter of 12 November 2015 (**Board's letter**). The questions in the Board's letter are set out in the remainder of this statement together with my responses.
5. The information contained in this statement is substantially derived from enquiries carried out by officers of DEDJTR and is accurate to the best of my knowledge, information and belief.

Board's letter question 1:***What is the role of Coal Resources Victoria (CRV) (and its predecessor, Clean Coal Victoria)?***

6. Clean Coal Victoria (**CCV**) was established in 2008 as a unit of the former Department of Primary Industries (**DPI**).
7. CCV's principal functions as set out in the Fact Sheet 'Clean Coal Victoria' (**Annexure 1**) were described as:
 - 7.1 Strategic planning for coal to address a range of issues including the next generation of coal mines, new technologies, water use and supply, future coal demands, carbon dioxide capture and storage needs and understanding new infrastructure requirements;
 - 7.2 Regional environmental planning to involve analysis and advice on environmental issues and requirements, including planning for long term rehabilitation, subsidence management and protection of ground water resources;
 - 7.3 Investigation of the coal resource to define the quantity and quality of brown coal reserves, using field activities such as drilling and sampling, other data acquisition techniques, and analysis to develop precise, detailed maps using the latest 3D technologies; and
 - 7.4 Stakeholder engagement to involve whole of government representation to engage industry, communities, local government, employee groups, research institutions, investors, environmental organisations and other key stakeholders, and to provide stakeholder feedback to Government to guide coal development decisions.
8. The CCV Advisory Committee was established to engage industry, communities, local government, employee groups, research institutions, investors, environmental organisations and other key stakeholders, and to provide stakeholder feedback to the Victorian Government to guide coal development decisions.
9. In October 2013, the Premier of Victoria assigned lead responsibility for allocation of Victoria's Latrobe Valley coal resource to the State Development portfolio.
10. In December 2013, CCV was scaled down to a single Director position located within the Earth Resources Policy and Programs Branch at DEDJTR.
11. The function of the Director, as set out in the Director Clean Coal Victoria Position Description (**Annexure 2**), was to provide advice on resource planning and stakeholder engagement regarding the Victorian Government's coal resource. This included providing advice on emerging technologies for processing coal (including carbon capture and storage) and facilitating projects (including projects that received grants under the Advanced Lignite Demonstration Program).

12. CCV's work program (described in detail in paragraph 22) on coal resource planning was concluded in January 2014, pending the outcome of a market engagement program being led by the State Development portfolio.
13. CCV was renamed Coal Resources Victoria (**CRV**) in August 2014, and the Director's position was renamed Director, Coal Resources.
14. The Minister for Energy and Resources wrote to CRV Advisory Committee members on 19 March 2015 indicating an intention to continue the Committee, notwithstanding the imminent expiration of their terms of office (**Annexure 3**). The letter extended their terms of office to 30 June 2015 to allow sufficient time to undertake a process to make appointments for three years. The current CRV Advisory Committee membership lapsed on 30 June 2015. The re-appointment process is on hold pending the outcome of the Coal Review, announced by the Victorian Government on 18 November 2015 (see further details on the Coal Review in my response to question 11).

Board's letter question 2:

Why was CRV formed?

15. Following the privatisation of Victoria's electricity assets in 1995 and 1996, the Government no longer had a direct role in the strategic planning and development of Victoria's coal resource.
16. CCV (as it then was) was formed to undertake strategic planning for coal on behalf of the Victorian Government, and to develop expertise to ensure the future development of Victoria's coal resource.

Board's letter question 3:

What involvement has CRV had in the implementation of Recommendation 2 from the Mining Warden Inquiry into the Yallourn Mine Batter Failure? (see Government Response which identified Clean Coal Victoria as taking a lead role in the process of future planning including rehabilitation planning and review of existing rehabilitation plans). Did it take a "lead role"? In what way? Is this still occurring? If not, why not?

17. The Government's Response to the Mining Warden Inquiry into the Yallourn Mine Batter Failure indicated that CCV was expected to take a lead role in a process that included:
 - 17.1 Establishing regional mine planning, including rehabilitation planning, for the Latrobe Valley coal mining region; and
 - 17.2 Undertaking a review of existing rehabilitation plans to ensure consistency with the regional mine planning framework while still ensuring ongoing sustainability (at page 3 of the Government's Response).

Regional mine planning

18. In June 2009 GHD provided a report to DPI titled 'Mine Rehabilitation Options and Scenarios for the Latrobe Valley: Developing a Rehabilitation Framework' (**Annexure 4**) (**the GHD report**). The GHD report considered rehabilitation issues particular to open cut mining in the Latrobe Valley and Gippsland, including regional issues, and informed the development of the CCV work program (further described immediately below).
19. As set out in the CCV document 'Coal Planning Work: Process and Outcomes Summary' (**Annexure 5**), between 2008 and 2014, the scope of CCV's work (**CCV work program**) included:
 - 19.1 Understanding the resource and the likely and potential coal development areas for sites;
 - 19.2 Completing assessments of current mining costs and considering possible alternative mining costs, including a Value in Use study to ascertain the best coal for future mining;
 - 19.3 Considering the impact of mining on the environment from a community, biodiversity (fauna and flora), cultural heritage and rehabilitation perspective;
 - 19.4 Assessing the current land use, zoning and the adequacy of these to enable potential development, considering community needs and rehabilitation of exhausted mining areas;
 - 19.5 Considering potential impacts on existing infrastructure of any resource development and also the potential needs of infrastructure to process coal and transport product to market; and
 - 19.6 Considering the potential rehabilitation of worked out (exhausted) mines and the uses that such structures (land forms) can be put for future generations, taking into account land use, safety and sustainability of land forms.
20. This work program included the funding and commissioning of various reports and studies, including the reports on rehabilitation that are discussed below in my response to question 6.
21. CCV's work program was concluded in January 2014. At that time, CCV recommended that further work be undertaken to:
 - 21.1 Incentivise mining operators to mine responsibly (rehabilitation); and
 - 21.2 Encourage internal dumping of mine waste into mine voids, rather than disposal elsewhere.
22. A review of Victorian brown coal, announced by the Victorian Government on 18 November 2015, will review past coal development programs,

including CRV (and its predecessor CCV), to assist the Victorian Government to prepare a Coal Policy in 2016. Further detail on the Coal Review is set out below in my response to question 11.

Review of rehabilitation plans

23. Neither CRV, nor its predecessor CCV, took a lead role in reviewing mine rehabilitation plans. Reviews of the Latrobe Valley mine rehabilitation plans have been undertaken by the Earth Resources Regulation Branch (**ERR**) in the context of assessments of work plan variation applications.
24. The following mine rehabilitation plans have been reviewed by ERR:
 - 24.1 Hazelwood 2009 approved work plan variation;
 - 24.2 Yallourn 2011 approved work plan variation; and
 - 24.3 Loy Yang 2014 and 2015 work plan variation applications.
25. An explanation of the criteria used by ERR when assessing rehabilitation plans, and how ERR has evaluated the rehabilitation plans, is contained in my previous statement in response to questions 5 and 8.

Board's letter question 4:

What is CRV's funding structure and resourcing?

26. CCV was originally established through an allocation of \$12.2 million over four years in the 2008-09 Victorian Budget.
27. An additional \$8.3 million was allocated in the 2013-14 Victorian Budget to extend the operation of CCV for a further four years. This included \$0.513 million of funding provided by the Commonwealth Government under the National Partnership Agreement for Coal and Coal Seam Gas.
28. Savings and reprioritisation has removed \$3.3 million from the funding allocated to CCV since the program's inception.
29. CRV now operates through a single Director position (Director, Coal Resources), located within the Earth Resources Policy and Programs Branch at DEDJTR.

Board's letter question 5:

What is CRV's area of expertise – particularly as it relates to mine rehabilitation?

30. Jane Burton has been the Director, Coal Resources since August 2014. A summary of Ms Burton's qualifications and professional history is provided (**Annexure 6**).

Board's letter question 6:

What current and past projects has CRV been involved in relevant to mine rehabilitation and planning? What were the key findings relevant to rehabilitation?

31. The CCV work program included consideration of mine rehabilitation. Projects included the following activities:
 - 31.1 A scoping workshop that defined possible uses and options for mine voids post mining, detailed in the SKM report 'Scope for a Latrobe Valley Mine Closure Strategy' (**Annexure 7**);
 - 31.2 Commissioning a water balance study, titled 'Water Balance at Coal Mine Closure: A Conceptual Model for the Latrobe Valley' (**Annexure 8**) (the Water Balance Study); and
 - 31.3 A Visioning Study to create visions for the future of the Latrobe Valley and surrounds (including options for land forms for future uses of mine voids), which included an international design competition and creation of a mine visualisation simulation tool (see the RMIT Latrobe Valley Mine Visualisations Report, November 2013, previously provided to the Inquiry).
32. The work program also refers to a Safe and Stable Project being undertaken by ERR. This project is now called the Mine Batter Stability project, described below in my response to question 11.
33. Some findings from these projects were:
 - 33.1 The Scoping Workshop recommended that CCV develop a rehabilitation vision for the future and that ERR develop a safe and stable rehabilitation scenario to apply to the vision for the future;
 - 33.2 The Water Balance Study recommended that site specific numerical modelling is undertaken for each mine as they approach their closure and that other rehabilitation models be thoroughly investigated; and
 - 33.3 The Visioning Study provided a mine visualisation simulation tool.

Board's letter question 7:*According to CRV:*

7.1 What are the key knowledge gaps that require investigation to ensure rehabilitation efforts are successful in the short, medium and long term?

7.2 What is needed to support research, monitoring and evaluation of rehabilitation of the Latrobe Valley mines from government, the mines, research bodies and other relevant stakeholders?

7.3 What type/s of coordination or planning models would assist in supporting research, monitoring and evaluation of rehabilitation in the LV?

7.4 What are the key challenges and how can they be overcome?

7.5 What role does CRV see it can play in this area going forward?

34. CRV, and the Policy and Legislation Reform team in the Earth Resources Policy and Programs Branch at DEDJTR, are responsible for providing advice to the Minister for Energy and Resources on coal policy development, including in relation to coal mine rehabilitation.
35. The outcomes of CCV's work program are summarised above in my response to question 6.
36. The Victorian Government has announced an independent external Review into Victorian Brown Coal (**Coal Review**) (see <http://www.premier.vic.gov.au/coal-review-to-give-certainty-to-community-and-industry/>), which will inform the development of a Coal Policy in 2016. Further details on the Coal Review are set out in my response to question 11 below.
37. The Government will consider rehabilitation policy options for the Latrobe Valley coal mines in response to the Coal Review and the Inquiry final report.

Board's letter question 8:

What has CRV's community consultations learned about community concerns regarding rehabilitation in the LV?

38. CRV has conducted community consultations primarily through the CRV Advisory Committee.
39. The CRV Advisory Committee has discussed rehabilitation at various meetings since 2011. Minutes of the CRV Advisory Committee meetings (**Annexure 9**) identify the following issues regarding rehabilitation in the Latrobe Valley:

- 39.1 There is no starting point for community to see the end outcome [of rehabilitation]; there is a need to communicate to the community what the finished product will look like (25 May 2011);
 - 39.2 Concepts for rehabilitating mines that have been used in the past are no longer as viable as they once were (13 August 2014);
 - 39.3 There is a lack of vision regarding rehabilitation of mines, in particular water pressure, geotechnical stability issues and land use issues are not being considered (12 February 2015);
 - 39.4 Current solution to rehabilitation is not working, yet there is a lack of interest in discussing other potential solutions (12 February 2015);
 - 39.5 There appears to be a lack of interest in taking a holistic view of issues relating to mine rehabilitation (12 February 2015); and
 - 39.6 Victoria should look at world's best practice for rehabilitation, including mines in Europe that have been rehabilitated into tourist attractions with restaurants and walking tracks (9 April 2015).
40. The CCV Advisory Committee and the CRV Advisory Committee have hosted two stakeholder engagement days, held on 18 October 2013 and 21 October 2014. Agendas for the events 'Regional Stakeholder Exchange Day' (**Annexure 10a**) and 'Coal Conversation #1 – Technology Update' do not include sessions on rehabilitation (**Annexure 10b**).
41. The Director, Coal Resources (and the previous Director, CCV) have also presented on the work of CRV to community groups, service clubs, local government and other key stakeholders.

Board's letter question 9:

What role/contribution can the community play/make in the future in relation to rehabilitation?

42. The Victorian Government is committed to ensuring that the community has an ongoing role in contributing to discussions about rehabilitation. The Victorian Government will continue to consider what role the community can play and/or make in relation to rehabilitation in response to the Inquiry recommendations.

Board's letter question 10:

What type of financial assistance system would incentivise operators to engage in progressive rehabilitation? (see Recommendation 1 from CCV's Coal Planning Work Summary of 1 January 2014).

43. As outlined in my response to question 35 of my previous statement, DEDJTR has commissioned NERA Economic Consulting to provide analysis of, among other things, the potential range of options to ensure that

rehabilitation obligations are met by mine licensees. A report is expected to be provided to DEDJTR on 16 December 2015 and can be provided to the Board at that time.

44. No further work has been undertaken by DEDJTR since 1 January 2014 on Recommendation 1 of CCV's Coal Planning Work Summary.

Board's letter question 11:

Any other matter relevant to Terms of Reference 8, 9 and 10.

Coal Review

45. On 18 November 2015 the Victorian Government announced the Coal Review, see the media release at **Annexure 11**.
46. The Coal Review is an independent review of previous Victorian Government programs for coal development, and was commissioned to assist the Victorian Government to plan for the future of Victoria's coal resource.
47. The Coal Review will include targeted consultation with industry, environmental groups and the community.
48. The findings of the Coal Review will feed into the Victorian Government's new coal policy, which will consider economic, social and environmental factors, to give the community and industry certainty into the future.
49. The coal policy will be released in 2016 in order to incorporate findings from this review, the Government's climate change review and the Inquiry's recommendations.

Mine Stability Initiatives

50. The following provides an update to the Board on mine stability initiatives within ERR, to supplement my response to question 7 in the Board's letter of 9 November 2015.
51. The Mine Stability Program at ERR was initiated in response to the failure of the Yallourn Mine East Field batter collapse on 14 November 2007.
52. The Mine Stability Program has been implemented in two phases:
- 52.1 Mine Stability Initiative 1: included the establishment of the TRB, establishing a research facility at an academic institution to further research into, and knowledge of, the Latrobe Valley brown coal environment (which is now Geotechnical and Hydrogeological Engineering Research Group, GHERG) and increasing the expertise capacity within DEDJTR (and its predecessors); and
- 52.2 Mine Initiative 2: is ongoing and includes development of the Guideline for Managing Ground Control Risks in Latrobe Valley Brown Coal Mines (which was annexed to my previous statement),

delivery of a Brown Coal Seminar (which took place on 21 October 2014), Emergency Scenario Planning (which is in the planning phase) and the Mine Batter Stability project.

Mine Batter Stability Project

53. ERR is undertaking a Latrobe Valley Brown Coal Mine Batter Stability Research Project (the Mine Batter Stability Project) in partnership with GHERG.
54. According to the Project Scope (**Annexure 12**), the purpose of the Mine Batter Stability Project is to address a recommendation made by the TRB in its 2011-2012 Annual Report (at page 6), which identified the need for geotechnical studies to be undertaken at each of the three Latrobe Valley mines in order to re-establish a robust technical platform to manage geotechnical risk.
55. The Project Scope identifies that the outcomes of the Mine Batter Stability Project are to:
 - 55.1 Promote a consistent framework of geological, geotechnical and hydrogeological understanding for use by all stakeholders for mine slope stability management in the Latrobe Valley;
 - 55.2 Provide parameters for comparison with regional lignite characteristics as a basis for extrapolating mine slope performance to other areas of the Latrobe Valley;
 - 55.3 Understand the stress and time dependent properties of overburden, lignite and interseam sediments;
 - 55.4 Understand what type of batter movement occurs and identify what parameters control movement;
 - 55.5 Improve capacity to identify and manage geotechnical and hydrogeological risks related to lignite mining;
 - 55.6 Highlight key issues related to the use of material / rock mass parameters, geotechnical and hydrogeological models for slope stability analysis;
 - 55.7 Identify tools and methodologies suitable for the replication of observed mine slope behaviour and for use in prediction of ongoing batter response to mining; and
 - 55.8 Propose a program for monitoring and reporting of slope stability conditions.
56. The project will come under the oversight of the ERR mine stability Program Control Board (**PCB**), which is chaired by the Executive Director, ERR.

57. A Technical Advisory Group will be formed which will include participation by:
- 57.1 ERR;
 - 57.2 The Latrobe Valley mines (Yallourn, Hazelwood and Loy Yang);
 - 57.3 GHERG; and
 - 57.4 Members of the TRB.
58. Field work is expected to be completed by 30 June 2016, with a PhD academic review to commence from 30 June 2016 to run for a number of years.

Dated: 30 November 2015

LIST OF ANNEXURES

ANNEXURE	DESCRIPTION OF THE ANNEXURE	DOCUMENT ID
Annexure 1	Fact Sheet 'Clean Coal Victoria'	DEDJTR.1025.001.0043
Annexure 2	Role of Director, Coal Resources	DEDJTR.1025.001.0045
Annexure 3	Letter to CRV Advisory Committee members	DEDJTR.1025.001.0049
Annexure 4	GHD Report Mine Rehabilitation Options and Scenarios for the Latrobe Valley: Developing a Rehabilitation Framework	DEDJTR.1025.001.0085
Annexure 5	Coal Planning Work: Process and Outcomes Summary	DEDJTR.1025.001.0162
Annexure 6	Jane Burton CV	DEDJTR.1025.001.0170
Annexure 7	SKM report 'Scope for a Latrobe Valley Mine Closure Strategy'	DEDJTR.1025.001..0178
Annexure 8	Water Balance at Coal Mine Closure: A Conceptual Model for the Latrobe Valley	DEDJTR.1025.001.0213
Annexure 9	Extracts of Minutes of Meetings of the CRV Advisory Committee	DEDJTR.1025.001.0202
Annexure 10a	Agenda for the event 'Regional Stakeholder Exchange Day'	DEDJTR.1031.001.0002
Annexure 10b	Agenda for the event 'Coal Conversation #1 – Technology Update'	DEDJTR.1031.001.0001
Annexure 11	Media Release announcing the Coal Review	DEDJTR.1032.001.0001
Annexure 12	Mine Batter Stability Project Scope	DEDJTR.1025.001.0002