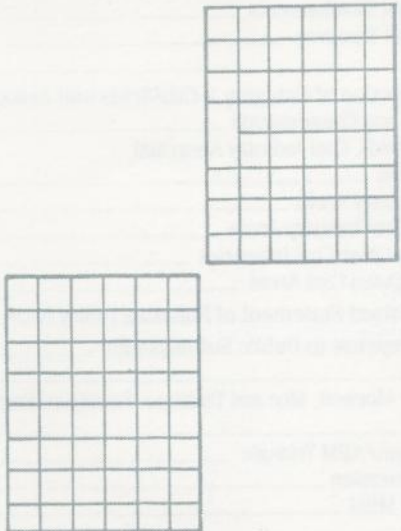


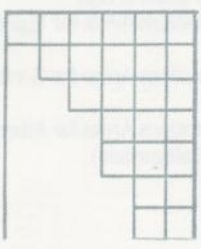
Latrobe Region

Framework for the Future



Issued by the Minister
for Industry,
Technology and
Resources, and the
Minister for Planning
and Environment

Final Report
October '87



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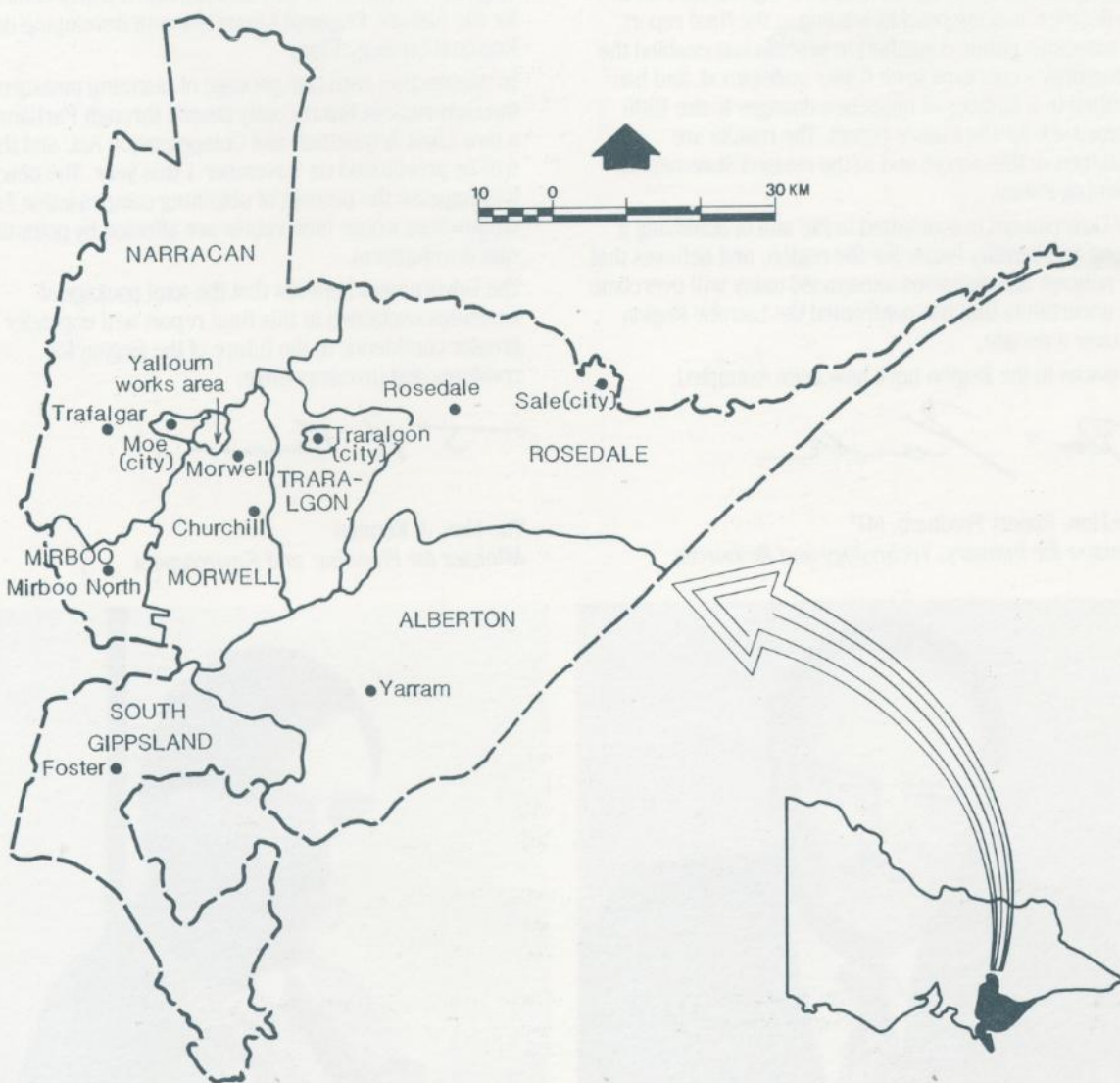
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Latrobe Region



This is the policy area covered by Statement of Planning Policy No. 9.

Preface

The "Framework for the Future of the Latrobe Valley - Final Report" establishes the policy guidelines for the protection and sequential development of brown coal in the Latrobe Region. It also provides the context for protecting the major physical resources, the natural environment and social planning of the region.

The report finalises a process which began in 1982, involving extensive research into coal reserves, and consultation with the community and a number of government agencies and committees.

The regional community has played a significant role in the decision making process leading to the final report. An extensive public consultation process has enabled the community's concerns to be better understood, and has resulted in a number of important changes to the 1986 *Framework for the Future* report. The results are contained in this report and in the revised Statement of Planning Policy.

The Government is committed to the aim of achieving a strong and healthy future for the region, and believes that the policies and decisions announced today will overcome the uncertainty that has confronted the Latrobe Region for over a decade.

All towns in the Region have now been exempted



The Hon. Robert Fordham, MP
Minister for Industry, Technology and Resources



from coal winning and protected from coal development by a 1km buffer separation area. Several townships, particularly Morwell and Traralgon, have been provided with additional land for urban uses, to ensure a secure future for these townships.

The revised Statement of Planning Policy No. 9 puts greater emphasis on social and quality of life issues and reflects the Government's environmental policies. Its main function is to provide the policy basis for co-ordinated planning and development of the Latrobe Region's resources. It will also provide a policy context for the Latrobe Regional Commission in developing its Regional Strategy Plan.

In conjunction with this package of planning measures the Government has recently passed through Parliament a new Land Acquisition and Compensation Act, and this will be proclaimed on November 1 this year. The new Act will improve the process of obtaining compensation for landowners whose land values are affected by potential coal development.

The Government believes that the total package of measures contained in this final report will engender greater confidence in the future of the Region for residents and investors alike.



The Hon. J. Kennan
Minister for Planning and Environment



Chapter 1: Planning for the Future of the Latrobe Region

The complex and diverse Latrobe Region has always presented difficulties for planners. Its massive resources of brown coal are an invaluable part of the State's future development and it is therefore essential that coal recovery is not impeded. However, this has had profound implications for the region: economic activity has tended to fluctuate with periodic coal and power station development and farmers, residents and businesses have been uncertain about the future of their properties.

In 1982, to provide greater certainty for residents and business, the Government began preparing a long-term framework for the development of the Latrobe Region. The Government's objective throughout has been to find long-term solutions to the competing demands for land, while promoting the Latrobe Region as a diverse economy with a strong base in agriculture, forestry, manufacturing and service industries as well as coal-based activities.

This framework was developed with three main goals in mind:

- to protect Victoria's coal resources and maximise the efficiency of development of the coal resource for the benefit of all Victorians;
- to improve the quality of life for the region's population by promoting better planning in the region; providing greater security of tenure for residents; and compensating those affected by coal development in the next 30 years;
- to maximise the retention of land throughout the region in productive use.

This process has involved extensive research, public consultation and policy development over the last five years. Research has included geological mapping and estimation of the resources of the region, long-term planning for future electricity use from coal, studies of labour market trends and population projections for the region. At each stage studies and policy papers were released for public consultation. The most important stages were:

- *Victorian Brown Coal Resource Development Study* by Kinhill Pty Ltd, February 1983;
- *Victorian Brown Coal - Future Development* Victorian Brown Coal Council, Nov. 1983;
- establishing the Interdepartmental Committee on Brown Coal Boundaries (IDC) early in 1984 to review the boundaries and quantities of the coal resource and recommend criteria for its protection. The IDC defined urban, industrial, buffer, and ecologically sensitive areas;
- establishing the Latrobe Regional Commission in 1984 to co-ordinate planning and promote the economic development of the region. Its first responsibility is to develop a Latrobe Region Strategy

Plan;

- *Victoria Brown Coal* July 1984, the Government's Energy Policy Statement, announced policy decisions arising from the above research and proposed revision of Statement of Planning Policy No. 9.
- *Framework for the Future*, May 1986, which sets out the revised SPP 9, brown coal resource boundaries (as recommended by the IDC) and protection of land required for Category A coalfields and associated industry areas;
- The summary paper on new compensation procedures, was released for public comment in May 1986, and has since been enacted as the *Land Acquisition and Compensation Act*.

This *Framework for the Future - Final Report*, concludes the process. It sets out the Government's response to community concerns, finalises coal boundaries and notes the ways the coal resource will be protected.

✕ Amendments have been made to local planning schemes to reserve Category A coal and associated industry areas. These have been approved by the Minister for Planning and Environment and will be proclaimed in the Government Gazette on release of this final *Framework for the Future* report. More detailed tasks now need to be carried out, including defining Category B and C and Uncategorised coal areas on local planning schemes.

Framework is not the only Government policy statement with implications for land use management in the region. The combination of a strong coal and regional development policy, the Timber Industry Strategy and the Conservation Strategy provides the region with a clear statement on which to build a sustainable future. Statement of Planning Policy No. 9 reflects these policies. This final report will be a guide for the Latrobe Region Commission in developing its Regional Strategy Plan and for planning at a local level.

The remainder of this chapter comprises a summary of changes made since *Framework for the Future* (1986) in response to public submissions. Chapter 2 explains the delineation of the Coal Boundaries and Chapter 3 details the boundaries and status of Category A Coalfields and associated industry areas.

The Appendices include Statement of Planning Policy No. 9 and summaries of public submissions to the *Framework for the Future* (1986) report. For ease of reference, maps and figures can be found at the back of the report.

Public Response

The large number and high quality of submissions received on the *Framework of the Future* (1986) report indicates the depth of community concern about the

various complex issues in the region. It also reflects the uncertainty which has affected the Latrobe Valley Region in the past.

The majority of submissions on the draft *Framework* report agree that it is a major step towards restoring confidence in the region.

The revision of the SPP 9 was generally supported, as was the clear delineation of coal boundaries and sequencing of coal operations. A number of more detailed issues were raised regarding township and property boundaries, however many issues were too detailed to be covered by a broad Statement of Planning Policy. These have been referred to the Latrobe Regional Commission to be considered in the development of the Latrobe Regional Strategy Plan. The Government acknowledges the significance of such issues but believes that they are more appropriately dealt with at the regional level. Appendix B details the submissions and the related Government responses.

The overall policy directions of *Framework for the Future* (1986) have been retained in this final report however, some important changes have been made in relation to submissions on these issues:

- Quality of life considerations;
- Future urban expansion;
- Coal classification in the Morwell/Traralgon/ APM triangle;
- Morwell town boundaries;
- The Melrossa Estate, Traralgon;
- Statement of Planning Policy No. 9
- Planning blight and compensation.

Quality of Life. *Framework for the Future* is not only about protecting coal: it provides greater certainty about the future for the whole community. In response to public submissions the primary objective of SPP 9 has been changed so that land use development must take social, environmental, physical and economic considerations into account as well as focussing on coal.

Urban Expansion. Submissions expressed a strong concern that the delineation of urban boundaries will limit the growth of various townships. The Government's policy is that any future urban growth should be directed to areas away from coalfields. Existing urban areas and some areas of high environmental value were excluded from coal winning in the 1986 *Framework* report.

Framework for the Future: Final Report considers each case on its individual merits and makes some changes to the coal boundaries adjacent to Morwell, Traralgon, Rosedale, Yarram, Moe and Trafalgar. These are detailed in figures 1-7 and Appendix B.

Morwell Town Boundaries. In Morwell existing urban zones could accommodate only 5-7 years of growth at

current development rates the town's future expansion being contained by coalfields on all sides. There was concern that without some room for growth and development, the town would stagnate. Acknowledging this concern, a decision was taken to rezone approximately 300 ha of land, enough to provide for population growth for more than 20 years.

Yarram. The coal classification at Greenmount has been removed as this is the only area in which Yarram township can expand.

Morwell/Traralgon/APM Triangle. Submissions argued that as there are several constraints to coal mining in this area (including the floodplain, the proposed Morwell River diversion and the Latrobe Valley airport), it should be excluded from coal winning. In light of these limitations and the overwhelming community concern about the future of this area, the Government has removed the Category C coal classification.

Melrossa and Hourigan Estates. Residents of these estates, east of Traralgon, showed concern about planned coal developments causing blight (i.e. lowering the value of property) in the area. Among other efforts made since 1984 to restore confidence in the market, the Government has moved the boundary of Category B coal to the east as shown on Figure 2, so that the areas are clear of future coal development.

In addition to these changes, planning scheme amendments have been approved to put in place proposed reservations for Category A coal and associated industry areas, including the Morwell River Diversion. Areas no longer required for coal winning purposes have been removed from planning controls, including the Morwell/Traralgon/APM Triangle and the Melrossa and Hourigan Estates.

These additional exclusions bring the total amount of economic coal excluded from coal winning to 32,900 megatonnes. The remaining protected coal resource is 65,100 megatonnes.

Statement of Planning Policy No. 9. The policy was first proclaimed in 1975, and has been revised to take account of the greater knowledge now available and to reflect current Government policy and objectives for planning in the Region. It will be proclaimed and released as a separate paper following the release of the *Framework for the Future Final Report*. SPP9 is included here as Appendix A.

Planning Blight and Compensation. The new SPP 9 provides greater certainty and ensures that where potential coal resource development is likely to impact on land values, compensation is payable. The new Land Acquisition and Compensation Act provides improved procedures and less red tape for landowners in these situations (i.e. landowners in Category A coal or associated industry areas).

Chapter 2:

Defining the coal resource

This chapter defines coal boundaries and the protected coal resource, outlines the sequencing of coal operations and identifies areas excluded from coal working.

The definition of brown coal boundaries in this report stems from the boundaries established by the Interdepartmental Committee (IDC) on Brown Coal Resource Boundaries in 1983 and subsequent background research, policy development and public consultation.

The IDC on Brown Coal Resource Boundaries was established to review the boundaries and quantities of protected brown coal resources in the Gippsland Region consistent with the principles of SPP 9, and to define urban, industrial and ecologically sensitive areas and any necessary buffer areas from which coal winning should be excluded.

The aim of the committee's work was to increase the certainty of planning for the region and to provide safeguards for the existing communities, while at the same time protecting potentially winnable coal from inappropriate development.

It was realised early in the work of the IDC that definition of the coal boundaries and consequent calculation of available resources of coal, could not be finally determined until town boundaries and buffer areas had been agreed. Provisional town boundaries and some criteria for buffer areas were compiled and an Interim Report was released in October 1984, seeking public comment on these topics.

The subsequent recommendations of the IDC became the bases for Schedules 1 and 2 of the revised SPP 9 released as part of the draft *Framework for the Future* (1986) report.

After further consultation on the *Framework for the Future* (1986) report, some changes were made to Schedules 1 and 2 of SPP 9. These are shown on Figures 2-7 at the back of this report.

Criteria for protecting the coal resource

The IDC recognised that it would be unrealistic to protect the total extent of the Gippsland brown coal resource from any development that would prejudice the eventual winning of coal. It therefore began to develop criteria that would protect the more attractive coal deposits, in light of Victoria's future requirements.

The IDC established the following criteria, to define the protected coal resources, taking into account the criteria set by the 1977 Brown Coal Interdepartmental Committee and criteria adopted in other brown coal winning areas of the world:

- minimum seam thickness 3 metres

- overburden to coal ratio to be less than 2:1 metre/metre
- maximum depth of coal mining 300 metres

The protected coal resource complying with these criteria is shown in Fig. 1, without any exclusions for towns or other areas.

Minimum Coal Seam Thickness

In 1977 the Brown Coal IDC adopted 15 metres as the minimum coal seam thickness, in the light of the large-scale mining techniques used at the time. However, since then, progress in technology and the introduction of smaller-scale coal-winning operations have meant that thinner coal seams can be economically mined. The IDC therefore adopted the 3 metres minimum seam thickness as put forward in the Victorian Brown Coal - Future Development study.

Overburden-to-Coal Ratio

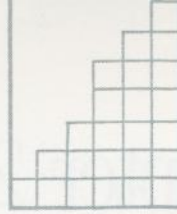
The criterion for overburden thickness was a question of cost relative to the volume of overburden to be removed for access to a given volume of coal. The 90 metre maximum overburden thickness criterion of 1977 was discarded in favour of an overburden-to-coal depth ratio.

Selection of an appropriate ratio presented difficulties. While 5 to 1 ratios are commonly accepted in other brown coal winning areas, such a ratio applied to the Latrobe Region would result in the protection of large areas of land over coal which may never need to be exploited. Maps were prepared illustrating the extent of coal deposits meeting 2:1, 3:1 and 4:1 overburden to coal criteria to a maximum depth of 300 metres. The most favourable deposits, from a mining point of view, are contained within a boundary drawn along a 2:1 depth ratio. As this ratio protects a relatively smaller area of land, it strikes a reasonable compromise between maximum protection of coal and minimum social disruption.

Maximum Depth of Coal Mining

In assessing the quality of coal available, the IDC had two options: it could calculate the total quantity of coal within the ratio criterion down to the base of the deposits, or it could calculate the coal quantity to some pre-determined depth.

It is not uncommon elsewhere for open cut mines to extend to depths of 500 metres. However, as there is limited bore-hole data to 500m available throughout the coal areas, it was decided that a 300m depth would be more practical. At this depth, several hundred bore-hole data sets were available for calculating coal ratios and quantities. Much of the deeper coal is protected by the 300m depth criterion.



Sequencing of Coal Developments

The sequential development of brown coal operations was outlined in the Government's *Energy Policy Statement No. 2, Victoria - Brown Coal*, July 1984.

Sequential development increases certainty for planning in the short term while maintaining flexibility for the longer term.

Recoverable coal reserves have been identified under SPP 9 and nominated into three categories.

Category A - Development Option Stage

These are coal areas which are currently under development or which may be required for development in the next 30 years (see Schedule 1). The map boundaries of these areas have been precisely determined on Map 1 and Figures 2 and 3. Category A coal and associated coal industry areas have been reserved in planning schemes and will be subject to compensation procedures.

Category B - Prospective Stage

These are coalfields which may be required for development in the next 60 years, but not sooner than 30 years. The boundaries to these areas are only indicative at this stage, but will eventually follow property lines or natural features wherever possible (see Schedule 1 and Figures 2-4).

Category C - Identified Stage

These are areas of coal within the criteria which will not be required for development in less than 60 years (see Schedule 1 and Figures 2-4).

It is too soon to foresee specific projects or time of development for Category B and C coal. As Category A coalfields are used up and the demand for coal is such that Categories B or C coalfields need to be reassigned to Category A, a public review into the matter will be instigated. These periodic reviews will be the basis on which long-term planning can ensure continuing certainty to land holders in the region.

Uncategorised Coal

Uncategorised coalfields have been allocated to private use. This coal, therefore, could be developed whenever a suitable proposal is put forward by private interests. The boundaries of these coalfields are only indicative at this stage (see Figure 7).

The actual location of future open cuts and other coal-dependent facilities will be subject to the usual planning requirements and will involve public consultation and consideration of the social, environmental and economic impacts of alternative options.

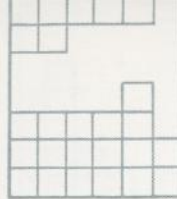
Excluded Areas

The 1984 Government Energy Policy Statement *Victoria - Brown Coal*, confirmed that the townships of Alberton, Churchill, Gormandale, Morwell, Traralgon, Tyers and Yinnar would be excluded from coal winning. It also specified two of the "other areas" to be excluded, namely Holey Plains State Park and those parts of the Gelliondale coalfield covered by Land Conservation Council recommendations on flora and fauna protection (including the Nooramunga Marine and Wildlife Reserve).

The IDC on Brown Coal Boundaries recommended that Boolarra, Moe, Rosedale, Trafalgar, Yallourn North, Yarragon and Yarram should also be exempt from coal winning. However, it was judged that as Yarragon and Yallourn North would not be affected by coal winning there was no need to exempt them. The remaining five towns have been excluded from coal winning by Ministerial directive and recommended boundaries for these are shown in Figures 3, 4 and 6.

Initially, the 1km separation between the defined town boundaries as indicated in planning controls and the crest of a potential or existing open cut were used to set coal protection boundaries. Following public consultation on the *Framework for the Future* (1986) report, some additional areas have been excluded from mining to provide for future urban use in the towns of Morwell, Traralgon, Yarram, Moe and Trafalgar. The defined town boundaries are shown on Figures 2-6.

The Holey Plains State Park and Nooramunga Reserve declared boundaries were adopted by the IDC as the limits of these two excluded areas and as the protected coal resource boundary.



In addition, the Australian Paper Manufacturers Ltd Maryvale mill site has been excluded, as well as the Morwell/Traralgon/APM triangle incorporating the transport corridor from Morwell to Traralgon (see Figure 2).

The part of the Morwell National Park which overlies coal has also been excluded as well as the Latrobe River floodplain. The excluded areas are all shown in Schedule 2 of Statement of SPP 9 at the back of this report.

The Total Economic Coal Resource

The total amount of coal meeting the geological criteria is:

Coalfields	Megatonnes (Mt)
Latrobe Coalfields (categories A, B & C)	86,200
South Gippsland (other)	11,800
TOTAL ECONOMIC COAL RESOURCE	98,000

From this total, excluded areas are subtracted as follows:

Excluded Areas	Megatonnes (Mt)
<i>Excluded in Framework for the Future (1986):</i>	
Traralgon, Rosedale, Morwell, Trafalgar, Yinnar, Boolarra, Churchill, Moe, Yarragon and Gormandale (including 1km separation distances)	16,600
APM Mill Site & Morwell/Traralgon Corridor	1,100
Holey Plains State Park	2,200
Nooramunga Marine & Wildlife Reserve	500
Latrobe River floodplain	6,600
South Gippsland coastal waters safety stand-off distance from high water mark	3,000
<i>Excluded Subsequent to Framework for the Future (1986):</i>	
Rosedale (500m infrastructure corridor)	600
Morwell Amendment	400
Greenmont Coalfield (Yarram)	400
Moe Swamp Basin	200
Morwell/Traralgon/APM Triangle	1,300
TOTAL EXCLUDED AREAS	32,900

The remaining protected coal resource is 65,100 megatonnes (Mt). In 1977 the assessed resource was some 35,000 Mt and in 1982, 41,200 Mt. The increase is due to the less restrictive criteria adopted and the inclusion of new finds of coal.

The actual winnable coal from this resource will depend on the configuration of open cuts and this in turn determined by topography, infrastructure and technology. The total winnable coal would be less than the protected coal resource. The best present estimate (Kinhill 1987) is that about half the protected coal could be conveniently won.

Buffer Areas

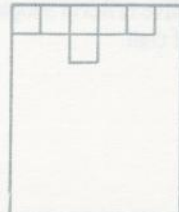
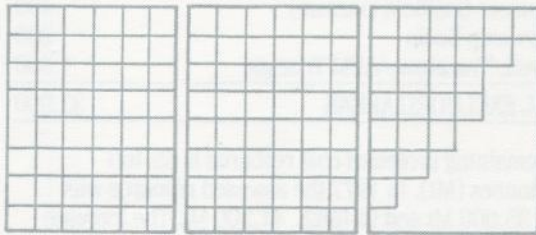
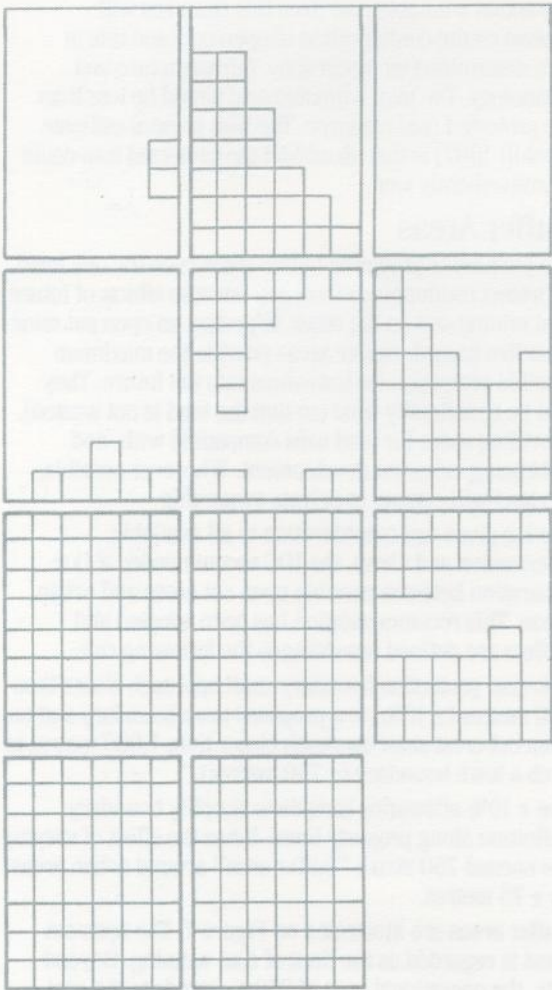
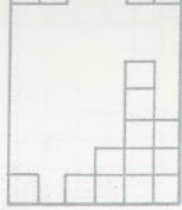
The purpose of providing buffer areas is on the one hand, to protect communities from any adverse effects of future coal mining and on the other, to protect an open cut mine from fire hazard. Buffer areas provide the maximum feasible protection for townships into the future. They will be beneficially used (so that the land is not wasted), providing space for land uses compatible with, and enhancing, adjacent development. Wherever possible, the land will remain in private ownership.

Having given full consideration to all available information and views, the IDC recommended a 1km separation between possible open cut areas and urban areas. This recommendation has been adopted and buffers are defined according to the following rule:

"No coal protection boundary shall approach closer than 750 metres ($\pm 10\%$) to a proposed town boundary and no open cut crest shall approach closer than 1,000 metres to such a town boundary (± 750 metres)."

The $\pm 10\%$ allowance is made to simplify boundary definition along property lines. It has the effect of varying the normal 750 metre "buffer area" around urban areas by ± 75 metres.

Buffer areas are illustrated on Figure 7. The open cut crest is regarded as the limit of coal winning. Beyond this, the operational area of 250m extends to the coal protection boundary. The operational area will be used for access roads, water pipelines, fire prevention and similar activities. Beyond the coal protection boundary, the buffer area extends to the township boundary.



Chapter 3:

Protection of Category A Coalfields and Associated Coal Industry Areas

In addition to the land actually overlying Category A coalfields, it is necessary to protect adjacent areas which might also be required for coal-related development, such as sites for power stations, overburden dumps and river diversions.

The Government has reserved all such lands in local planning schemes, as shown on Map 1. Associated coal industry areas are also shown on Schedule 3 of SPP 9.

The Minister for Planning and Environment has approved amendments to reserve these areas in local planning schemes.

Clause 3.4 of the revised SPP 9 (see Appendix A) provides for the protection of both Category A coalfields and associated development areas, stating that

"... there shall be a strong general presumption against the use or development of land for all uses other than the winning or processing of brown coal or uses associated with that winning or processing".

On current projections, it is anticipated that electricity generation will continue to be the major use for brown coal in the next 30 years. Accordingly, the SECV will be responsible for meeting land compensation costs and for ultimate acquisition where appropriate, as well as for all negotiations with owners of land identified for the development of the Category A coalfields.

Should any of the Category A coalfields or associated lands be required for non-SECV development, the agency or organisation requiring the land will have to reimburse the SECV for any compensation, acquisition and holding costs associated with that land. Legislation was introduced in 1986 to permit the Coal Corporation of Victoria to acquire land from the SECV on this basis.

The Government wishes to see a return to normal market conditions in areas outside Category A. In the other protected coalfields areas (that is, over Category B and C coal), controls on land development will be reviewed to allow greater flexibility but, in accordance with the revised SPP 9 there would be a general presumption against use for urban or industrial purposes, overburden dumps, or other uses which would prejudice future coal winning (Clause 3.5).

Land Acquisition and Compensation

The new Land Acquisition and Compensation Act states that compulsory acquisition procedures cannot begin until reservation is established, except under special circumstances.

The acquisition process involves clear notification and strict time limits to ensure that landowners are not disadvantaged. For example, an offer of compensation must be made within fourteen days of an acquisition, unless the landowner agrees to an extension of time or the Minister for Industry Technology and Resources authorises an extension.

Market value of the land is to be assessed on the day the land is acquired and the valuation must be disclosed with the offer. The total sum is to be available within a month of proof of title, unless the Attorney-General grants an extension of time.

Apart from market value, compensation will also be available for:

- "special value" of the land to the owner, if this can be proved;
- "severance", if the owner's remaining land is devalued by the acquisition;
- "disturbance" for all proven monetary losses suffered as a result of the acquisition;
- professional expenses necessarily paid as a result of the acquisition;
- "solatium" not excluding 10 per cent of the market value for the non-monetary losses or intangible disadvantages arising from the acquisition.

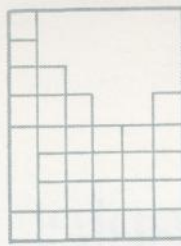
Where land is reserved, compensation may be payable if an owner suffers "loss on sale". This occurs when land is sold and the market value is shown to have decreased as a result of the reservation.

If there is compensation for loss on sale, expenses of preparing and submitting a claim can be recouped.

Claims for less than \$500 or under 0.1 per cent of the market value of the land in its underlying zoning (if this is more than \$500) may be rejected.

If there is compensation for loss on sale of a residence, up to 10% more may be payable as solatium for the intangible or non-monetary losses which have been incurred.

If compensation for loss on sale is paid and the land is subsequently acquired, the compensation for compulsory acquisition will be reduced. The reduction will be that proportion of the market value previously paid as loss on sale compensation.



Category A Coalfields, Coal Industry Areas and Associated Areas

Map 1 shows the Category A coalfield areas corresponding to the boundaries defined in Chapter 2. These areas comprise coalfields currently being developed and those available for possible future development. Map 1 also shows the Coal Industry Areas and "other associated areas" both existing and possibly required in the future. The Government has reserved all such lands in local planning schemes.

The Coal Industry Areas provide for specific industrial plants such as power stations and other coal upgrading plants.

The "other associated areas" are those required for coal-related uses other than industrial plants, such as river diversions, overburden dumps and water storages.

These areas may eventually provide some community benefit, for example, both the Hazelwood cooling pond and the Loy Yang high level water storage are today popular venues for recreation.

Existing Coal Industry Areas

The existing coalfields, coal industry areas and "other associated areas" are shown on Map 1, and comprise:

- the Yallourn, Yallourn East Field and Yallourn North Extension open cuts, together with Yallourn and Yallourn W power stations and their associated works;
- the Morwell open cut, Morwell and Hazelwood power stations, Hazelwood cooling pond, Jeeralang gas turbine power station, Hazelwood terminal station and associated works. This Coal Industry Area also includes the Australian Char plant and the Brown Coal Liquefaction (Victoria) pilot plant which are not reserved but are zoned specifically for these purposes;
- the Loy Yang open cut, Loy Yang power station, the overburden disposal area and the high level water storage. This Coal Industry Area is the focus for industry commitments in the Government's Economic Strategy *Victoria: The Next Decade* (1987).

Possible Future Coal Industry Areas

As indicated in the Government's Energy Policy Statement on Brown Coal, the following allocations from the Category A coalfields have been made to assure coal supply for electricity generation:

- 1,000 megatonnes from the Driffield coalfield;
- 1,350 megatonnes from the Maryvale coalfield;
- up to 1,000 megatonnes from the Flynn 1 coalfield (should this be developed first).

The total coal available for electricity generation, up to 3,350 Mt, is about half the coal in the Category A coalfields. Allocation of the balance of this coal will depend on future demands or alternative uses and will call for optimum design of coal-winning operations.

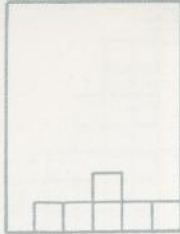
The allocation of 2,350 Mt of coal from the Western Category A fields would support some 8,000 MW of electricity generation capacity. If 1,000 Mt of coal were available from the Flynn 1 field, this could support some 4,000 MW of generation capacity. Together, this would accommodate a wide range of trends in electricity demand and retirement of existing plant over the next 30 years.

Some of the expected growth could be met by extending the life of existing facilities or by rebuilding on existing power station sites. This can be accommodated within existing SECV Production Centres and Category A coal areas. For example, power station sites using the coal allocations from the Maryvale coalfield can be located just south of the Latrobe River either in the vicinity of the present Yallourn group of power stations or elsewhere on the Category A coalfield.

Assessments show that apart from the Category A coalfield areas and existing development areas, sites at the Hazelwood South and Driffield areas may also be required to provide for future development of the western coalfield. In each case, it is not necessary that the site be limited solely to power production.

The Hazelwood South, Morwell Siding and Driffield sites are located on the east, south and southwest sides of the Western Category A coalfield area (Map 1). The Hazelwood South site was identified as a Morwell expansion option in the recent SECV report and submission to the National Resources and Environment Committee Inquiry on options for supply and demand beyond the mid 1990s (Ref. 3, Appendix C).

The Driffield site has been investigated by the SECV as part of its extensive investigations since the late 1970s to determine the optimum siting of a "green field" power station complex. The Driffield Power Station site was



(Ref. 3, Appendix C) canvassed through public meetings, a public inquiry and an Environment Effects Statement. However, due to the fall in electricity load growth and a reconsideration of options, development on this site is now unlikely before the next century. A specific project for this site would be subject to a fresh assessment process.

The SECV also requires the Lake Narracan Terminal Station site for possible future development. This site, owned by the SECV, is located to the east of Newborough and is a key part of a future Latrobe Valley north-south transmission link between the major transmission lines to Melbourne. The site is reserved for SECV purposes in the Shire of Narracan Planning Scheme and will be incorporated into the Yallourn coal industry area.

Requirements for Other Coal Industries

There is potential in the short to medium term for the development of new coal-based industries in the Latrobe Valley, operating on coal from existing open cuts. For example, the Coal Corporation of Victoria has been notified by interested parties of 43 possible projects based on Loy Yang coal and a number of other projects could come to fruition in the short term.

The Government's Economic Strategy *Victoria: The Next Decade* (1987) commits the Government to assisting coal-for-industry projects. The Government, through the Coal Corporation of Victoria, will provide serviced sites adjacent to the Loy Yang works area and will contribute to the initial capital cost of the site. These sites will be available to coal-for-industry projects on the basis of a reasonable charge for the services provided. If compatible with SECV operations, the site services may initially be provided from the SECV infrastructure for Loy Yang.

The Coal Corporation of Victoria and the SECV will also construct a coal loading facility at Loy Yang suitable for handling up to 0.5 Mt per year by truck by mid 1988. Proposals for handling up to 5 Mt per year are being investigated so that planning for the commercial phase of larger projects can progress smoothly.

Provision of sites adjacent to coal industry areas for private ownership either of coal industries or of industries which service the coal industry (for example, metal workshops, transport, technical services, etc.) is primarily a local matter which can be allowed for in local planning schemes.

A study is being undertaken to identify specific sites at Loy Yang which would be available for lease by private developers.

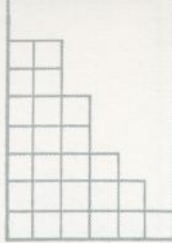
Should future demand for land for coal industries adjacent to Category A coal exceed that provided, the areas set aside would need to be reviewed. However, present forecasts suggest that the areas reserved should be adequate, assuming good forward planning by the coal winner.

Other Associated Areas for Possible Future Development

In addition to coalfield areas and coal industry areas, other lands which may be required for the development of the Category A coalfields include the Anderson Creek overburden disposal site and lands required for the Morwell River diversion route.

Long-term development of the coal deposits in the Western coalfield may require a site outside the coalfield for the disposal of overburden. Anderson Creek area has been identified as a possible site.

Those portions of the Anderson Creek site in private or SECV ownership are reserved in the Shire of Narracan Planning Scheme. The rest of the Anderson Creek site is covered by a Forestry Reservation the western part of which the Government intends to include within Moondarra Park if the area is not required for overburden disposal. At present the Forestry Reservation segment is used by the local community for recreation and other activities. If the area were to be used for overburden disposal, it would be rehabilitated to make sure that it would again be a benefit to the community. Under the Environment Effects Act, the SECV prepared *Supplementary Information on Western Coalfields Overburden Disposal* which indicated the possible future need to dispose of overburden in the Anderson Creek area and possible land-use controls required to protect this option.



The *Supplementary Information* report was released for public comment in 1983 and was to be followed by a public inquiry into the proposals. However, lower forecasts for coal usage now means that the Anderson Creek site will not be needed this century. Consequently, the SECV withdrew its proposal from consideration under the Environment Effects Act procedures.

Full recovery of all the coal in the Western Category A coalfields will require the Morwell River to be diverted from this coalfield area. However, the need for a major diversion of the Morwell River cannot be established at present, but is unlikely this century.

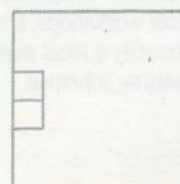
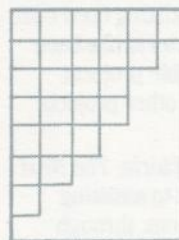
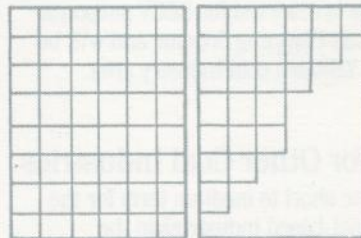
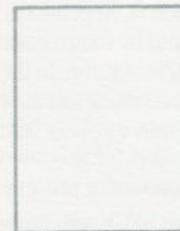
Following an inquiry by the Natural Resources and Environment Committee in 1983 (Ref. 5, Appendix C) proposed amendments to planning schemes to introduce protective controls for the diversion were placed on public exhibition late in 1985. Planning controls are now in place to ensure that land, which may be affected by the possible future diversion of the river is not subject to planning blight. However, no diversion of the Morwell River will occur without a full public inquiry.

If any such development occurs, the Morwell River diversion could provide for passive recreation and may have other community benefits.

Changes to Designated Coal Areas

Following the issue of the original SPP 9 in 1975, an Interdepartmental Committee defined the lands overlying "economically winnable" coal in 1977 and these lands were subsequently protected for coal development in planning schemes and interim development orders. About half of the "economically winnable" coal was allocated to the SECV and in May 1980, the SECV released a discussion paper indicating areas it might require so that it could make use of this coal. (Ref. 6 and 7, Appendix C).

Reservation for coal development and associated purposes affect only about half of the areas previously identified by the SECV for development as a result of the introduction of the coalfield category system and the more sharply defined allocations of coal for developments. The provisions of the Land Acquisition and Compensation Act will protect landowners in all these reservations, either when they dispose of their property prior to acquisition by the SECV, or when their property is eventually acquired by the SECV.



Appendix A - Revised Statement of Planning Policy No. 9

Introduction

Statement of Planning Policy No. 9 provides the key policy basis for co-ordinated planning and development of the major resources of the Latrobe Region. While the primary focus is co-ordination of land use planning, the policy encompasses a broad range of issues, including social and environmental matters.

The policy is particularly important in providing a context for the Latrobe Regional Commission in its preparation of a Strategy Plan for the region.

The policy has been revised to reflect a number of changes over the past decade which affect the development of the region. These include:

- 1 additional information on the parameters relating to development of the brown coal resources;
- 2 new policy instruments developed by the Government;
- 3 the important role of the Latrobe Regional Commission;
- 4 the implementation of a sequential brown coal development strategy integrated with the planning process.

Statement of Planning Policy No. 9 Latrobe Region Brown Coal Deposits in the Context of Overall Resources

1 Context

This is a Statement of Planning Policy under Part 1 of the Town and Country Planning Act 1961. It is directed primarily towards:

- (i) The planning of land use and development necessary for the conservation and utilisation of the Gippsland brown coal deposits in the context of overall resources and Government policies, having regard to social, environmental, physical and economic considerations in order to ensure a high quality of life for residents.
- (ii) The implementation of a sequential brown coal development planning process integrated with regional strategy planning.

The area affected by the policy will be referred to as the Policy Area and is outlined on Schedule 1 (at the back of this report).

2. Influencing Factors

The main factors requiring and influencing the Statement of Planning Policy are:

- 2.1 The significance of the Policy Area and adjacent areas in providing directly or indirectly the

overwhelming proportion of energy supplied to the State in the form of brown coal, oil and gas. More specifically:

- (a) some 80% of present electrical energy in Victoria is generated using brown coal from deposits in the area; this use of the coal could increase;
- (b) nearly one million tonnes of solid fuel as brown coal briquettes is supplied annually to domestic, industrial, power station and export markets;
- (c) brown coal deposits in the area offer opportunities for the production of chars, carbons, chemical feedstock and soil conditioners, synthetic fuels and a range of dried brown coal fuels in addition to briquettes;
- (d) oil produced in Bass Strait and passing through the Policy Area currently accounts for 86% of total Australian production;
- (e) gas production in Bass Strait and passing through the Policy Area accounts for approximately 45% of total Australian production and virtually all of Victoria's consumption. About a quarter of Victoria's primary energy is currently derived from that gas.

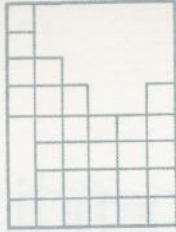
- 2.2 The variations in coal characteristics and coal quality within and between the coalfields in the Policy Area. The coal deposits are particularly suitable for open cut operations because they occur in thick seams close to the surface.

- 2.3 The Government's Energy Policy Statement, Victoria-Brown Coal, 11 July 1984.

- 2.4 The presence within the Policy Area of established communities with a total population of approximately 100,000 people.

- 2.5 The significance of fire as a major hazard to people, plant and equipment employed in the winning and utilisation of brown coal and the major consequences of interruption of the State's electricity supply system.

- 2.6 The vital role of the area in providing a substantial part of the State's resources of both softwoods and hardwoods; the significance to the State of the forest resources and forest based industries such as timber and paper production and the important contribution of these industries to the economy of the Policy Area and the State and its employment opportunities.



- 2.7 The importance of the Policy Area for a variety of agricultural pursuits and particularly for dairying.
- 2.8 The existing commitments of water (both surface and underground) to people and purposes in the Policy Area and the existing reservation for Melbourne and the Macalister Irrigation District of water from the Thomson River system.
- 2.9 The degree of dependence of the Gippsland Lakes on the river systems of the Policy Area for the maintenance of their environmental quality and hence of their value to the State for recreation and nature conservation.
- 2.10 The features of landscape interest and nature conservation value in the mountain and hill areas of the Gippsland region which provide for recreational and tourist needs of people from both within and outside the area.
- 2.11 The existing and potential conflicts, both direct and indirect, between:
- The use of lands for brown coal extraction and their use for forestry, agricultural, recreational and residential purposes; and
 - The economic utilisation of forest resources for timber and paper production and provision for nature conservation and recreation.
- 2.12 Recognition that the towns of the central Latrobe Valley, although linked by economic and social functions, are individually unable to provide an adequately balanced distribution of physical and social services.
- 2.13 The profound effect of major industries on the physical and social environment of the area.
- 2.14 The need for co-operation between the State and the local community and the importance of the adequate recognition of both in decision-making for the Policy Area.
3. **Planning Policy**
The planning policy to be applied is:
- Development on Coal Areas**
- 3.1 Development of land overlying and adjacent to the protected brown coal resource (see Schedule 1 at the back of this report), and on land required for facilities for or associated with use of that coal shall be controlled to enable that coal to be used. In the rest of the Policy Area, provision for the extraction and use of that coal shall be a primary planning consideration. At every stage of development of that coal, due account shall be taken of the other principal resources of the Policy Area.
- 3.2 Extraction of brown coal shall not take place in the areas shown in Schedule 2.
- 3.3 The coal resources in the Latrobe Coalfields shall be developed in accordance with a Sequential Coalfields Development Strategy.
- 3.4 In Category A coalfields (see Schedule 1 at the back of this report), and on land identified as required for facilities for or associated with the use of those coalfields, there shall be a strong general presumption against the use or development of land for all uses other than the winning or processing of brown coal or uses associated with that winning or processing. Existing uses shall be encouraged to continue until such time as the land is required for coal winning or processing. Other uses of land may be considered on a temporary basis if it can be demonstrated that they will not adversely affect the future development of the coal.
- 3.5 In all other protected coal areas, including Category B and C coalfields, there shall be a general presumption against the use of land for urban or industrial purposes, major overburden dumps or other uses which could prejudice the winning or processing of the underlying coal within the time frame specified in the Sequential Coalfields Development Strategy. Uses of land which maintain and enhance land use capability and productivity shall be encouraged in these areas.
- 3.6 In all buffer areas referred to in Schedule 2, uses may be permitted subject to the application of sound planning principles and the recognition of planning needs of both the adjoining coal development and urban or other sensitive areas.
- 3.7 Prior to the exclusive use for brown coal development of land acquired for the purpose, the land shall be managed in such a way as to maximise its productive use and maintain and enhance the quality of the landscape and prevent the occurrence of fire hazard or soil erosion.
- 3.8 Future major urban growth shall be encouraged to take place at suitable locations away from readily recoverable brown coal.
- 3.9 Protection against fire shall be a major consideration in the planning and management of land in which fire could affect open cuts and in all aspects of the protection, utilisation and storage of coal and its products.

Water Resources

- 3.10 The catchments of the river systems and underground waters shall be planned and managed to ensure an adequate supply and quality of water for development in the area and the management and use of water resources shall complement and be integrated with resource planning both for the Policy Area and the Gippsland Lakes.

Forestry

- 3.11 Forestry activities and development, both public and private, shall be planned in a manner which will be complementary to the sequential development of coal and which takes into account the need for effective fire protection.

Transport

- 3.12 Transport corridors, adequate to facilitate the movement of people and goods within, and to and from, the region shall be maintained. Particular attention shall be paid to the maintenance of links between Moe and Morwell and between Morwell and Traralgon.
- 3.13 For as long as the Latrobe Valley Airport remains in its present location, it shall be the primary land use in the area north of the Princes Highway between the urban centres of Morwell and Traralgon.

Natural Environment

- 3.14 Environmental quality and protection against pollution shall be primary planning considerations.
- 3.15 All development shall be planned and managed to achieve a high level of environmental quality.
- 3.16 Planning for resource use shall take account of areas and features of recognised value for nature conservation, recreation and tourism and of their landscape quality.
- 3.17 Planning, development and management of the coal resource shall take into account, and be compatible with, Government policies for the use of public land and Statements of Environment Protection Policy.
- 3.18 Brown coal excavations, overburden dumps and other associated development shall be planned, managed and progressively rehabilitated to the highest practicable future uses.
- 3.19 Whenever practicable and cost effective, the use of quarry or other materials recovered from coal development areas prior to or during their development shall be encouraged.

- 3.20 Buffers shall be used to provide separation between coal development and associated areas and residential or other sensitive areas to alleviate the adverse effects of one upon the other.


Social Planning

- 3.21 Planning or resources utilisation shall take into account the interests of the Victorian community, the needs and views of the local community, equity in the provision and distribution of employment, housing and community services and the likely social and environmental impacts of development, and shall incorporate strategies to ameliorate adverse effects and promote the positive benefits of developments.
- 3.22 Development shall take into account existing and future requirements for social and human services.

4. Implementation

Implementation of this policy requires that every development, public authority and responsible planning authority where appropriate to its function, shall pay special attention to the following:

- 4.1 The institution of adequate programs to foster public participation in the planning of the area and to enable assessment of the needs and views of the local community and to assist in achieving State and local objectives.
- 4.2 The effect of their policies and programs on the local community.
- 4.3 Protective measures to ensure that land designated as containing readily recoverable coal shall be available for excavation to meet present and future requirements and regulation of the use and development of other areas to promote ease of coal winning to provide for the construction and operation of facilities for or associated with coal use, and for safety and environmental amenity.
- 4.4 Formulation and application of strategies and detailed management plans for development of coalfields including details on the staging of new or extended excavations and the provisions or relocation of ancillary works and services.
- 4.5 Evaluation of prospective transportation needs and of alternative measures to provide for them.
- 4.6 Regulation of land use and development so that options for future use of coal are protected and that timing and staging of the use of brown coal minimises the destruction of viable agricultural pursuits.

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- 4.7 Formulation of detailed planning and management policies designed to protect the natural systems of the area – with particular attention to water resources whether surface, underground or marine and to the conservation of the Latrobe Region river system, the Gippsland Lakes and Corner Inlet.
 - 4.8 Comprehensive planning for the rehabilitation of all coal development and extractive industry and mining sites, including:
 - (a) Assessment of rehabilitation problems and prospects before new workings are approved;
 - (b) The formulation of comprehensive and cost effective programs to ensure that worked-out areas are returned to effective use in the interests of the community at the earliest practicable time; and
 - (c) The management of overburden dumps to achieve progressive utilisation and high environmental standards.
 - 4.9 Minimisation of the detrimental effect of extractive industry on landscape quality and the achievement of high environmental and aesthetic standards in all industrial areas.
 - 4.10 Integration of regional planning for urban development with proposals for, and the effects of, the extraction and utilisation of brown coal.
 - 4.11 The application of industry and regional assistance measures to attract additional economic activities to the Policy Area and to provide for a wider range of employment opportunities.
 - 4.12 Programs designed to provide an adequate range of reticulated and other engineering services, to improve the manner in which they are distributed throughout the area and to establish new services to cater for growth.
 - 4.13 Social development of the Policy Area including the provision of an adequate and accessible range of good quality educational, recreational, health, welfare, housing and other social facilities and support services appropriate to the needs of residents.
 - 4.14 Development of programs which promote the interests of disadvantaged groups within the Policy Area and which protect such groups from further disadvantage by economic and physical developments in the Policy Area.
 - 4.15 Preservation and enhancement of the quality of individual, family and community life in the Policy Area.
 - 4.16 Monitoring of social development in the Policy Area to ensure the early identification of needs and provision of services appropriate to the emerging needs of the communities.
 - 4.17 The participation of local residents in the planning and delivery of human services.
 - 4.18 Development of co-operative working relationships with human service providers and planners at the local, sub-regional and regional levels.
 - 4.19 The conservation and protection of areas, sites or features of historical or archaeological importance.
 - 4.20 Preservation and enhancement of the amenity of residential development in urban areas.
 - 4.21 Establishment of adequate buffer areas between the activities of major industries and works and urban communities or other sensitive areas.
 - 4.22 Formulation and implementation of a comprehensive and integrated waste disposal strategy for the area.
 - 4.23 Development of an efficient communications network co-ordinated with development in the Policy Area.
 - 4.24 Conservation of significant flora and fauna; evaluation of the capacity of the area to withstand change and development without detriment in a physical and biological sense; formulation of appropriate safeguards, fire protection strategies and remedial measures where necessary.
 - 4.25 Formulation of co-ordinated planning guidelines for the coastline to sustain recreation and nature conservation values; management of access to beaches, forests and catchment areas in accordance with their capacity to withstand recreational usage.
 - 4.26 The control of all forms of waste discharge and noise emission in accordance with requirements set down in any Statements of Environment Protection Policy.
 - 4.27 Formulation of detailed planning and management policies for fire protection and suppression.

Appendix B - Response to Public Submissions

The majority of submissions were concerned with the following 19 issues:

1. Quality of life considerations.
2. Potential for future urban expansion.
3. Coal classification in the Morwell/Traralgon/APM triangle.
4. Morwell River diversion
5. Protection of the APM mill site and forest requirements.
6. Maintenance of transport routes.
7. Landholder submissions.
8. The Melrossa Estate, Traralgon.
9. Planning blight and compensation.
10. Land use in buffer zones and width of buffers.
11. Land use over designated coal areas and associated coal industry areas.
12. Rehabilitation of coal workings and overburden dumps.
13. Protecting the natural environment.
14. Managing the forest resource.
15. Protecting agriculture.
16. Protecting water resources and water quality.
17. Fire prevention.
18. Physical infrastructure requirements.
19. Review of Statement of Planning Policy No. 9.

Quality of Life

Comment

Many submissions argued that greater emphasis should be given to quality of life issues and that there was too great a focus on technical and economic aspects of coal winning.

Response - Change Adopted

The need for further emphasis on social issues has been recognised by changing the primary objective of the policy so that in addition to focusing on coal, land use developments shall have "... regard to social, environmental, physical and economic considerations in order to ensure a high quality of life for residents." (See Appendix A.)

The Government has provided a "framework" for planning in the region which aims to ensure that optimal solutions are found to the complex competing demand within the region (for example, coal development, private land use, environmental issues, urban development, community involvement in planning). However, detailed concerns such as the planning of services and facilities (hospitals, sports grounds) should be resolved at regional and local levels.

The coal industry is a key to the economic prosperity of the region and the State. It is necessary to maximise the benefits from the coal resource while providing for the community's need for greater planning certainty and a satisfactory quality of life.

Fourteen townships and three parks (Holey Plains State Park, Morwell National Park, Nooramunga Marine and Wildlife Reserve) were excluded from coal development in *Framework for the Future* (1986). Additional areas have been excluded in response to community comments. Among these are the Moe/Trafalgar coalfield and the Morwell/Traralgon/APM triangle and areas to allow for further expansion of the towns of Morwell, Traralgon and Yarram. This is to provide greater certainty and enhance the environment.

Township Issues

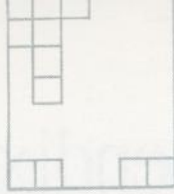
The most significant issue raised in submissions was the issue of urban expansion. There is a strong concern that the delineation of urban boundaries and buffers will limit the growth of various townships. It was argued in the submissions that the definition of urban areas has not taken account of all factors influencing urban development (e.g. land capability, urban infrastructure). Opportunities for the expansion of the townships of Morwell, Traralgon, Churchill, Rosedale, Moe, Trafalgar, Gormandale and Yarram were put forward.

The Government's policy is that future urban expansion should occur away from areas overlying coalfields. Existing urban areas and some areas of high environmental value were excluded from coal winning in the *Framework for the Future* (1986) report. However, the existing urban areas were delineated on the land zoned as urban within each township at the time the report was prepared. This created some inequities, as some towns had zoned areas in excess of their needs for decades to come while others had very little area for future development. Each case was considered on its individual merits and some changes to town boundaries have been made as a result.

Morwell

Comment

The expansion of Morwell is constrained by the presence of key Category A coalfields - Maryvale coalfield to the north and Morwell coalfield to the south of the town, Category C coalfields to the north-east and south-east and the Latrobe Airfield to the east. Existing urban zones were limited and could only accommodate 5-7 years of growth at current development rates. There was concern that the town would stagnate without some opportunity for growth and development.



Response - Change Adopted

The Shire of Morwell had proposed an Amendment (No. 33) to the Planning Scheme, which would have provided over 600 ha for expansion to the north, west and east of the existing city over prime coalfields. In response to a number of submissions, an Independent Panel under the Town and Country Planning Act reviewed this proposal and recommended an alternative proposal which would involve the rezoning of approximately 300 ha. The Minister for Planning and Environment has approved this amendment generally in accordance with the Panel's recommendation. This area should provide for a population expansion of 6,000, sufficient for over 20 years.

In the Maryvale area the result will be the loss of some 150 Mt of Category A (Yallourn seam) coal and almost 300 Mt of deeper coal. Most of the Maryvale coalfield areas foregone have a low overburden cover.

Moe and Trafalgar

Comment

Many submissions requested that the designation of the Trafalgar East Category C coalfield be removed to allow for urban expansion of Moe and maintain the rail and road link between Trafalgar and Moe.

Response - Change Adopted

The poorer quality of this coal and geological and groundwater constraints on mining make this a very low value coalfield. The designation has been lifted, given expressed community concerns.

The removal of the designation of the coalfield will not create much potential for expansion to the towns, given the other constraints on development in the area, such as flooding. It will, however, provide flexibility for some development within the areas which would have been designated as buffer areas.

In SPP 9, the Government has made a commitment to maintaining transport links between towns, but the location of these links should be flexible. The road and rail links will not be affected in this case as a result of the removal of the coalfield.

Traralgon

Comment

Concerns were expressed about available land for future urban expansion of Traralgon, which was constrained by coalfields to the east, south and west and floodplains to the north.

Response - Changes Adopted

Although Traralgon is constrained to some extent by

coalfields and floodplains, there is sufficient land for future urban development to take place away from coal. A further amendment to the coal classification in the Morwell/Traralgon/APM triangle removes the Category C coal classification on Traralgon's western boundary and provides Traralgon with further expansion opportunities to the west.

Rosedale

Comment

A number of submissions were received requesting an extension to the western boundary of Rosedale to provide for urban expansion. Rosedale is constrained by flood plains and poorly drained areas to the north, east and south.

Response - No Change

A consultant's report prepared for the Shire of Rosedale indicated that there is existing capacity in the town of Rosedale to provide for urban expansion until 2010. No change to coal boundaries is required given present population projections for Rosedale. The town is able to expand to the west of coal areas, if there is a future need.

Churchill

Comment

Proposals were put forward to expand the urban area to the north and south of Churchill over Category C coalfields.

Response - No Change

There are significant areas of land available for development within the existing town boundary and to the east of Churchill, currently zoned rural, which will not require further loss of coal.

Gormandale

Comment

The Shire of Alberton put forward a proposal for the future urban expansion of Gormandale. The Shire of Rosedale requested that Gormandale be protected from coal winning in order to preserve Merrimans Creek Valley. The LRC proposed that the designation of Gormandale as an urban centre could be deleted to compensate for coal losses arising from proposed expansion of other towns.

Response - No Change

Future urban expansion of Gormandale is considered unlikely and no change to the current designation has been made. Gormandale has been provided with an exemption from coal winning. Any coal development in the area should be capable of being located so as to minimise impacts on the town and the valley environment.



Yarram

Comment

The Shire of Alberton has requested that the classification of Uncategorised Coal at Greenmount (north-east of Yarram township) be removed.

Response - Change Adopted

The land at Greenmount provides the only significant area with potential for expansion of Yarram township. While this area has potential for its coal resource, social factors should take precedence here. The coal at Greenmount is isolated and is the least significant element of the Gelliondale/Alberton/Yarram coal fields. As this coal has not been categorised it is appropriate to lift the classification.

Morwell/Traralgon/APM Triangle

Comment

This was regarded as the most significant area for exclusion from coal winning. The major matters affecting the Triangle are:

- the Latrobe Valley Airfield and its effect on development;
- the proposed Morwell River diversion;
- the floodplain adjacent to Plough Creek;
- transport corridors between Morwell and Traralgon;
- provision for current and future APM operations;
- future urban expansion of Morwell and Traralgon.

It was argued that coal mining in the area is constrained by the floodplain, airfield, Australian Paper Mill and associated works buffer and the proposed Morwell River diversion.

Response - Changes Adopted

The Government recognises that the above factors reduce the quality and value of economically winnable coal in the Triangle.

It is also acknowledged that the Triangle is the only area bordering Morwell which could be exempted from coal, providing Morwell with long-term options and removing the restriction on the town's growth.

The Triangle separates the two main population centres of Morwell and Traralgon, the APM mill site and the airfield.

Given the constraints on mining in the Triangle, the overwhelming community concerns on this matter and the lack of any immediate proposals to develop the Triangle, the Government has resolved to remove the Category C coal classification over the whole area and the consequent buffer zones north-east of Morwell and west of Traralgon.

Morwell River Diversion

Comment

The Government was requested to provide further clarification regarding the method and timing of the proposed diversion of the Morwell River.

Response

The Morwell River overlies coal reserves that may be required in the future, probably after the turn of the century. The State Government announced in May 1984 that the Ministry for Planning and Environment would amend local planning controls to preserve a long-term option for diverting the Morwell River away from valuable coal.

The decision to amend the Planning Schemes followed a public inquiry by the Natural Resources and Environment Committee of Cabinet which recommended statutory protection on the grounds of providing certainty to land holders in the area and minimising blight.

Following consultation with the affected shires (Morwell and Traralgon), the Department of Industry, Technology and Resources, the State Electricity Commission and the Latrobe Regional Commission, the Minister for Planning and Environment exhibited amendments to the shires' planning controls in September 1985. The amendments proposed the introduction of a "Reservation" for the diversion route and planning controls for construction buffers and floodway protection.

Minor modifications were subsequently made to the amendments in accordance with the recommendations of an independent panel.

The Minister for Planning and Environment has approved the amendments to the Shire of Morwell and the Shire of Traralgon Planning Controls to provide for the possible future diversion of the Morwell River.

It is important to recognise that approval of these amendments does not mean approval for the diversion. Any proposal to proceed with the project would be subject to a further full public inquiry.

Australian Paper Mills (APM)

Comment

Submissions argued that *Framework for the Future* should provide for future forestry development and protect the existing mill and associated work site at Maryvale. Replacement land for plantations will be needed and consideration should be given to growing pines in buffer zones. The transport link between the mill site and Morwell should be maintained.



A buffer of 1km was sought to protect the mill from coal operations which may affect the fine tolerances of the machines and to provide future plans for development on the western boundary.

Response

The Government has recognised the importance of the effects of movements on the APM mill site. A commitment has been made to provide for necessary plantations and to maintain a buffer of approximately 1km around the APM mill site. Coal extraction will not occur within this buffer until such time as the coal extractor can demonstrate that earth movements as a result of coal winning will not adversely effect the operation of the mill.

Transport Routes

Comment

Many submissions argued that existing transport routes, particularly those connecting major towns should be retained in order to maintain cohesion within the region. The Latrobe Regional Commission and the Municipal Councils strongly supported these arguments, but the Latrobe Regional Commission recognised that it may be necessary to relocate present links in some cases to facilitate recovery of valuable coal. The Latrobe Regional Commission considered that a degree of certainty would be provided by delineating a specific corridor of 1 to 1.5km within which any necessary rerouteing would take place.

Response - No Change

The *Framework for the Future* (1986) report recognised the importance of maintaining links between the towns, but these were generally not designated as "transport corridors" on the maps. A transport corridor has been delineated between Traralgon and Morwell only. This corridor is provided because of the nature of existing development along the highway and the special nature of the two towns.

The other corridors are quite different and no such adjacent development is necessary or desirable.

Transport links are often rerouted as road capacity is improved or for other planning reasons. Any temporary disruption that similar rerouteing to permit coal development might cause will be balanced against the value of the coal resource in each instance.

The commitment to maintain transport links means communities will not be isolated, even while new roads are being built.

Landholder Submissions

Comment

A number of submissions were received from individual landholders regarding the impact of coal boundaries on their land.

Response

A consistent policy has been adopted to promote planning certainty in the region. In general the result of coal sequencing and improved compensation measures, will be a considerable improvement for all landholders. Coal boundaries in Category B and C will be determined shortly using natural or man-made boundaries such as rivers, roads or title boundaries, wherever practicable. These areas will be subject to compensation at the time of reservation (approx. 30 years prior to use). Every effort will be made to ensure that the determination of these boundaries is fair and equitable. Amendments to local planning controls will enable landholders and others to make their views known prior to any decision being taken.

Melrossa Estate

Comment

The residents of the Melrossa Estate east of Traralgon, expressed concerns about blight resulting from planned coal developments in the area. Prohibitions on housing development in the estate have applied since 1978 when the area was designated for coal production.

Response - Change Adopted

Significant steps have been taken to alleviate blight in the Melrossa Estate.

The requirement for SECV to purchase vacant lots in the area was revoked, following the release of the Government's Energy Policy Statement in 1984. Planning prohibitions on housing developments in the area were then revoked in December 1986, following the release of *Framework for the Future* (1986). The SECV commenced a program of sales in 1987 of allotments it no longer required. These sales will be spread over a two year period to reduce the impact on land values on the Estate. In March 1987, to restore confidence in the market, the Government gave assurances that the area was not required for coal winning purposes. Accordingly, the boundary of Category B coal has been moved to the east as shown on Figure 2.

Compensation and Blight

Comment

The community has generally welcomed the designation of Category A and associated coal industry areas and the



compensation provisions which will apply. Concern however, was expressed by the regional community regarding the potential for blight in Category B and C and Uncategorised coal areas, and the lack of compensation provisions in these areas.

Response

The intention of the revised SPP 9 is to provide certainty and ensure that where potential coal resource development is likely to impact on land values (i.e. Category A and associated coal industry areas where notice of less than 30 years exists) compensation is payable. The State Electricity Commission of Victoria will be responsible for meeting compensation claims in these areas. The new *Land Acquisition and Compensation Act* will further improve the process of obtaining compensation for landowners in Category A coal areas.

The assumption underlying the fear of blight is that the designation of areas as Category B or C coal, uncategorised coal, or buffers, automatically results in a loss of property value and a loss of interest in the land by potential buyers.

This assessment of blight is open to debate.

Blight may only be assumed to have occurred where the expectations of landowner have not been realised.

The new approaches in this *Framework for the Future: Final Report* are designed to alleviate blight by clearly delineating the coal boundaries and the sequencing of coal winning operations.

It was considered important that land be retained in private ownership wherever possible. Most of the land in Category B and C coal areas is zoned and used for rural purposes and will continue to be subject to normal planning controls and review procedures. The coal designation can be viewed as one additional factor applying to the land. Virtually all the land has had such a designation for many years.

The long time period leading up to development of the coal resource allows owners to continue productively using their land with the certainty that at least 30 years' notice of potential coal development will be provided.

The Government believes that community confidence in the policies put forward in *Framework for the Future* (1986), particularly awareness of the certainty provided by the Coal Development Sequencing Strategy, will overcome any past uncertainties and fears about planning blight.

Buffer Areas

Comment

A large number of submissions commented on buffer

areas. The concept of buffers for mutual protection has been accepted by the regional community. Matters of detail raised in submissions included the proposed location of boundaries, buffer width and appropriate land uses in buffer areas. Compensation and blight in buffer areas was also a concern.

The LRC proposed that buffer widths should be assessed individually to take account of specific environmental factors in each case, but accepted the 1km separation proposed in the *Framework for the Future* (1986) report as an appropriate minimum width. Land uses within buffer areas and the timing of designation of buffer areas were further issues raised.

Response - Some Modifications Adopted

The intent of buffer areas is the protection of existing communities from any adverse effects of future coal winning and the protection of an open cut mine from fire hazard, i.e. a mutually beneficial situation.

A standard of approximately 1km has been provided between the nearest urban area and the face of an open cut mine. This separation would comprise approximately 750m of buffer area and 250m of operations area associated with the open cut mine with a 10 per cent variation in the width of the buffer area allowed to simplify boundary definition along property lines (see Figure 7).

Some boundary modifications have been made to enable urban expansion of some towns (as discussed in Section 2.2). The 750m areas are generally not to be included within coalfield reservations or other protective controls. The 250m operation area will be included within the designated coalfield boundaries. Some buffers to Category A coalfields have been defined in planning schemes, others will be defined in due course following detailed consideration of actual boundaries from cadastral information. This work will be carried out by the Ministry for Planning and Environment in conjunction with the local municipalities, the Latrobe Regional Commission, State Electricity Commission and the Coal Corporation of Victoria.

The Ministry for Planning and Environment, (assisted by the Latrobe Regional Commission, State Electricity Commission, Coal Corporation and community representatives), has completed a study to establish criteria for determining appropriate land uses in buffer areas and has made recommendations to the Latrobe Regional Commission for inclusion in the Regional Strategy Plan. The draft Regional Strategy Plan is due for release for public comment early in 1988. This will enable full public participation in considering this issue.



Compensation provisions will not apply in buffer areas. The Government considers that land in buffer areas should be retained in private ownership and put to productive use in accordance with existing uses and local planning controls.

Land Over Designated Coal and Associated Coal Industry Areas

Comment

A very important issue to the regional community is the potential impact on land use of designated coal and associated coal industry areas.

Response

As with buffer areas, this issue will be considered as part of the Regional Strategy Plan. The Ministry for Planning and Environment Study has also made recommendations on appropriate criteria for determining land uses over coal and associated coal industry areas. The draft Regional Strategy Plan, which is due for release early in 1988 will enable full public participation in the consideration of this issue.

Rehabilitation of Areas Affected by Coal Operations

Comment

Concern was expressed in the submissions regarding the timing and method of proposed rehabilitation of worked-out coal areas and overburden dumps. In particular, it was requested that rehabilitation be carried out in a co-ordinated fashion and on a regional scale. Co-ordinated rehabilitation planning for all coal winning areas was requested as part of the overall planning process prior to coal winning.

Response

SSP 9 states that comprehensive planning for the rehabilitation of all coal development and extractive industry and mining sites will be undertaken. The Government has made a commitment to plan and manage all development to achieve a high level of environmental quality. This includes a commitment to comprehensive planning for rehabilitation, assessment of rehabilitation problems and prospects prior to approval of new works, formulation of programs to ensure worked-out areas are returned to effective use at the earliest practicable time and progressive rehabilitation and management of overburden dumps.

Implementation of the Government's commitment to rehabilitate land disturbed by coal activities is well advanced. The SECV, following consultation with the community, has adopted a comprehensive rehabilitation

policy for areas disturbed by coal winning activities which takes account of land capabilities prior to disturbance, land uses and community benefits.

Rehabilitation plans for the Morwell open cut overburden dump have been prepared and published for community comment to enable a final plan to be determined. Likewise rehabilitation plans for other SECV coal winning areas are currently being developed in consultation with both community groups and other Government agencies. In addition to planning, a rehabilitation practices paper is being prepared for use by the SECV to ensure that a uniformly high standard is being adopted for rehabilitation works.

Environmental Considerations

Comment

Concern was expressed that, even though *Framework for the Future* (1986) contained admirable intentions with regard to protection of the environment, these were not backed by specific strategic actions. The impact of coal winning on the rural landscape, the natural environment, agricultural productivity, water resources and forestry were all matters of concern. It was argued that the potential impact of coal winning on these matters should be assessed prior to finalisation of the coal boundaries. Specific comment was made on the Merriman's Creek Valley, Jumbuk Estate and Wirilda Environment Park, arguing that these areas should be excluded from Category C coal and (along with Morwell National Park) be protected by buffer areas.

Response

With regard to environmentally significant areas, impacts of coal development will be carefully planned and controlled to minimise adverse effects. The Government has determined that no development will proceed on ecologically sensitive coalfields, including Merriman's Creek Valley, Gormandale, Willung, Stradbroke, Coolungoolum and Gelliondale coalfields without detailed base-line research and a full public enquiry.

The owners of Wirilda Environment Park were concerned that the Park was included in Category A Coal reserved for the Yallourn North Extension Open Cut. This is not the case and no coal mining will take place in the Park.

This *Framework for the Future: Final Report* sets out plan for the development of the region's resources and assets so as to maintain and enhance the quality of the natural and living environments. These matters are also being actively pursued through a number of related Government policies and initiatives.



Preparation of an Environmental Strategy has been requested by the Minister for Planning and Environment from the Latrobe Regional Commission as part of its Regional Strategy Plan. A detailed and comprehensive discussion paper on the environment has already been published for public comment.

Many other environmental studies have been undertaken to enhance knowledge of the complex interactions in the natural environment and identify opportunities for environmental enhancement. These have included air quality, water quality and resource studies and rehabilitation studies and plans. Environmentally sensitive waste disposal strategies have also been introduced.

Protecting the Forest Industries

Comment

Consideration must be given to the forestry requirements of the APM and to protecting the forest industries in the region.

Response

The forest-based industry is vitally important to the region. It provides considerable employment opportunities, flow-on economic benefits and adds a diversity to the region's economic base which helps even out cyclical employment trends associated with coal development.

The prosperity and growth potential of this sector is absolutely dependent on continued supply of wood from softwood plantations.

This is recognised and provided for by the Government. Following the recommendations of the Timber Industry Inquiry, the Government has developed a strategy which guarantees the resource base for the continued growth of the industry by increasing crown land allocation to provide 25,000 ha of softwood plantations.

The area currently carries more than 60,000 ha of softwood plantation.

Good environmental practices and high standards will be required for plantation establishment and management as laid down in the Government's Timber Industry Strategy. Consistent with policy, native forests will not be cleared for the establishment of pine plantations.

Protecting Agriculture

Comment

Concern was expressed that land reserved for coal has not taken into consideration competing land values, particularly agriculture. High quality agricultural land is a valuable resource. Use of land for coal winning may

degrade agricultural land which is important to the region's long-term economic stability.

Response

Agriculture is a vital component of the region's economy and way of life. The planned sequencing of coal development provides for a minimum of disruption to land use for agriculture consistent with the community's projected needs for energy from coal. The aim of *Framework for the Future* is to encourage the retention of land overlying coal in existing uses, particularly agriculture.

The areas of land involved are small in relation to Victoria's resources of developed agricultural land. Given the potential of our land resources to increase in productivity, the areas of land reserved do not, in any significant way, reduce Victoria's capacity for agricultural production.

Much of the land involved is not prime agricultural land. The contribution by coal winning (and power generation) to the region's economy through its provision of employment opportunities and the resultant expansion of community amenities far exceeds the contribution that could be made here and to Victoria's economy by retaining this land in agriculture.

Protecting Water Resources and Water Quality

Comment

A strong argument has been made for co-ordination of water catchment management. Concern was expressed that the current fragmentation of responsibility for water resources between a number of Government Ministries and statutory bodies will hinder implementation of *Framework* policies.

Quality of water should also be addressed by *Framework* and not just water quality. Management of the Gippsland Lakes should be improved and all river systems affecting the Lakes should be controlled (as well as the Latrobe River system). Rerouting of infrastructure should be carried out in consultation with local authorities to minimise the cost and maximise benefits to the community.

Response

Efficient use of the water resources and maintenance of high quality water is essential to the full realisation of the region's potential.

A number of major Government initiatives are aimed at the most beneficial allocation of water resources and protection of water quality. The entire water sector across

the State is being restructured and water law rewritten to ensure that Government water initiatives are integrated in an efficient and effective manner to achieve the objective of proper allocation of water resources and protection of the quality of the water systems.

In addition, the Department of Water Resources, in consultation with other agencies and departments, is preparing the *South-East Regional Water Management Strategy*. This strategy will cover all aspects of water management in south-east Victoria, including water allocation, catchment and river management, water supply, wastewater management, water pricing and institutional arrangements. The general objective of the strategy is to ensure that surface and groundwater resources are allocated, used and managed in a way that is both economic, efficient and environmentally sensitive, for the benefit of the whole community.

Other initiatives that will assist include:

- the preparation of a State Environment Protection Policy for waters in Victoria;
- studies of the effect of industrial activity on the biology of the Latrobe River and the Gippsland Lakes;
- establishment of catchment co-ordination committees;
- preparation of a strategy plan and management plans for the Gippsland Lakes.

Fire Prevention

Comment

Appropriate fire management strategies should protect and conserve flora and fauna as well as open cut coal areas. Fire protection strategies should also take into consideration impact on environmental values.

Changes were suggested to clause 3.9 and clause 4.24 of SPP 9.

Response - Some Changes Adopted

Clause 4.2.4 has been amended in line with the suggestion that fire protection strategies should protect flora and fauna as well as coal. Clause 3.9 did not require modification as it states that fire protection shall be a major consideration but it is not the only consideration in the planning and management of land. Clauses 3.14 to 3.17 cover environmental matters in the planning and management of the coal resource (see Appendix 1).

Severe and destructive fires have occurred in the region at periodic intervals. The fire danger to communities in the region and to valuable and strategically important coal open cuts and power stations, requires careful and responsible regional fire protection planning. This planning must provide for reasonable levels of protection

consistent with the other objectives such as land use considerations, environmental aspects and landscape values.

Following public consultation, the SECV has reviewed its fire protection policy which provides for retention and maintenance of trees, shrubs and other vegetation which enhances the landscape. Also the SECV, Department of Conservation, Forests and Lands (DCFL) and Country Fire Authority (CFA) are working more closely to further improve the level of effective integrated fire protection. Fire prevention activities today involve techniques sensitive to environmental factors and involve consultation with local community groups to identify the environmentally significant areas that require such techniques.

Physical Infrastructure Requirements

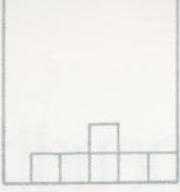
Comment

Concern was expressed that movement of existing physical infrastructure (i.e. SEC transmission lines, oil, gas and LPG pipelines, water and sewerage pipelines) to permit access to coal, may not be cost-effective. It was requested that cost-benefit analysis be undertaken before finalising coal boundaries.

Response

The cost of relocating physical infrastructure will be borne by the coal winner. This cost will be small in comparison to the value of the coal.

The placement of physical infrastructure should be away from coal, wherever practical. A considerable number of infrastructure developments cross the Flynn coalfield south of Rosedale. In this instance, it is proposed to provide an infrastructure corridor adjacent to the railway line to ensure that relocation, when undertaken, is permanent. The boundary of the coalfield has been moved 500m further south-west of Rosedale to provide a corridor for the infrastructure in the future.



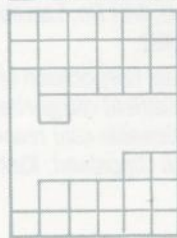
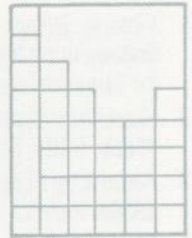
Statement of Planning Policy No. 9

Comment

Very few submissions commented on the content of SPP 9. The main concerns were insufficient emphasis on quality of life matters and specific wording changes regarding environmental controls, interim management and use of public lands, fire protection, water catchments, forestry, and infrastructure requirements. The LRC proposed some changes to the format to improve clarity and continuity.

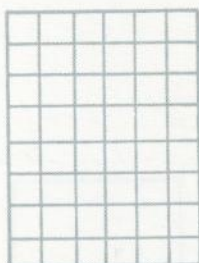
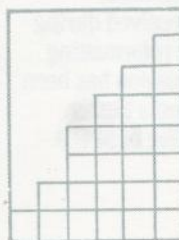
Response - Changes Adopted

A number of significant changes have been made following consideration of submissions received during the community consultation process. The reformatting suggested by the Latrobe Regional Commission has been adopted, and quality of life issues accorded a higher profile by inclusion in the primary objective of SPP 9.

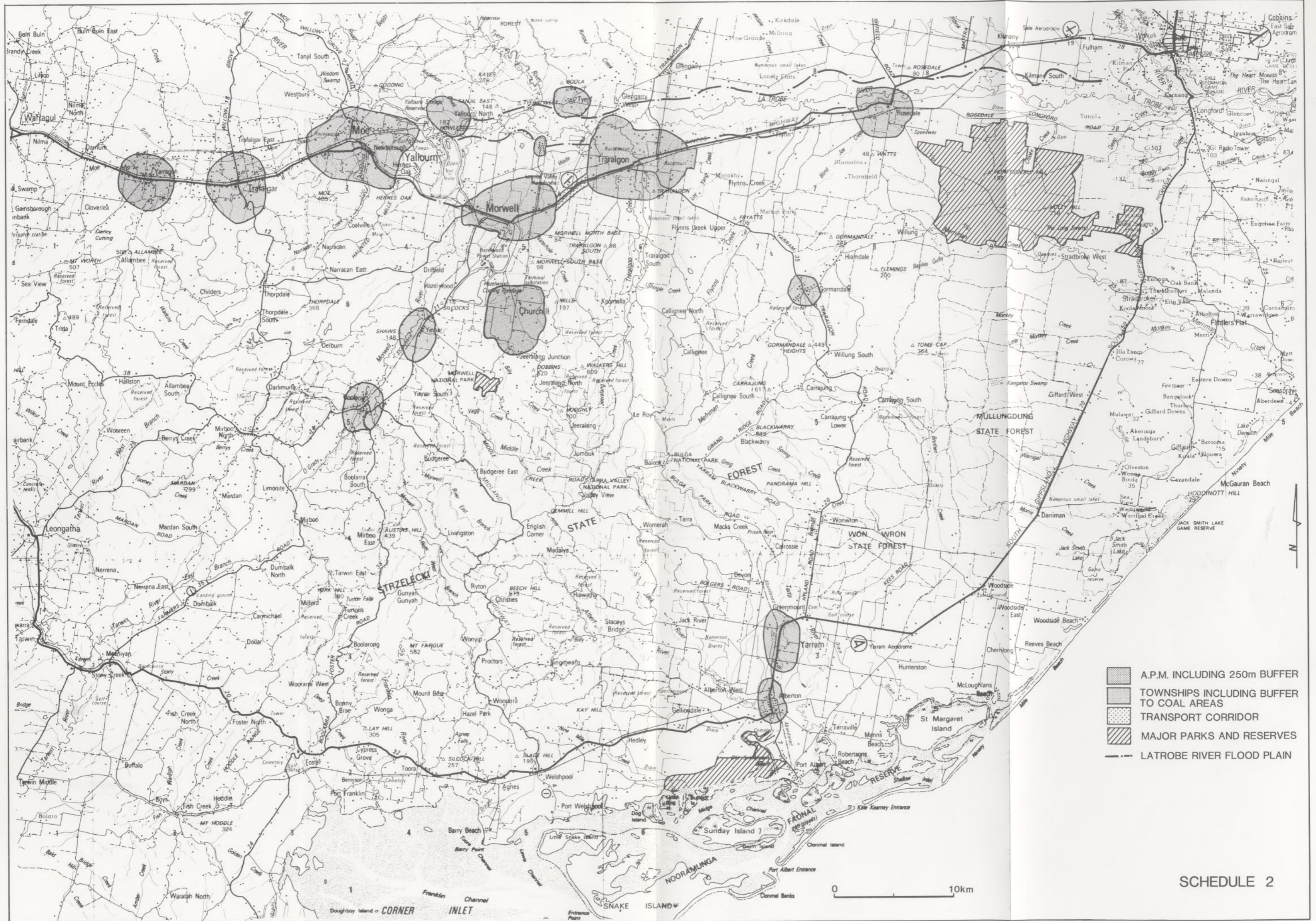







Appendix C: References

- 1 *Victoria: Brown Coal Government Energy Policy Statement* by the Hon. David White MLC, Minister for Minerals and Energy, 11 July 1984.
- 2 *Electricity Supply and Demand Beyond the Mid 1990s*, SECV, September 1985.
- 3 *Electricity Supply and Demand Beyond the Mid 1990s, Part IIa* SECV, March 1987.
- 4 *Proposed Driffield Project Environmental Effects Statement*, SECV/Kinhill Pty Ltd., August 1981.
- 5 *Report upon the Proposed Diversion of the Morwell River*, Parliamentary Natural Resource and Environment Committee, December 1983.
- 6 *Latrobe Valley Power Station Siting*, SECV Task Force Report, May 1980.
- 7 *Strategy Planning for Victoria's Brown Coal - What the Governments Will Do*, Latrobe Valley Ministerial Council, July 1982.
- 8 *Report to the Coal Corporation of Victoria on the effects of IDC coalfield categorisation on the economically winnable coal resource of the Latrobe Valley and South Gippsland*, Kinhill, August 1987.



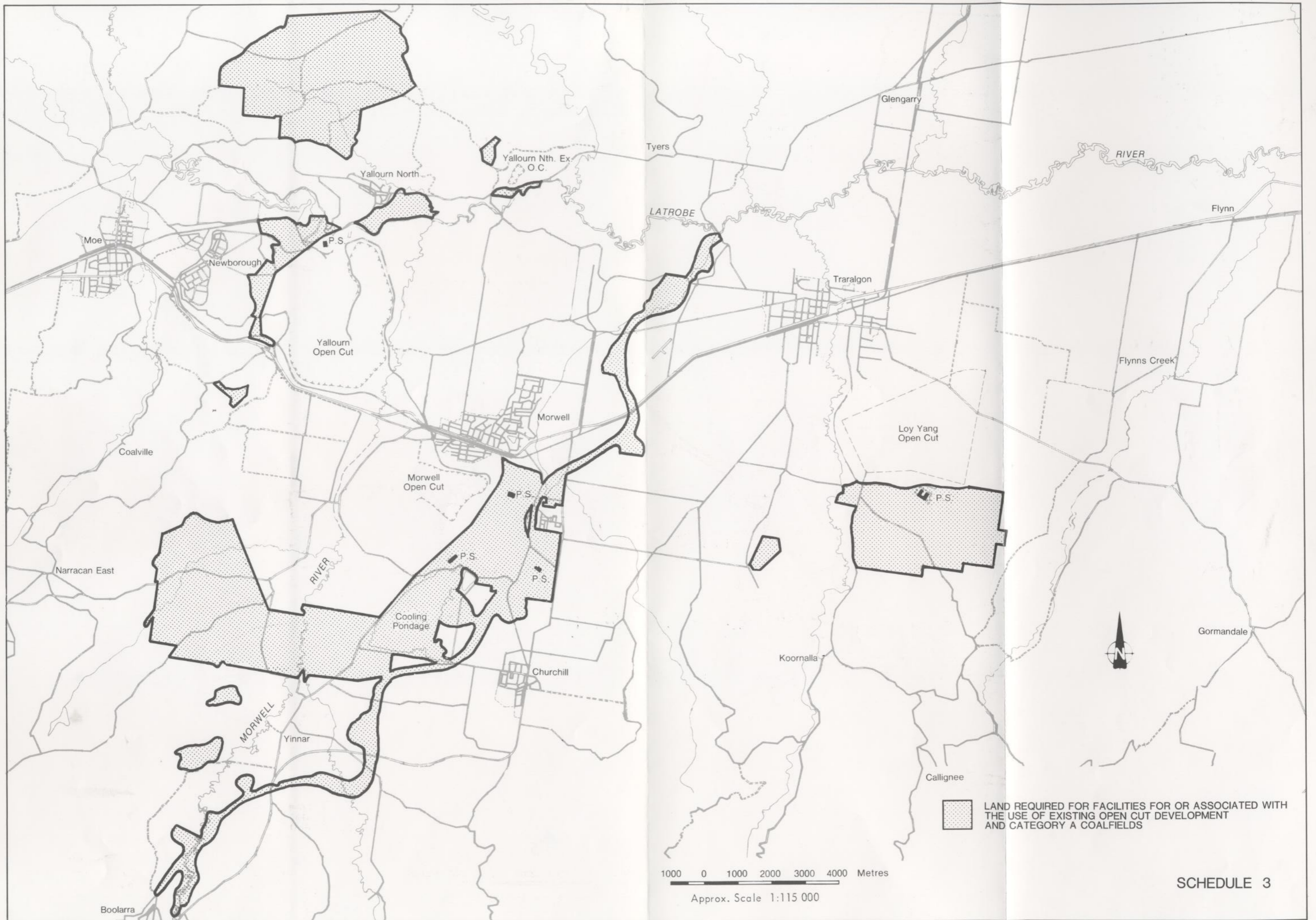




-  A.P.M. INCLUDING 250m BUFFER
-  TOWNSHIPS INCLUDING BUFFER TO COAL AREAS
-  TRANSPORT CORRIDOR
-  MAJOR PARKS AND RESERVES
-  LATROBE RIVER FLOOD PLAN

SCHEDULE 2

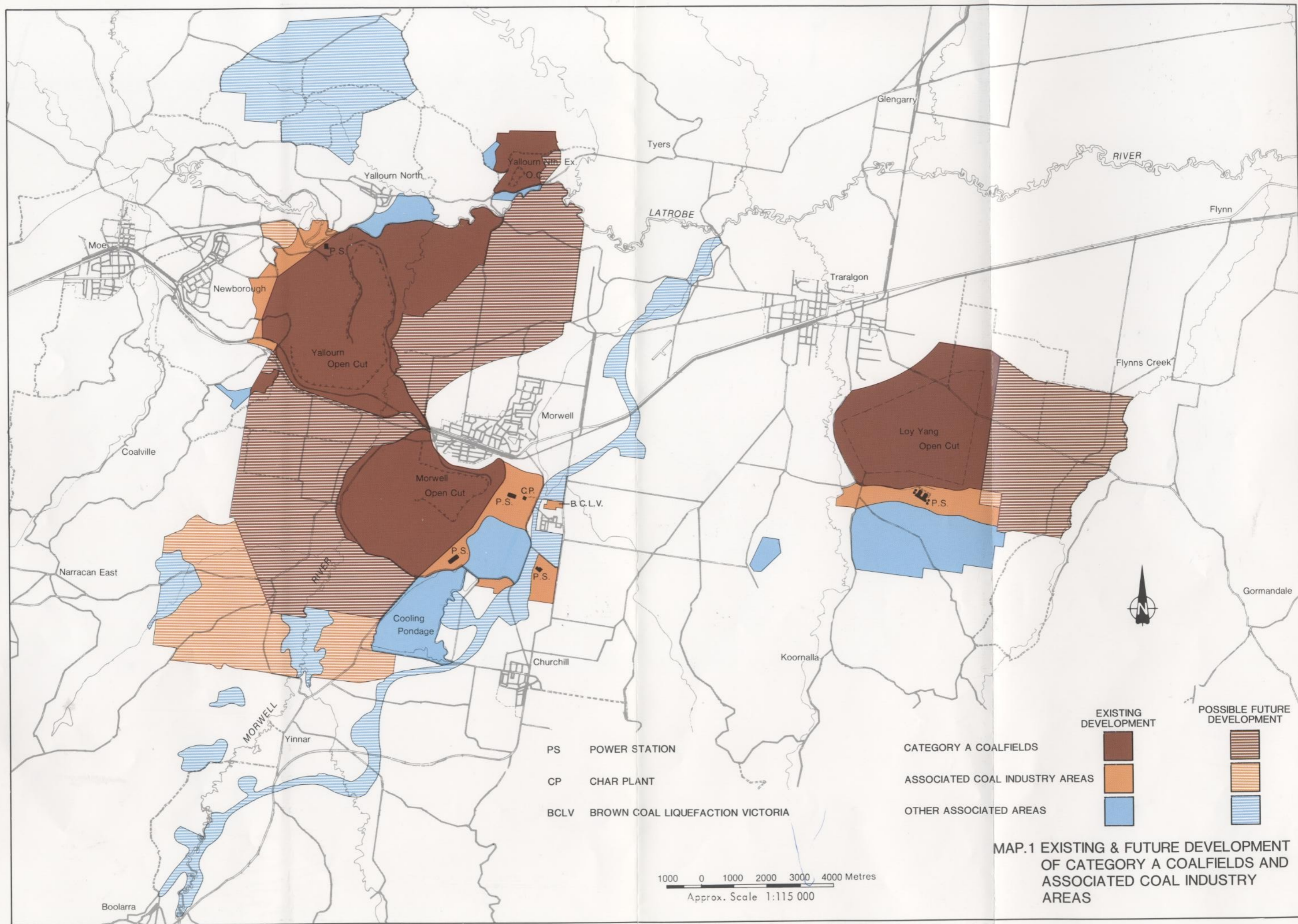
0 10km




 LAND REQUIRED FOR FACILITIES FOR OR ASSOCIATED WITH THE USE OF EXISTING OPEN CUT DEVELOPMENT AND CATEGORY A COALFIELDS

1000 0 1000 2000 3000 4000 Metres
 Approx. Scale 1:115 000

SCHEDULE 3



PS POWER STATION
 CP CHAR PLANT
 BCLV BROWN COAL LIQUEFACTION VICTORIA

CATEGORY A COALFIELDS
 ASSOCIATED COAL INDUSTRY AREAS
 OTHER ASSOCIATED AREAS

EXISTING DEVELOPMENT
 POSSIBLE FUTURE DEVELOPMENT

1000 0 1000 2000 3000 4000 Metres
 Approx. Scale 1:115 000

MAP.1 EXISTING & FUTURE DEVELOPMENT OF CATEGORY A COALFIELDS AND ASSOCIATED COAL INDUSTRY AREAS

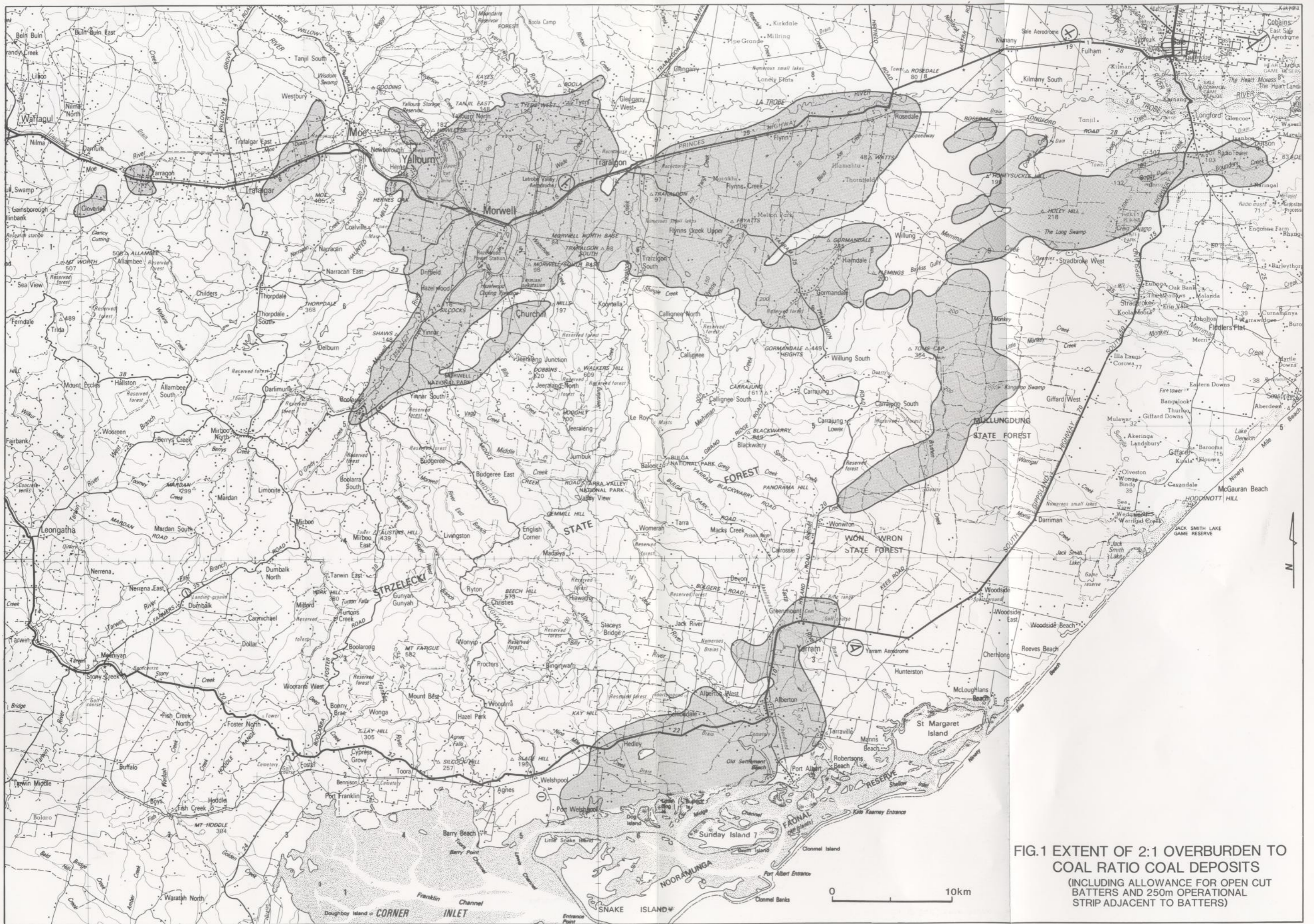


FIG.1 EXTENT OF 2:1 OVERBURDEN TO COAL RATIO COAL DEPOSITS (INCLUDING ALLOWANCE FOR OPEN CUT BATTERS AND 250m OPERATIONAL STRIP ADJACENT TO BATTERS)

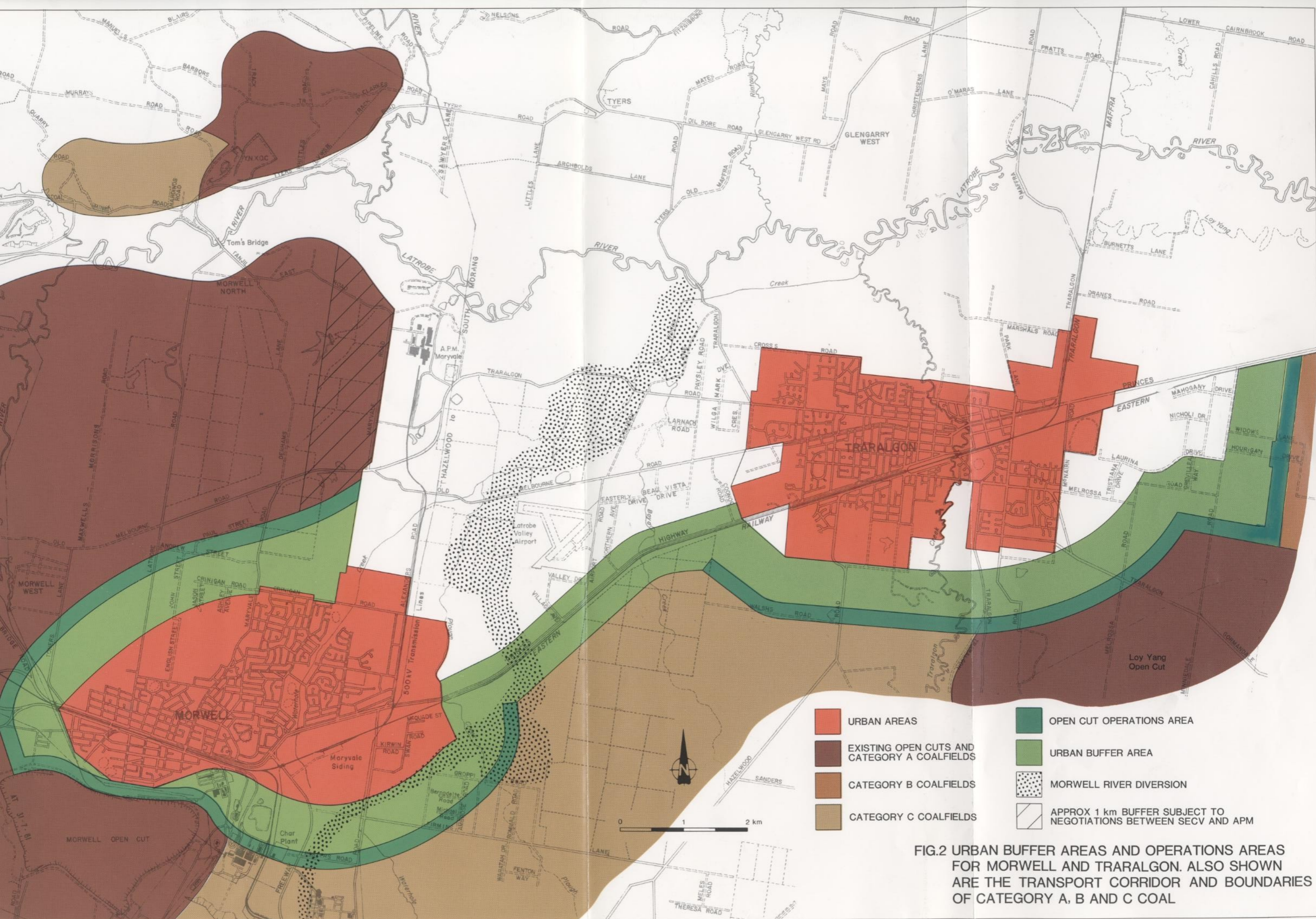


FIG.2 URBAN BUFFER AREAS AND OPERATIONS AREAS FOR MORWELL AND TRARALGON. ALSO SHOWN ARE THE TRANSPORT CORRIDOR AND BOUNDARIES OF CATEGORY A, B AND C COAL

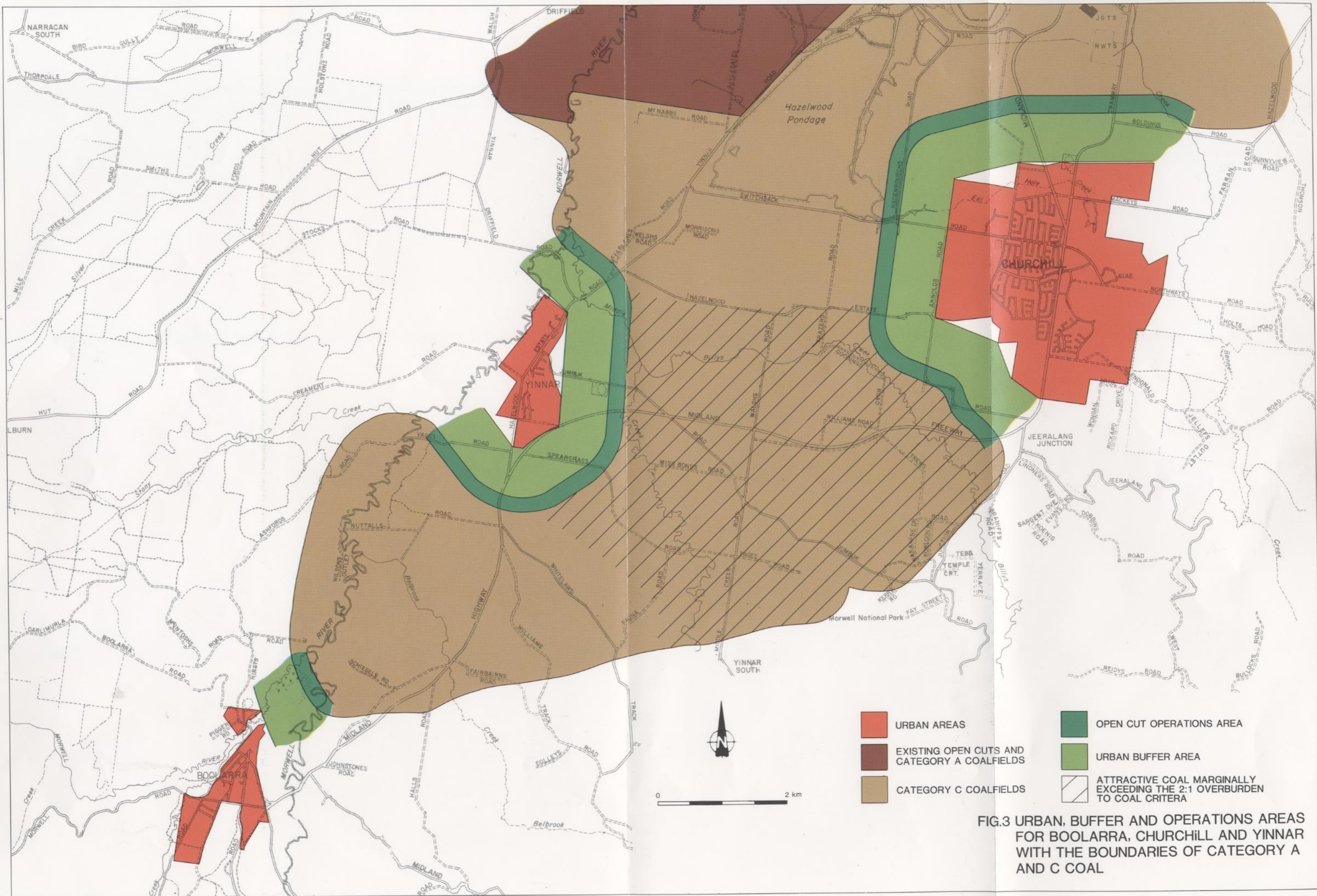


FIG.3 URBAN, BUFFER AND OPERATIONS AREAS FOR BOOLLARRA, CHURCHILL AND YINNAR WITH THE BOUNDARIES OF CATEGORY A AND C COAL

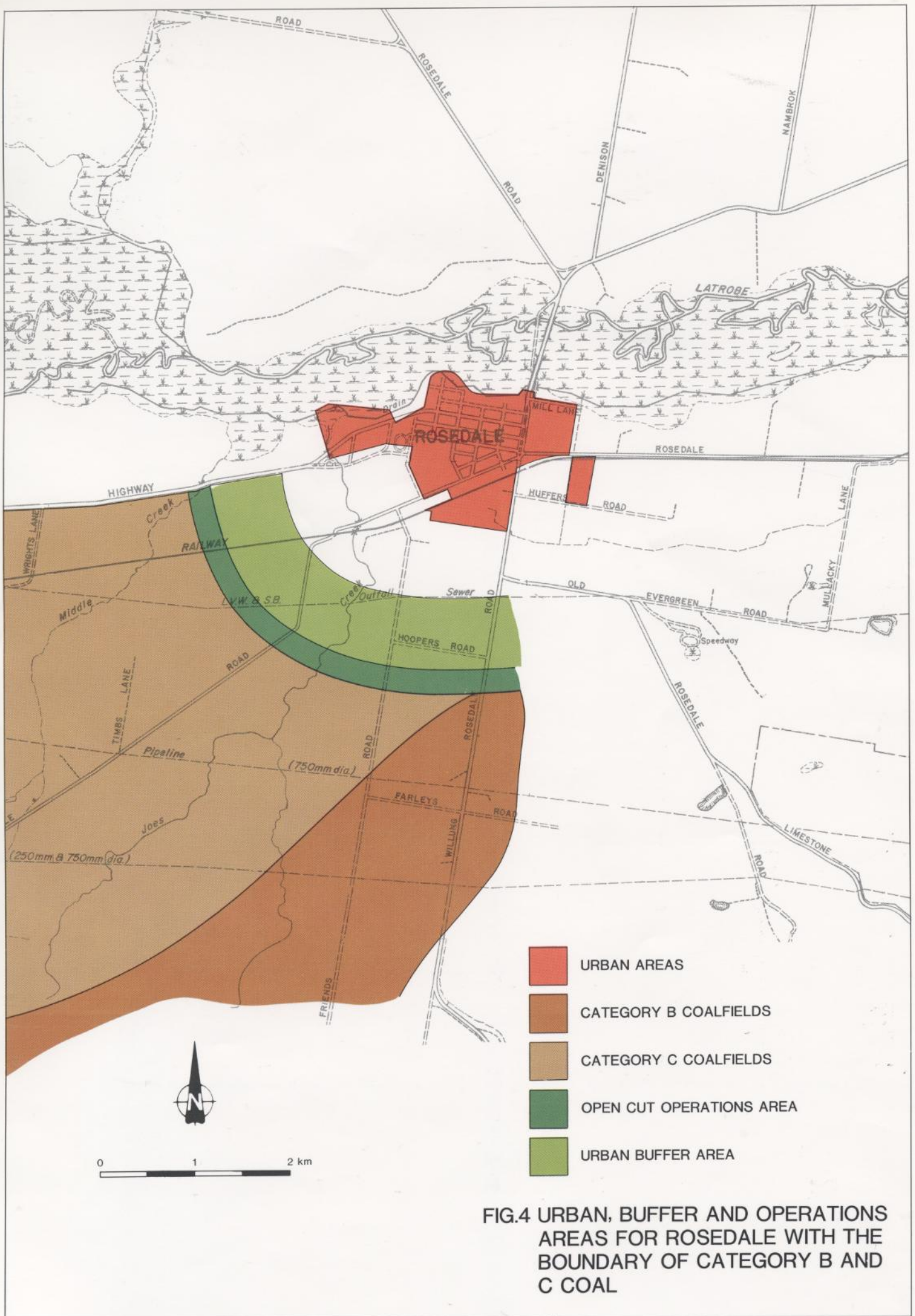


FIG.4 URBAN, BUFFER AND OPERATIONS AREAS FOR ROSEDALE WITH THE BOUNDARY OF CATEGORY B AND C COAL

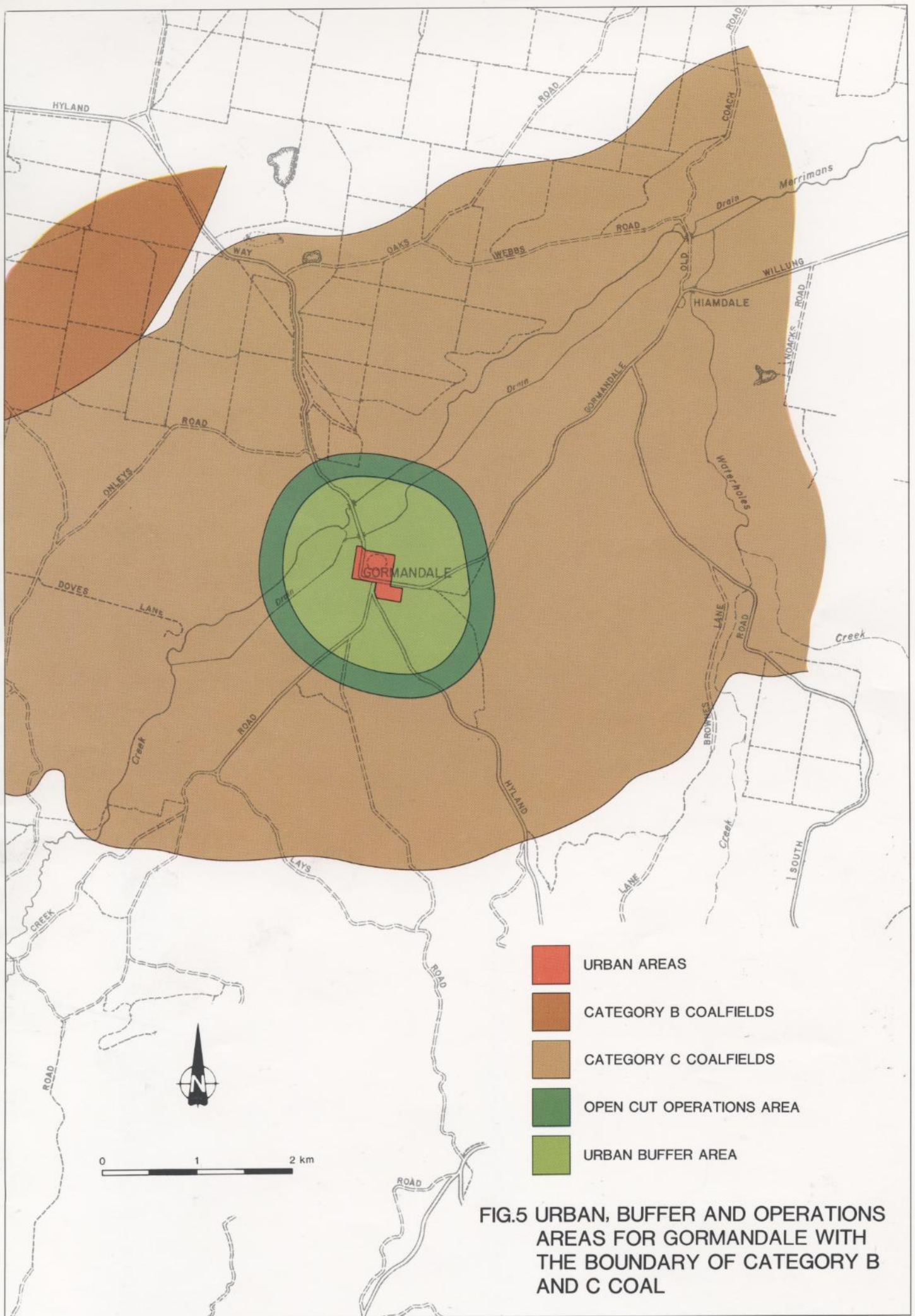


FIG.5 URBAN, BUFFER AND OPERATIONS AREAS FOR GORMANDALE WITH THE BOUNDARY OF CATEGORY B AND C COAL

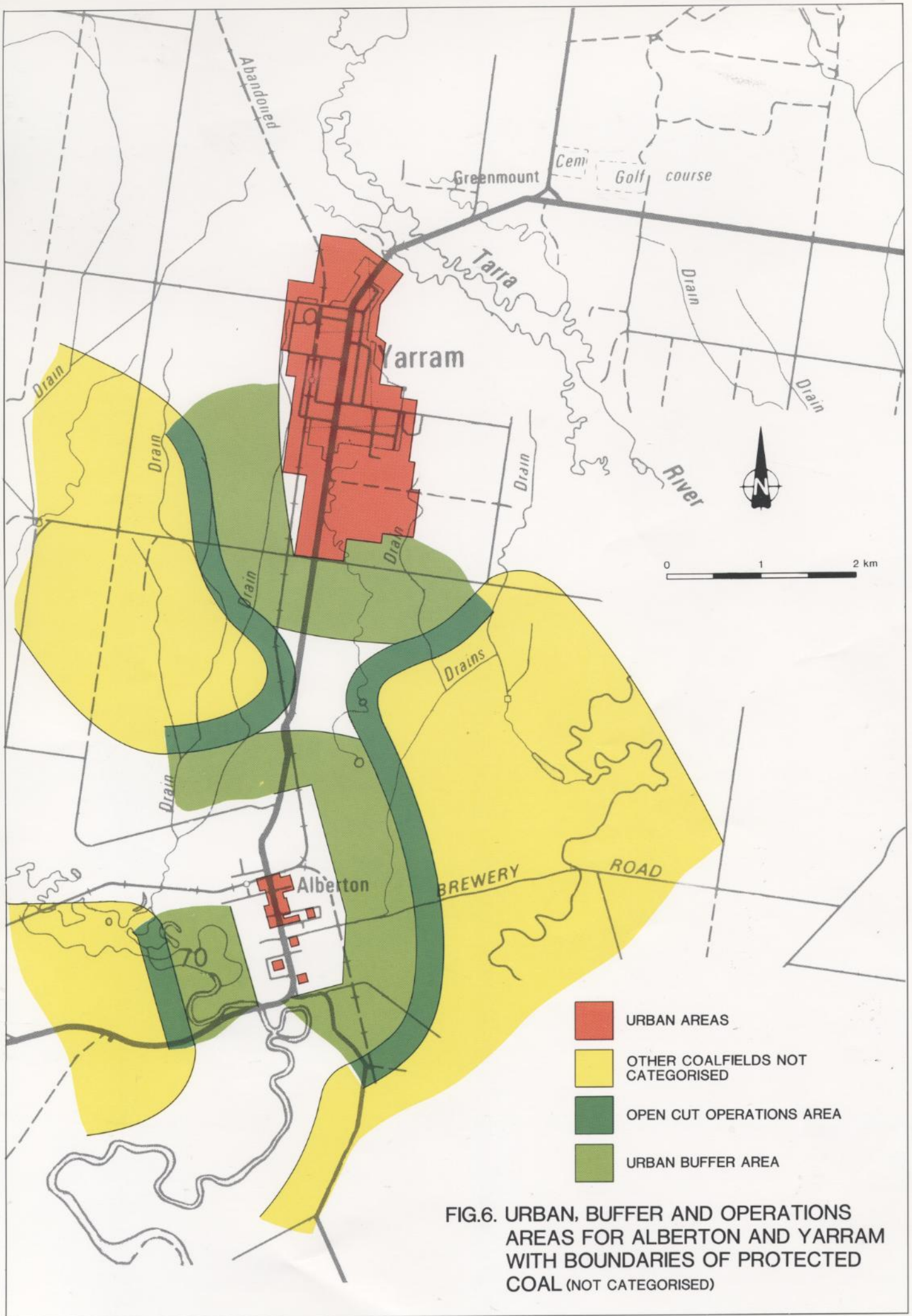


FIG.6. URBAN, BUFFER AND OPERATIONS AREAS FOR ALBERTON AND YARRAM WITH BOUNDARIES OF PROTECTED COAL (NOT CATEGORISED)

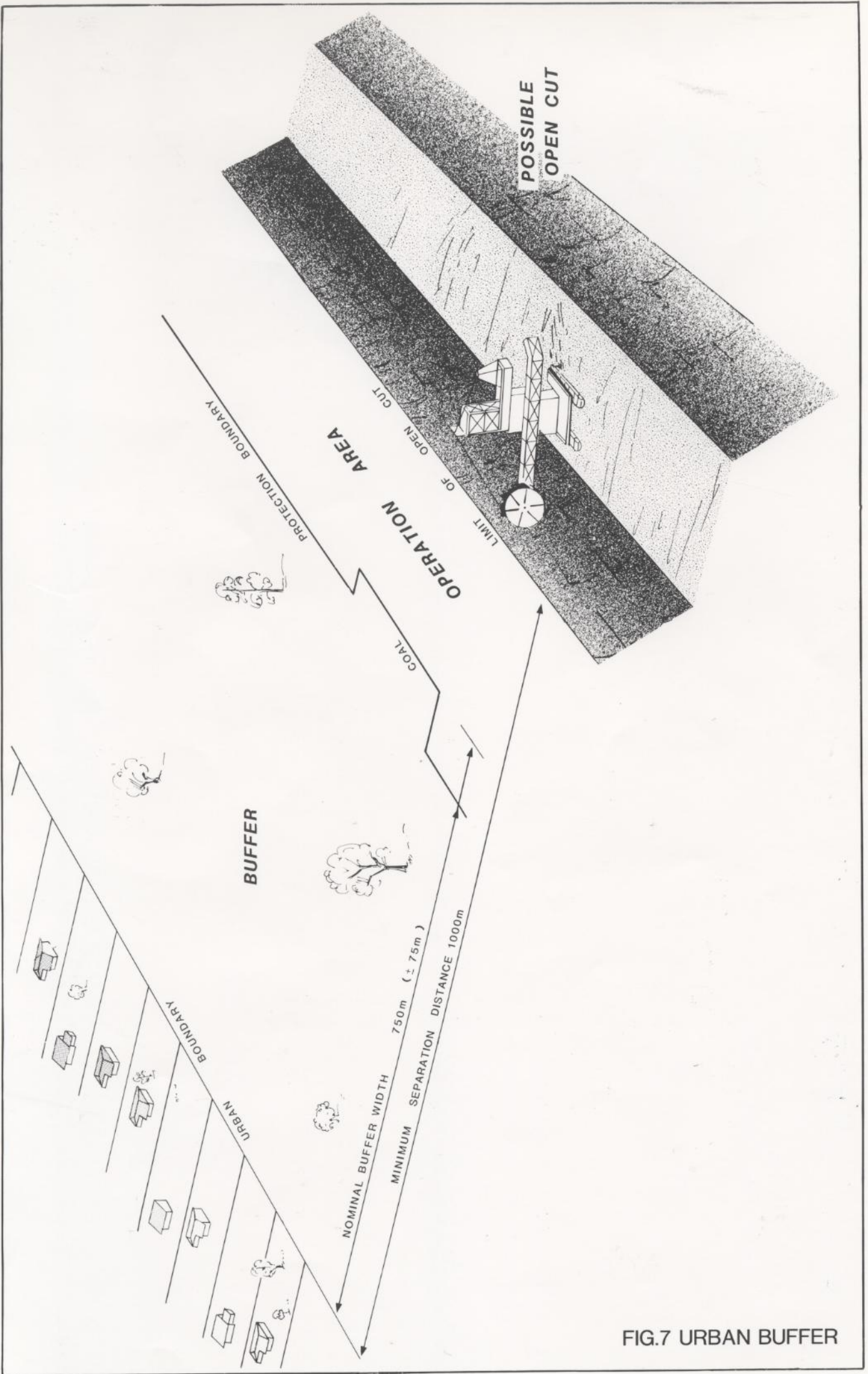


FIG.7 URBAN BUFFER