



More coal mines for the Valley?

The Victorian Government is considering allocating another 13 billion tonnes of coal to prospective miners in the Latrobe Valley. This is bad news for the environment, the community and the diversity of the Latrobe Valley economy.



This brochure explains the coal allocation process, shows which areas of the Valley are up for allocation, why more coal mines are a bad idea and what you can do about it.

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Contact information

If you want to know more about the coal allocation process, or to join the campaign to protect the Latrobe Valley from these mining expansion plans, contact us at:

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To contact the Latrobe Valley Sustainability Group visit www.latrobevalleysg.com

Coal allocations explained

Usually, if a company wants access to Victoria's brown coal, they lodge an application for a mining or exploration license, which the Government then processes. This can happen at any time. But part of the Latrobe Valley – where most of the brown coal exists – has been made exempt from this process.

Instead, the State Government periodically decides when to open up parts of this region (which is mapped on pages 4 – 5 of this brochure) to a tender process. The Government chooses which areas to open up, how much coal it wants to allocate, and which companies win the tenders to mine it.

The Napthine Government has said it wants to go through another allocation process, paving the way for a massive expansion of coal mining in the Latrobe Valley. We think this is a bad idea from an environmental, social and economic perspective. This brochure explains why, and provides ways for people to engage key decision-makers in this process and have your views heard.

Putting a new coal allocation in perspective

The Victorian Government is considering plans to allocate another 13 billion tonnes of coal in the Latrobe Valley by the end of 2013. 28 billion tonnes has already been allocated to supply the existing power stations and other proposed coal projects in the Valley.

To put 13 billion tonnes of coal into perspective, the Hazelwood mine has produced 1 billion tonnes of brown coal. Imagine the equivalent of another 13 Hazelwood mines in the Latrobe Valley.

The Government hasn't yet said which areas they will open up to tender. But most of the undeveloped coal fields lie underneath farming and grazing land.

Coal has been a big part of the Latrobe Valley economy. But it's not the only thing going on here. Farming and agriculture has sustained families in the region for generations. The Victorian Government's "State of the Valley" report says the Gippsland agricultural sector produces over \$2 billion per year, employing about five times as many people as mining. Allocating another 13 billion tonnes of coal will mean more local farmland being turned into mines, more rivers diverted and more groundwater put at risk of contamination. Those who remain face the prospect of having more coal mines closer to their property and the health hazard of increased coal dust and other particulate matter in the air.

Moreover, this coal allocation would be disastrous for the climate, bringing the total volume of allocated coal to 41 billion tonnes. When burned, that coal will produce the equivalent of 73 times Australia's annual emissions. This is at a time when top officials of the International Energy Agency are warning that we have less than five years to shift away from a fossil fuel pathway to avoid runaway climate change.

It's time to draw a line in the sand. Another coal allocation would be disastrous for the community, regional diversity, and environment.

Up for grabs

Moe

The Latrobe River would need to be diverted if the remainder of this 500 million tonne coal field is developed.

Morwell

The Churchill coal field sits underneath Monash University Gippsland Campus and the increasingly residential eastern side of the town.

Hazelwood

Churchill



Already allocated land



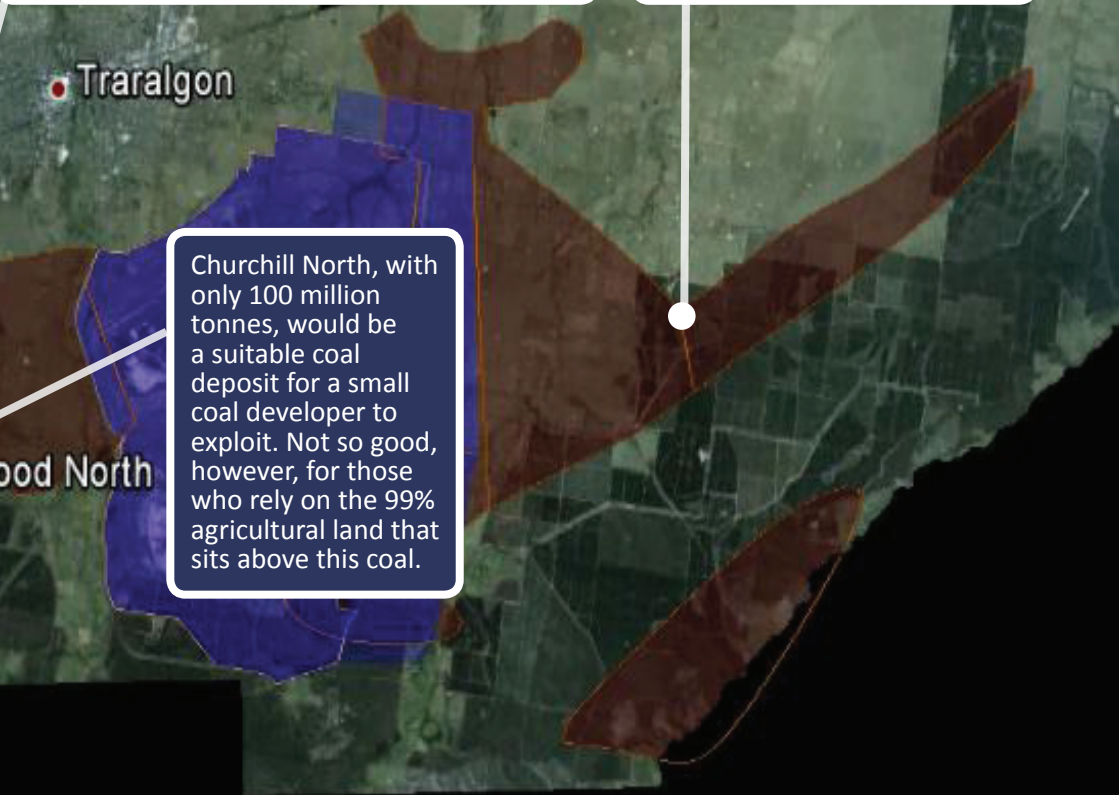
Known coal field



Available for allocation

The Traralgon Creek coal field consists of 5.3 billion tonnes of coal, situated beneath 2000 hectares. 89% of this region is currently used for rural / agricultural purposes. Developing coal mines in this region would require diverting Traralgon Creek itself.

Combined, the Rosedale and Flynn coal fields contain 6.3 billion tonnes of coal. This region was subject to a mining license from the previous coal allocation in 2002 (see pg 6).



Churchill North, with only 100 million tonnes, would be a suitable coal deposit for a small coal developer to exploit. Not so good, however, for those who rely on the 99% agricultural land that sits above this coal.

Any unallocated land in this map could be subject to a mining licence through the Victorian Government's proposed coal allocation.

The blue areas of the map are already subject to mining and exploration activity and the brown areas are undeveloped coal fields. While it makes sense that future mining activity is most likely where the known coal fields are, exploration and mining licences extend over much larger areas, meaning that anyone living in this region is at risk of their land being subjected to coal development. About a third of the coal fields are already designated as "Special Purpose" zones, usually relating to existing mines and power stations. About 80% of the remaining coal fields sits underneath rural/ agricultural land.

What happened last time: the story of Flynn's Creek

In 2002, 17 billion tonnes of coal was allocated to three companies, all of them pursuing “clean coal” projects. None of these projects have materialised, but this story shows the potential impact of a mining license over a farming community.

During the last coal allocation process in 2002, an exploration licence over the Flynn's Creek region was granted to Australian Power and Energy Limited (APEL), who later sold the license to Brisbane-based Monash Energy Coal. In 2006 the license was upgraded to allow Monash Energy to mine in an area stretching over 7,420 hectares.

Lack of communication

A lack of communication from Monash Energy, and APEL before them, led to the formation of the Flynn's Creek Coal & Power Consultative Committee, a group of concerned landholders. The Flynn's Creek farmers took it upon themselves to organise meetings with Monash Energy and APEL in order to find out about the status of the coal project and what the likely implications were for their land, even though this should be the companies' responsibility.

Stranded on devalued land

Monash Energy's mining license had been granted for 50 years. So, when the company abandoned their project in the wake of the global financial crisis, it meant little to the Flynn's Creek farmers. The continued existence of the mining license continued to depress the farmers' land value, making it harder to leave a property that could still have a mine built on it at any time.

A reprieve, but for how long?

In late 2011 Monash Energy's mining license was cancelled, returning Flynn's Creek to the unallocated zone. But with a new allocation process earmarked for early 2013, this scenario could be repeated in Flynn's Creek, and throughout the rest of the unallocated zone.

It's unfair to allow communities' futures to be held captive by prospective coal miners. Instead of opening up more of the Latrobe Valley to a dirty energy source that has had its day, the State Government should promote a diverse, sustainable economy for the region.

Who buys new coal?

With the use of brown coal for electricity already on the wane, many of the plans for new mines are based on the claim that brown coal can become an export product. It's a claim worth examining. A new report, *Undermined or Overburdened?* by Economists at Large, does exactly that and finds there is no compelling economic case to develop a brown coal export industry in Victoria. It also finds that the local environmental and health impacts, as well as the increase in carbon pollution, would outweigh any financial incentive to open up brown coal exports.

Brown coal exporters would face several major disadvantages to their competitors:

- × **No export infrastructure exists.** To make coal exports viable would require building the rail or pipelines, processing plants, loaders and port infrastructure. These are very costly components of a project, likely to require public funding, and come with their own array of environmental hazards.
- × **Processing costs.** Brown coal's high moisture content makes it highly volatile and dangerous to export. This means the increased cost of a processing stage before the coal is fit for export.
- × **Distance.** Transportation costs would be much higher for Victorian exports, which are much further away from importers such as India and China than its competitors. For instance, Exergen's proposal to export 12 million tonnes of brown coal from Victoria to India each year would cost \$51 million more annually than if India sourced this coal from Indonesia.



In a climate where Indian coal power stations are struggling to cope with high costs, the Chinese appetite for imported coal has rapidly dropped and global coal prices are depressed, Victoria finds itself at the back of a very long queue of would-be coal exporters. You can read and download *Undermined or Overburdened?* at www.environmentvictoria.org.au

What you can do

The coal allocation hasn't happened yet, and can still be prevented if the community takes action. The government won't change its mind until it hears from locals that a new coal allocation would be unpopular, and opposed by the community.



Contact your state Member of Parliament to tell them that as one of their constituents, you are opposed to any plan to allocate more of the Latrobe Valley to coal mining.

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Make sure you copy your correspondence to the Premier Denis Naphthine, Nationals Leader Peter Ryan, and Energy and Resources Minister Nicholas Kotsiras.

Premier Denis Naphthine

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Tell the media that Latrobe Valley residents don't want more land turned over to coal mining.

The Age - Twitter @theage
8667 2250, letters@theage.com.au
Herald Sun – @theheraldsun, 9292 1226,
www.heraldsun.com.au/opinion/letter
ABC Gippsland - @abcgippsland, 5143 5511,
www.abc.net.au/gippsland/contact/
Latrobe Valley Express - @LV_Express
5135 4444, lcridge@lvexpress.com.au
Weekly Times - @weeklytimesnow
9292 2672, wtimes@theweeklytimes.com.au

Your rights as a landholder

Owners of land affected by mining licences have rights they can exercise. Applicants for mining licences must notify affected landholders and advertise the fact that they are applying in newspapers. Anyone can object to the granting of the licence, and the Minister must take this objection into account when deciding whether to grant a license. If a licence is granted, the holder must obtain the landowner's consent to do work on their land – if not, the licence holder must obtain a compensation order from VCAT before accessing the land. For legal information and assistance, contact the Environment Defenders Office on 8341 3100.