

**ECONOMIC DEVELOPMENT AND INFRASTRUCTURE COMMITTEE**  
**Inquiry into greenfields mineral exploration and project development in Victoria**

Melbourne — 7 November 2011

Members

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Witnesses

Cr D. White, Mayor, and  
Ms A. Jones, General Manager, Economic Sustainability, Latrobe City Council.

**The DEPUTY CHAIR** — Can I welcome our friends from the Latrobe City Council. My name is Martin Foley, I'm the Deputy Chair, I'm the Member for Albert Park. The Chair is indisposed today, Mr Neale Burgess, so he sends his apologies. We have Mr Wade Noonan, the Member for Williamstown, Mrs Inga Peulich, the Member for South-Eastern Metropolitan, and Mr Geoff Shaw, the Member for Frankston.

Can we thank you for attending today's committee — an all-parliamentary committee — hearings for the Inquiry into greenfields mineral exploration and project development in Victoria. The evidence which you will give is to be protected by parliamentary privilege, but comments that you might make outside of the hearing, of course, do not attract such privilege.

We did receive your material and it was extensive and fantastic. Increasingly, we are finding the better interchange, from our point of view, comes from the questions and discussions. Not that we want to hurry you up, but if you could perhaps move through that. We have tabled your submission, so we have got that on the record already.

What I might do is get you to introduce yourself, give us your address, for the sake of the record, and the position you hold, and we'll get stuck into it.

**Cr WHITE** — Thank you very much. My name is Darrell White, Mayor of Latrobe City Council. We have today Allison Jones, our General Manager, Economic Sustainability. So it's going to be a tag team effort. I was just thinking before, it's going to be an experience like watching Nadal versus Federer in the final of the Australian Open: looking at us for a minute and then looking at the screen hopefully as well.

Firstly, can I say on behalf of Latrobe City Council I would like to thank the Economic Development and Infrastructure Committee for the opportunity to address you in relation to the Inquiry into greenfields mineral exploration and project development in Victoria. We have a slide which shows you where we are in the State of Victoria and in the Latrobe Valley. Obviously, we are one of Victoria's major regional cities that have been recognised by the State Government in that regard, along with Ballarat, Bendigo and Geelong.

Can I say that Latrobe Valley is home to three working coal mines — Yallourn, Morwell and Loy Yang — and the largest brown coal deposit in the world, and you probably appreciate that. We have over 500 years of economic coal supply. The first mining lease was applied for 125 years ago by two locals, Henry Goodridge and William Tulloch, we started out the journey from there. 1921, as you probably also appreciate, saw the SEC, State Electricity Commission of Victoria, established, but let's not forget that Victoria's economy has been built on brown coal energy generation.

Council's low carbon journey, and obviously this is all about trying to deal with the changing circumstances, Latrobe City has been identified as a community likely to be exposed to significant structural adjustment pressures as a result of the introduction of greenhouse gas mitigation schemes. In that regard, council and the community understand that a successful transition to a low carbon future is critical to Latrobe City. We also understand that brown coal electricity generation industries in the Valley will be vulnerable under an emissions reduction policy. Council formally adopted its *Positioning Latrobe City for a Low Carbon Emission Future* policy on 6 April 2010. Our policy was initially developed in response to the Australian Government's proposed Carbon Pollution Reduction Scheme. The policy framework is purposely generic and remains relevant under an altered or alternative Australian Government scheme.

Looking at the screen you'll notice, as identified, the three themes that underpin its planned policy approach: one is pursuing and realising opportunities; secondly, it's about contingency planning; and thirdly, it's about working together. In that regard, through the policy, there are 30 actions developed in line with these themes, which are about continuing to diversify our local community and economy, to support the Centre for Sustainable Technologies, and we want to advocate for proactive transitional assistance as well. So far as Latrobe City Council's position on coal is concerned, we are really proud of our history as a coal and energy-based community and we want to maximise other strengths and leverage new opportunities for transition to a low carbon emissions future going forward. So we really do support the retention of existing brown coal-related jobs and we want to work to encourage investment in alternative uses and markets for the coal resource that we have. New opportunities for Latrobe City to transition to a low carbon emissions future are really on our agenda as far as the future is concerned.

The other issue that we want to focus on is unlocking the potential of the asset, and of course in that regard the support of Latrobe City Council and the Gippsland community for a sustainable energy industry is clear and long-standing and very important for the future of our region. A sustainable energy industry is important to Latrobe City in that regard and also of course, as I said, to the Gippsland community. Council has identified, as is mentioned on the screen there, the need to maximise new regional energy development opportunities and the need for the community to upgrade their knowledge, planning capacity, infrastructure and general skills, and the need for a regional energy policy and strategy.

In terms of investment attraction, the first 100 years of Latrobe Valley's coal extraction was initiated and delivered by the State Government, as you would all appreciate. While the majority of Victoria's known coal resources are covered by exploration or mining licences, DPI indicates that a number of companies have found opportunities to access coal through the successful negotiation of commercial arrangements with licence holders to the benefit of both parties. To establish these commercial arrangements, DPI may also assist in the referral of access requests to current licence holders, including operating mines. Council's view is that the potential for the current 'full' allocation of exploration or mining licences is a barrier to new entrants. New entrant access is dependent on a commercial arrangement with an existing licence holder. Licence holders may therefore be able to lock out projects that would otherwise benefit the region, while not developing the resource themselves. Council considers that, as a condition of holding a licence to a state resource, development of that resource should occur in a timely manner.

Council hosts international trade delegations centred on brown coal. The majority of these are brought to our city by DPI. Whilst council is keen to be involved, we would appreciate the development of a screening mechanism by the Victorian Government which would provide advice as to the likelihood of the project developing to a 'shovel ready' stage. We think that is very important.

**The DEPUTY CHAIR** — Hopefully a very big shovel as well.

**Cr WHITE** — Yes. To repeat: Latrobe City Council hosts visits from potential project proponents from all over the world and the issues for us are barriers for investors in terms of accessing the coal, council would appreciate better advice on potential projects, and research and development needs to happen locally and be accelerated.

In terms of brown coal potential investments, you see on the screen there in very small print that there is a vast range of proposed brown coal projects. These projects are about electricity generation. If you can read that, there's quite a number there which actually are about stimulating job creation and they are really potential investments that we would hope would come to fruition in the very near future. Of course, it has been about having certainty about what the rules of the game are and it's also in order for them to be able to be bankable propositions going forward.

We then talk about a brown coal social licence. Latrobe Valley's brown coal has been the cornerstone of Victoria's economic prosperity since the 1920s, and our community in Latrobe Valley has evolved from this. The challenge for us all is to promote the responsible development of Latrobe Valley coal using new technologies, possibly for new applications in an environment where some see brown coal as inherently evil. This challenge needs to be driven by our Victorian State Government. In terms of new opportunities, we really think that is a something that needs to be encouraged and supported, and that is one of the key messages we want to try and leave with you today.

Living with coal: community consultation and full consideration of mine location and operation impacts remain council priorities for the extension of existing mines or the location of new mines. Council supports the sustainable use of the resource; however, it is important that processes such as exploration licence applications have better communication frameworks, particularly when an exploration licence application encompasses a township. Council has structure plans for each town within our municipality which show township boundaries and land zoned for future growth. Our view is that application for exploration licences over towns comes as a surprise at times to our community and creates unnecessary uncertainty for our local communities in that regard.

In the interests of no surprises: any process, study or project that considers the future use of the coal resource requirements really needs to bear this in mind; council needs to be engaged in the formulation of any mine

rehabilitation programs as well, of course, once the area has been exploited; and communities need land use certainty, as I said before, exploration licences over towns are problematic.

Just to try and give you a bit of a snapshot of where we are and who we are, this is an image of the Hazelwood power station, which is the one that is getting most media coverage. We've got one then of Loy Yang power station, one of the newer stations, and then of course the significant brown coal mine development at Loy Yang as well.

In summary or in conclusion, our message to you is that brown coal is a huge resource and there is an opportunity and a need to be innovative in the utilisation of the coal, but we need to balance that with the community and environmental needs as well. This utilisation will be expedited through an increase in brown coal research and development, and this R&D, or research and development, needs to occur within our Gippsland region and be positively encouraged by the State Government and, of course, the Federal Government as well for that matter. So thank you very much for the opportunity.

**The DEPUTY CHAIR** — Allison, did you want to add anything to that?

**Ms JONES** — No, I'm happy to take any questions sent my way or not.

**Mrs PEULICH** — A support role?

**Ms JONES** — Very supportive.

**The DEPUTY CHAIR** — Thank you for that submission and the further material you have provided today. We might just have a bit of a chat for the next little while.

The issue I wanted to start off with was what you say of unlocking the resource that is allocated now. Most of our inquiry is focussing on greenfield site issues. Having said that, the broad remit on our terms of reference does easily come up with the issues you're talking about. Given that we are talking 90 plus per cent of Victoria's power generation capacity coming from your municipality and you've got a whole raft, and you have listed them, of people who seem to be coming forward, everything from kicking the tyres through to serious proposals, how would you see that screening proposal you have suggested being linked into that encouraging competition and accessing the resource, given the broader regulatory environment at a national, and presumably at some stage international, level doing all that, how do you see that practically working and the role of the State in facilitating that?

**Ms JONES** — I think the bottom line will be the Mineral Resources Development Act, which I know was amended about 18 months or two years ago, which is, 'Use it or lose it', or heading to that way. We have some fairly large ones — particularly Monash Energy's mining licence is huge — to our eastern boundary, we have got HRO with a very big mining and exploration licence south of Hazelwood. So when you look at a map of Latrobe — and I wish I had thought to put one in the presentation — large parts of the city are actually covered by either mining or exploration licences, but still would appear greenfield to you and I driving past because there are cows, there are farms, there are activities occurring on the site. So when a new entrant comes in to look at our resource to do a project, whether it is coal to urea or whatever the theme is for that week, the existing miners will obviously talk to them about a price on coal and it's very difficult for them to access their own mining or exploration licence, in council's view, because lots of the land is already locked up.

There is an exploration licence being advertised at the moment, which I think the Mayor wants to talk about in a little while, which is over the Macalister Irrigation District, two-thirds of it are in Wellington, one-third in Latrobe. That is over some townships as well, and those options are being looked at because it does look on a DPI map like most of the city is already taken. Council's view is that if you do have a mining licence, you really need to use it or move out for somebody else to. Monash Energy has been a fantastic company for council to deal with. We have been right through the process with them to talk to landowners within their licence area, but they just don't have the finance to progress.

There is another company that is actually saying to the Victorian Government, and they're saying it publicly — AEC, Australian Energy Company — 'We will give you the licence back in two years, if we don't use it'. We just feel there's a bit of a disconnect between the existing miners, they have got to balance up what the future of

their coal resource is going to be, it could be significant, versus firms that have managed to get themselves a mining licence and are just sitting there and waiting.

**The DEPUTY CHAIR** — To explore that a little bit further, if I could. You are talking about, for instance, the Macalister Irrigation District there and the size of the exploration leases, they're covering some of the best dairy country in the State, townships. We have seen this in other jurisdictions, we have seen Queensland take measures in regards to essentially no-go zones on some exploration areas close to towns. A similar committee in New South Wales at the moment has heard submissions, as we have, about competing uses between food production, food security and minerals exploration. Does all of that get wrapped into council's thinking at the same time and the issue of 'use it or lose it'? Do you think that the current position — it's not as simple as this — but essentially ratcheting down over a 10-year period delivers on your needs, or what would you see being more practical from council on the coal side of things?

**Ms JONES** — My knowledge of the exact legislative changes isn't that strong, but it wasn't retrospective enough to cover the large bits of land that had already been signed over and allocated. Council has a very firm view that we absolutely support brown coal, it's the backbone of our economy. For every three people that earn over \$100,000 in our city, two of them will work in a mine or energy-related field, so it's huge for us. We want to see more projects continue. The \$3 billion worth of projects up on the screen, we want to see some of those continue. But it is not at any cost and we really see council having a role as providing input to help DPI balance up community, environmental and other land use factors with exploration and licensing, and is willing to sit down with them on any exploration licence and have those discussions, before it gets to the point where the local township authority is writing open letters to the editor with some concerns.

**The DEPUTY CHAIR** — Would you see on the Mineral Resources Act licensing issues for coal being revisited?

**Ms JONES** — I think it's similar to the people that sat in these chairs before us, it's about communication. The first we hear about a lot of them is a public notice in the newspaper. So it's really more a partnership approach. Our community wants development, we want jobs, but it's not brown coal at any cost.

**Cr WHITE** — I suppose in that regard, as Allison was mentioning, just recently the residents of one of our small towns of Glengarry and Toongabbie, which are north of Traralgon, have been informed that there is a proposal for a license for exploration activity to be undertaken in that area, not necessarily for coal but for coal seam gas. So the thing about it is that these communities get to know about it out of the blue, which is not good, it's not good.

I suppose that is one of the reasons for mentioning in the presentation here that, from a council planning point of view, we have got structure plans for each of our major towns and our rural hamlets as well, which allows for growth in each of those areas. So it seems to me to make sense that where we have got them planned for growth, they should be no-go areas as far as mining is concerned. It's about communities getting spooked. There have been areas, but in particular right now, the sorts of views that are being expressed are that, 'If I'm a property owner in that area, I don't want to be surrounded by a new mine, so I want to get out, I want to sell out, but I can't because people who are potential buyers have heard it's going to be mined, my property will go down value-wise, I can't get out'. I don't think that is good news and that is not good planning. I suppose that is what we need to be smarter about in going forward, to try and have the rules of the game modified so that there is a fair go for all. That is why we have sort of put forward the idea where councils have in their forward planning identified those areas.

That is for residential development and into those towns, but then you've got the areas outside that where you might say — listening again to the folk here before — there needs to be a greater education process undertaken. I'm a product of farming land, I'm a farmer's son from way back, living just the other side of the Hazelwood power station. We, I suppose, never thought about the idea that our land might be actually gone for mining. We wanted to be farmers, that was our purpose in life, that was our business, that's the way we wanted to get on with life. To have the potential for it all being destroyed and uprooted because of a mining development, that would be something that would have been very disconcerting and very upsetting.

We know that there are other localities. We had a situation not so long ago in the Mirboo North area about 12 months ago, the same sort of situation, farmers up in arms. That is dairy farming country of great renown and the farmers in that area became terribly unsettled and spooked because of what was potentially happening there.

Interestingly enough, too, about three or five years ago, a mining company from Western Australia took out a mining licence for the town of Traralgon, which was ridiculous. But it's that sort of thing that creates a totally unsettling and disrupting set of circumstances, which surely we can do some things smarter to avoid those things.

**Mrs PEULICH** — Just on that issue, Mr Mayor, what suggestions would you like to make in relation to resolving some of those tensions?

**Cr WHITE** — As I said before, it's about those structure plans that we have in place for each of our townships, whether we are talking about the major towns or the minor towns. We have gone through a process as a council with our community to say, 'What kind of town do you want to see going forward?' particularly for the smaller towns and for all towns for that matter.

So we try to engage with our community to try and understand both sides, their aspirations and the needs of the municipality as well in terms of providing choice as far as residential development is concerned and also of course rural residential. The other thing, of course, that we are critically concerned about is to ensure that productive farmland is not just unwittingly lost. Once it is lost, it's gone, and productive agricultural farmland is absolutely critical to be preserved for the longer haul.

**Mrs PEULICH** — Could I just ask a follow-up question: so are you suggesting that local government should have the right of vetoing or determining where mining occurs and where it doesn't?

**Cr WHITE** — I think we should be part of the process. The power of veto, I think that's probably a bit too powerful.

**Mrs PEULICH** — I'm just trying to establish where you stand.

**Cr WHITE** — I am just trying to make the point that we need to be part of being engaged in the process. Our structure plans need to inform the issuing of exploratory licences, that needs to be part of the process.

**Mrs PEULICH** — What does that mean exactly?

**The DEPUTY CHAIR** — I don't want to verbal council, but if I'm right in understanding what you are saying, you support the mining industry because it is key to the history as well as your future.

**Cr WHITE** — Yes.

**The DEPUTY CHAIR** — But given the nature of the brown coal mining, that it's open-cut, what is there is gone, unlike other forms of mining that we have heard about where there are substantial rehabilitation efforts, given the nature of that — and some of us here are old enough to remember Yallourn shifting the township and all that kind of stuff — where local government has demonstrated an approved plan under the planning systems for the economic development of future and environmental issues for that area, that should be a significant part of the process of determining whether a mining exploration, certainly therefore a development application, can be dealt with in an area of Latrobe City.

**Ms JONES** — We would assume that would reflect the Victorian Government's own legislation, which isn't just mining at any cost. But if you look at the way mining and exploration licences are communicated to communities, it is not about balancing development and balancing environment, it's very narrow in how the communications come across. It is not really a complex position, it's balanced development of brown coal. There are huge areas of Latrobe that are already covered.

**Mrs PEULICH** — You are talking about brown coal, but this reference is obviously talking about the principle.

**Ms JONES** — Yes.

**Mrs PEULICH** — We have also heard evidence that it's only about 1 out of 1000 of the exploration licences that actually become a mine. So if you exclude a whole bunch because of structure plans — and I can just imagine my council in which I live, I wouldn't be able to mine five square metres — that cuts out a hell of a lot to begin with.

**Ms JONES** — But isn't that a better investment climate, really? Is a firm going to come and shift Traralgon these days? Unlikely. Why allow exploration to happen in a town? Really, is the Victorian Government still in this business of — —

**Mrs PEULICH** — We are just talking about principles at the moment.

**Ms JONES** — Yes.

**Mrs PEULICH** — Some may say, 'None in the town'. Some may say, 'None in the green wedge'. Some may say, 'None on Crown land'. So as a principle, that's what I am exploring, each community will place different relative value on some of those. So what would be the future of the mining industry if we actually adopted that as a method of moving forward?

**Ms JONES** — I think from a brown coal only perspective, it would be a better future because there would be more certainty. I know the firms take massive exploration licences because they want to test. We know where the brown coal resource is in the Valley, it has been tested and tested and tested. MID might be different and I can't talk about Wellington, that's outside of Latrobe City. Sometimes I think a bit of logic needs to come into legislation, and are we really saying we are going to shift towns these days? I would be interested to know the Victorian Government's position on that. Maybe we'll ask someone.

**Mrs PEULICH** — Are there technologies that allow some form of mining — —

**Ms JONES** — Under the town.

**Mrs PEULICH** — We were just hearing from — was it in Ballarat? — there is a hole.

**Ms JONES** — Yes, there is a hole.

**The DEPUTY CHAIR** — It varies from resource to resource.

**Ms JONES** — That's right. We are very specifically talking about brown coal, but probably sounding a bit more negative than we mean to, Mr Mayor. You know, we live with it.

**Mr NOONAN** — It usually works in reverse. Thanks very much for your presentation. I have to compliment you on the quality of your submission and also your attaching documents, because they are very detailed, so well done there. This afternoon, we will hear from the mining union, who have got a bit to say, but one of the things that they are very critical of is the level of overall investment by governments and indeed the mining sector in investing in new technologies, which essentially, when you get through your submission, that is what you are reliant upon; you are reliant upon new technologies in order to sustain essentially one of the key industries in your area.

Interestingly in your submission, you talk about an initiative which commenced in 2008, which is the four-year \$5.2 million geoscience research initiative, where council supports the use of CCS technologies, particularly if there are opportunities to distribute the required facilities across communities. I just wondered whether you might comment, as a local government area, on the level of investment essentially in the use of technologies in order to ensure that the mining that your community has relied upon so heavily, whether that investment you see for the Government or the sector itself is, in your view, adequate in terms of where we are at right now and where you might see that going into the future, as best you can, as it relates to greenfield mining exploration as well?

**Cr WHITE** — Obviously as part of the presentation, we talked about the Centre for Sustainable Technologies and it is about developing partnerships with the universities. Monash and Melbourne universities, we are starting out on a journey together in that regard, but I think that it has been light on the amount of effort and focus and that is one of the things we have mentioned here in the presentation today, the emphasis and focus on R&D.

It gives me an opportunity to get on my bandwagon here. James Cook University in Queensland and Townsville is trail-blazing so far as exploiting CO<sub>2</sub>, mixing it with water and creating algae, which in turn creates feedstock fertiliser and you get derivatives of fuel out of it as well. It seems to be Mickey Mouse stuff at the moment to me, and really we have this huge resource here. It seems to me that there needs to be much more accelerated and energetic effort going into exploiting the CO<sub>2</sub> as a positive rather than a negative. I know just today there is work going on up in our area using some sort of fantastic technology to look at the potential of the Gippsland Basin for CCS, carbon capture and storage, which is a good thing, it's going to be helping as part of the outcome.

It seems to me that there is an opportunity for us to do more than that: instead of just seeing the CO<sub>2</sub> as something that is too hard to deal with, we have got in a pilot form to some extent, it has been demonstrated that it can work and it seems to me it is something that there doesn't seem to be sufficient effort and energy going into that. Whether or not it is because we are waiting for 1 July 2012, maybe that's the answer. Certainly I have been to a number of conferences and presentations over time and one of the key messages that always comes back for the sort of projects that we saw listed on the screen there before, they're all sweating on it. They say, 'We can't do anything, it has to be bankable, and it isn't bankable until we know exactly the rules of the game'. People who are directors of companies, they've got bottom line responsibilities, otherwise they're in gaol, that kind of thing. It's to know exactly what the framework is.

**Mrs PEULICH** — The uncertainty is taking its toll already on you?

**Cr WHITE** — That's right.

**Mrs PEULICH** — Obviously as a council you have a very good economic development focus and that is quite impressive. If all councils were as advanced when it comes to economic development, we would be a hell of a lot better off. But what will be the impact of a carbon tax on your municipality and what costs have already been borne by some of that uncertainty?

**Cr WHITE** — Allison might like to add to this, because it is almost certain it is going to get through the Upper House I think this week, isn't it, the consequence of it is that the Federal Government has called for EOIs, expressions of interests, for power generators who are the biggest emitters to put their hands up, and we have got three down our way. They're looking for 2000 megawatts to take out of the system. Hazelwood produces 1675, and TRUenergy have put their hand up and Energy Brix is the other one, which is one of the older smaller power stations in the area. So we have to wait and see what happens with that. One thing is to put an EOI in, but I guess the deal has to be right for them to go out.

**Mrs PEULICH** — For them to be decommissioned?

**Cr WHITE** — Yes, and it's not going to happen overnight, mind you. We have already been told by Minister Combet, Minister Ferguson and even the Prime Minister that anything that happens is not going to happen overnight, it's going to take five or so years.

**Mrs PEULICH** — No, because at the moment there are some very fast-developing economies abroad, looking at China and India in particular, who are looking around — certainly Australia is one — looking at often decommissioned and/or even obsolete technology and infrastructure, dismantling it, relocating it, re-establishing it either in one or the other. My concern is that we may not necessarily have five years to wait because the company may itself say, 'This level of uncertainty means we have actually got to cut our losses', and if they can actually do a deal where it can be decommissioned at a faster rate, which would throw Victoria into an economic turmoil, with a view to relocating and re-establishing it somewhere, why would that scenario happen?

**Cr WHITE** — I can't imagine that happening, to be honest.

**Mrs PEULICH** — There are people already expressing interest.

**Cr WHITE** — However, there are two parties to any deal. So if the Federal Government says, 'You can't shut the doors for five years', surely that is not going to happen, is it, unless they just pay — how else are they going to do it?

**Mr NOONAN** — To come back to it, because the carbon tax is obviously a very big issue: what can the Victorian Government do for your local municipality in the industry that you are facing, because clearly the previous government did, and this new government will, put some substantial investments into essentially trying to transition to cleaner technologies?

**Cr WHITE** — Absolutely.

**Ms JONES** — Council is really appreciative of the \$30 million advantage fund, some announcements were made this morning.

**Cr WHITE** — It was \$25 million from the previous government and it now is \$30 million from this government.

**Mr NOONAN** — We didn't know that, thanks for telling us.

**Ms JONES** — There's a \$2 million project at our airport.

**Mr NOONAN** — We've been locked up here.

**Ms JONES** — We are really excited about that. We've put in half a million and the Victorian Government has put in one and a half to provide infrastructure for [inaudible] to keep building aeroplanes at our airport. So for us it's about helping to diversify the economy. Council has been in the low carbon space since 2009 and, at the start, felt like we were a little bit on our own about transitioning to sort of a new economy and a new future. The State is now clearly in that space and the Commonwealth Government are having really good conversations with us now, which is great, because a few years ago we couldn't even get to the conversation stage. But now, really good engagement.

So we feel like we are all working in partnership. What the future is going to look like, we're not sure. We are hoping some of those big brown coal projects come off — very, very much — but also working to diversify our economy into a freight terminal airport. We've got National Foods, we've got some really big firms that we are working hard to expand, we have Industry Park, the Lurgi site.

**Mrs PEULICH** — It's about job losses.

**Ms JONES** — Of course, and it depends which station closes, when it closes, what it is replaced with.

**Mrs PEULICH** — You have some scenarios, presumably.

**Ms JONES** — Yes, nothing that we have released as yet, and there has been no socioeconomic impact analysis done of the price on carbon, but we are working with both the Victorian Government and the Australian Government to actually get that done. It's a really complex piece of work that is far beyond my econometric skills. So that will be an important piece of work, a really important piece of work, and working to keep the confidence up in the community, there is some good stuff happening.

**Mrs PEULICH** — That is really important, that community disposition. Are you able to comment on what the community views are about the industry you've got at the moment, the uncertainty, whether or not they are convinced that it's possible to transition to new technologies, and are they new technologies associated with coal or are they new technologies associated with other industries?

**Cr WHITE** — Allison can comment on this too, but you all know that we went through the privatisation of the power industry in late '80s and how much pain we had to endure through that, and that we are really just now coming out the other end of it. I suppose we have learned from that experience and that is why one of the key drivers for us is about diversity in what it is we do in the municipality; whereas we were really focussed and single minded in regard to big brother SEC being the lord and saviour kind of thing, we recognise that we have to be more diverse.

At the end of the day, there is a degree of anxiety and uncertainty about the future. But we, as a council, have really tried to be in that space front and centre, trying to be out there advocating for the community and engaging with our community as well. We have had a number of sessions with our community, invited them in, had the gurus in to speak to them and for them to ask and answer questions. We have really got that engagement

happening so that as compared with last time, we are trying to be front and centre and doing our level best to work with both the State Government and of course with the feds. We know there is a \$200 million transition fund and it is there and we believe that we have got the ear of the Federal Government now, but actions speak louder than words.

**Mrs PEULICH** — So how much are you expecting to get of the \$200 million?

**Cr WHITE** — We would be hoping to get a significant portion.

**Ms JONES** — The vast majority.

**The DEPUTY CHAIR** — Well said, Mr Mayor. I'm mindful of the time. Can I thank you very much for the opportunity of receiving your submissions and discussions today. Within the next fortnight, you will receive a copy of the transcript, which is there for minor editing and corrections. But of course, the substance will stay as is. That will become public evidence in due course on the Committee's website. The Committee thanks you again and wishes the people of the council all the very best.

**Mr NOONAN** — Can you convey to your council our appreciation as a committee for the quality of work in terms of your submission, because it's high up there.

**Cr WHITE** — Thank you very much, that is very much appreciated. We have to thank the team. Without the team, it can't happen.

**Witnesses withdrew.**