



Image source *Herald Sun*

The background is a solid teal color. It features several large, overlapping triangles in various shades of teal, creating a geometric pattern. One triangle is a lighter shade and is positioned in the upper left. Another is a darker shade and is positioned in the lower right. The text is centered in the middle-left area.

PART ONE
INTRODUCTION
TO THE INQUIRY

INTRODUCTION TO THE INQUIRY

IMPACT OF THE 2014 HAZELWOOD MINE FIRE

The Hazelwood mine fire that began on 9 February 2014 was the largest and longest running mine fire in the history of the Latrobe Valley. The impact of the Hazelwood mine fire on the Latrobe Valley community has been significant. The fire burned for 45 days and for much of that time sent smoke and ash over the town of Morwell and surrounding areas.

As significant as the mine fire was, it could have been much worse. The weather conditions on 9 February 2014 could have been more extreme, with lower humidity levels. Had the wind not changed direction at the time that it did on 9 February 2014, a large firefront may have been propelled directly into the mine. If the township of Morwell was more densely populated, or had the fire burned for longer, adverse health effects could have been significantly worse.

People have been affected by the Hazelwood mine fire in many ways. First and foremost, the community's health has been adversely affected. Many people have been adversely financially affected for reasons including medical costs, veterinary costs, time taken off work, relocation from their homes, cleaning their homes and businesses and possible decreases in property value. A number of local businesses experienced a downturn.

The community has suffered stress, anxiety, anger and frustration. It is important to recognise that the impact of the Hazelwood mine fire felt by the community is ongoing and is different for each individual.

Volunteers who responded to the Hazelwood mine fire, including volunteer firefighters and other fire service personnel, local hospital and other healthcare staff, not-for-profit and community based organisations, and many individuals in the local community, worked tirelessly and went above and beyond what was expected of them throughout the course of this event.

The following people and organisations are commended for their efforts:

- The Country Fire Authority (CFA), the Metropolitan Fire Brigade (MFB), the Department of Environment and Primary Industries, the State Emergency Service (SES), GDF Suez fire crews, and fire crews from Queensland, New South Wales, Tasmania, South Australia, the Australian Capital Territory and New Zealand.
- Ambulance Victoria, Victoria Police, and the Latrobe City Council for coordinating a mass door knock of the 6,400 homes located in Morwell. The door knock was possible because of a large volunteer effort from a range of people and organisations including 33 other Victorian Councils (as far away as Ararat), the CFA, the MFB and the Red Cross.
- Latrobe City Council, with the support of the State and Commonwealth governments, for establishing a Community Information and Recovery Centre in Morwell.
- Not-for-profit organisations for providing meals, accommodation and services to firefighters and for supporting the community, fire services and health workers.
- Local community organisations, such as the Morwell Neighbourhood House, Ramahyuck District Aboriginal Corporation, Asbestos Council of Victoria and Gippsland Asbestos Related Diseases Support Inc., and other community organisations for providing support to the community throughout the mine fire.
- ABC local radio, local commercial radio and Voices of the Valley for assistance with communications.
- The residents of Morwell and surrounding towns who took the initiative to check on and support their neighbours and vulnerable people in their communities.

ESTABLISHMENT OF THE INQUIRY

THE BOARD

On 11 March 2014, Dr Denis Napthine MP, Premier of Victoria, announced an independent inquiry into the Hazelwood mine fire. On 21 March 2014, the Governor in Council officially established the Board of Inquiry. The Board is made up of the following members:

THE HONOURABLE BERNARD TEAGUE AO, CHAIRPERSON

The Honourable Bernard Teague AO was the Chair of the 2009 Victorian Bushfires Royal Commission from February 2009 to August 2010. He was a Supreme Court Judge from 1987 to 2008. During this period he chaired the Adult Parole Board and the Victorian Forensic Leave Panel. He was also a Council Member at the Institute of Forensic Mental Health. Prior to his appointment to the Supreme Court, he was a solicitor specialising in defamation and other civil law.

PROFESSOR EMERITUS JOHN CATFORD, BOARD MEMBER

Professor John Catford is the Executive Medical Director for Epworth HealthCare, the largest not-for-profit health service in Victoria. He is a registered medical practitioner with specialist qualifications in paediatrics and public health medicine. He has been a Professor of Public Health for thirty years and has held senior academic and health service management positions in Australia, the United Kingdom, and with the World Health Organisation. As Dean of Health and Medicine at Deakin University, Professor Catford led the development of the Deakin Medical School, which opened in Geelong in 2008. In 2011, he was appointed Vice President and Deputy Vice Chancellor (Academic) of Deakin University. Professor Catford has held numerous Board positions, including with the National Health and Medical Research Council, Diabetes Australia, and the National Heart Foundation. He is currently Chair of the Youth Support and Advocacy Service Board and Deputy Chair of the VicHealth Board.

MS SONIA PETERING, BOARD MEMBER

Ms Sonia Petering is a practising corporate lawyer. She is Chair of the Rural Finance Corporation of Victoria and a Director of the Transport Accident Corporation. Ms Petering served as an inaugural Director of Australia's first community bank owned by Bendigo Bank Ltd, and was also a member of the Grampians Wimmera Mallee Water Board. Educated in the Wimmera region, Ms Petering completed her law and commerce degrees at the University of Melbourne.

TERMS OF REFERENCE

Under the Terms of Reference, the Board is to inquire into, and report on, and make any recommendations that it considers appropriate in relation to the matters specified below:

- 1 The origin and circumstances of the fire, including how it spread into the Hazelwood Coal Mine.
- 2 The adequacy and effectiveness of the measures taken by or on behalf of the owner, operator and licensee of the Hazelwood Coal Mine to prevent the outbreak of a fire, and to be prepared to respond to an outbreak of a fire including mitigating its spread and severity, in the Hazelwood Coal Mine, including whether the owner, operator and licensee of the Hazelwood Coal Mine, or any person or entity acting on behalf of any of them:
 - i. implemented the recommendations arising from reviews of previous events; and
 - ii. in the opinion of the Board, breached or did not comply with the requirements of (or under) any relevant statute or regulation, including any notification or directive given under such statute or regulation and any code of practice, management plan or similar scheme, developed and/or implemented due to such requirements.
- 3 The adequacy and effectiveness of the application and administration of relevant regulatory regimes in relation to the risk of, and response to, fire at the Hazelwood Coal Mine.

- 4 The adequacy and effectiveness of the response to the Hazelwood Coal Mine Fire by:
- i. the owner, operator and licensee of the Hazelwood Coal Mine;
 - ii. the emergency services; and
 - iii. other relevant government agencies, including environmental and public health officials, and, in particular, the measures taken in respect of the health and well-being of the affected communities by:
 - iv. informing the affected communities of the Hazelwood Coal Mine Fire and about its known effects and risks; and
 - v. responding to those effects on, and risks to, the affected communities.
- 5 Any other matter reasonably incidental to the matters specified in paragraphs 1 to 4.

HAZELWOOD MINE FIRE INQUIRY SECRETARIAT

The Hazelwood Mine Fire Inquiry Secretariat was established to support the work of the Board of Inquiry. The Secretariat was based at 20 Hazelwood Road, Morwell, the same location as the Community Information and Recovery Centre that was established during the Hazelwood mine fire.

The Secretariat was headed by Dr Elizabeth Lanyon and consisted of a small staff. Members of the Secretariat are listed in the Appendix. The Board thanks them for their dedication and commitment to meeting tight deadlines.

The Board thanks K&L Gates for their legal expertise, and for expert document management support.

COUNSEL ASSISTING

The Board was greatly supported by Counsel Assisting, Ms Melinda Richards SC and Mr Peter Rozen, who managed the hearings process, advised what documents should be summonsed or requested and tendered, selected witnesses, led evidence, and made submissions at the hearings in Morwell. Counsel Assisting also provided the Board with legal advice and guidance throughout the Inquiry. The Board thanks them for their insight.

ACKNOWLEDGMENTS

The Board of Inquiry sincerely thanks the Latrobe Valley community for their generous support of the work of the Board. In particular, the Board acknowledges the important role the community has played by sharing their personal experiences and local knowledge.

The Board acknowledges and thanks the following people and organisations for their time and cooperation in supporting the work of the Board:

- Latrobe City Council
- Gippsland Community Leadership Program Alumni
- Latrobe Community Health Service
- Latrobe Valley business owners, managers and staff
- Department of Justice – Gippsland Regional Office
- Mr John Drewett, State Electricity Commission of Victoria, Office of the Administrator
- Ms Chris Kotur and Mr Michael Henry – community consultation facilitators
- Gippsland Multicultural Services
- Rocket Surgery Films Pty Ltd
- Three's A Crowd
- Virtual Operations Support Team – social media monitors.

The Board thanks the Victorian Government Solicitor and his office, government departments and agencies, GDF Suez and its solicitors, King & Wood Mallesons, and all other parties, solicitors and counsel, for their assistance throughout the Inquiry.

THE BOARD'S APPROACH

The Board recognised that effectively undertaking its role depended on genuine engagement with the local community. From the first day the Inquiry was operational, the Board and the Secretariat sought advice from the local community in the Latrobe Valley about everything from the area and its history, to where to hold community consultations. The Board emphasised to the local community that it wanted the Inquiry to be as open and accessible as possible.

The Board has endeavoured to hear and understand the experiences of the people who were affected by the mine fire, in order to determine what went well and what did not go well in the response to the fire, and what could be done differently in the future to mitigate against a similar incident happening again.

In his opening remarks on the first day of the Board of Inquiry's hearings, Chairperson Bernard Teague said:

The past six weeks have seen us listen to over 250 participants at 10 community consultations in Morwell, Moe, Churchill and Traralgon. Those consultations provided us with invaluable information. We have also received and read hundreds of written submissions, many of which provide extremely helpful guidance. We place great emphasis on openness. Our website reflects that.

We encourage all to go to our website to look at three things:

- 1 the reports on the community consultations;
- 2 the submissions in which the media has already located several news stories;
- 3 ...the statements of witnesses and a transcript of their testimony.

During these hearings we will hear evidence from firefighters, from mine workers, from experts in many fields, from community members. We plan to listen to all of them with open minds.¹

The Board, Counsel, members of the Secretariat and independent experts at their request, were also guided around the Hazelwood mine.

COMMUNICATIONS

Within two weeks of the Inquiry's establishment, and while the Hazelwood mine fire was still burning, an Inquiry phone number and website with details of the Board and the Inquiry's Terms of Reference, was set up. Shortly after, a twitter account (@minefireinquiry) was established to provide the community with information about key dates and events relating to the Inquiry. Social media monitoring indicated that content about the Inquiry was widely shared.

The Inquiry publicised community consultations through its website, newspaper advertisements, and flyers in community meeting places and at the Community Information and Recovery Centre. Over 6,000 flyers were delivered to individual mailboxes around Morwell inviting community members to participate in the consultations. The website was kept updated with summaries of the community consultations, copies of written submissions, and hearing transcripts and evidence.

During the course of the Inquiry, 12 media releases were sent out to local and state based journalists. The Inquiry received considerable coverage in local and state media and was also widely reported nationally and internationally. A number of journalists covered the public hearings and media outlets supplied a 'pool camera', which provided footage of the hearings to various television networks.

The Inquiry thanks the media for their coverage of the Hazelwood mine fire and the Inquiry.

COMMUNITY CONSULTATIONS

Consultation with the affected community played a very important role in this Inquiry. As part of the Inquiry process, it was a priority of the Board to first meet with and hear from the Latrobe Valley community.

Within the first week of the Inquiry being established, the Board announced that it would be conducting community consultations. The sessions were open to all members of the local community including individuals, business owners and non-governmental organisations from across the Latrobe Valley.

Ten community consultation sessions were held between 10 April 2014 and 8 May 2014 (See Figure 1.1).

Figure 1.1 Community consultations

Location	Date	Time	Number attended
Kernot Hall, Morwell	Thursday 10 April 2014	12.30 pm – 3 pm	52
Kernot Hall, Morwell	Thursday 10 April 2014	6 pm – 8.30 pm	29
Moe Town Hall, Moe	Friday 11 April 2014	9.30 am – 12 pm	22
Federation University Auditorium, Churchill	Friday 11 April 2014	1.30 pm – 4 pm	14
Kernot Hall, Morwell	Tuesday 15 April 2014	7 pm – 9 pm	60
Morwell Bowling Club, Morwell	Wednesday 16 April 2014	7 am – 9 am	18
Latrobe Performing Arts Centre, Traralgon	Wednesday 16 April 2014	11 am – 1.30 pm	20
Koori community – Nindedana Quarenook – Ramahyuck District Aboriginal Corporation, Morwell	Tuesday 7 May 2014	1 pm – 3.30 pm	11
Culturally and Linguistically Diverse community – 20 Hazelwood Road, Morwell	Tuesday 7 May 2014	4 pm – 6 pm	24
Community service providers – Morwell Club, Morwell	Wednesday 8 May 2014	7 am – 9 am	14
Total attendees			264

The community consultation model used by the Inquiry was adapted from the model used by the 2009 Victorian Bushfires Royal Commission. The consultation process encouraged community members to discuss their experiences, stories, views and opinions amongst themselves, with Board members listening to these discussions. An independent facilitator led each session.

At the community consultations participants were asked to work together and consider three questions:

- 1 What worked well?
- 2 What did not work well?
- 3 What could be done differently in the future?

Scribes were appointed from each table to take notes of the conversations on behalf of the Inquiry. They were drawn from the Inquiry's Secretariat staff and alumni of the Gippsland Community Leadership Program, who assisted on a voluntary basis.

At the conclusion of each session there was a plenary discussion followed by an open discussion to allow participants to share any further points of concern or interest they felt had not been covered by the three questions. Filming the sessions allowed the Board to further reflect on what was said by participants. The media was invited to attend the community consultations with a view to making the sessions as open and transparent as possible. Summary notes of each session, drawing from the individual scribe notes, the plenary feedback notes, and the filmed footage of the plenary session, captured the key themes and issues raised during the respective discussions. The summary notes were uploaded onto the Inquiry website, and copies were also sent (by post or email) to each of the participants.

An important addition to the model previously used by the 2009 Victorian Bushfires Royal Commission was to compare community consultation registration data from the first seven sessions with Australian Bureau of Statistics demographic data published on the Latrobe City Council website. The purpose of this was to identify and address any gaps in community consultation.

In addition to the initial seven community consultation sessions, further sessions were arranged with Koori and Culturally and Linguistically Diverse communities, and local community service providers representing people with disabilities, young people, people in aged care and other groups within the community.

In the consultation session with the Koori community, an acknowledgement to Country was given and a yarning circle model was applied, where all participants sat together and worked through all three questions as a single group.

The community consultations enabled the Board to focus on providing answers to the questions community members were asking, relevant to its Terms of Reference.

Some of the key questions and issues for the community that emerged from the community consultations were:

- ownership of the Hazelwood mine
- the cause of the mine fire
- fire prevention measures adopted by the mine owner
- responsibility for monitoring the mine owner's compliance with regulations
- delivery and content of advice given by government authorities to the community, especially in relation to relocation
- safety standards for carbon monoxide and particulate matter in the air
- the decision not to evacuate the township of Morwell
- the application of financial and clean up assistance
- the health and environmental implications of the mine fire, now and into the future
- future prevention of similar disasters
- the long-term vision for Morwell and the Latrobe Valley.

The community consultations also helped Counsel identify community witnesses who could provide evidence in the formal hearings.

Professor John Catford of the Board, with the assistance of Gippsland Medicare Local, held a roundtable with Latrobe Valley General Practitioners on 7 May 2014.

PUBLIC SUBMISSIONS

Public submissions were one of the ways individuals and organisations were able to contribute to the Inquiry. Written submissions were submitted to the Inquiry from 31 March 2014 to 12 May 2014. Those who needed help to complete a submission were offered assistance by the Secretariat which made staff available to answer questions.

Over 160 submissions were received by the Board directly and a further 600 submissions were received through Environment Victoria's website. Voices of the Valley presented a health survey completed by 650 community members to the Board. Each member of the Board read and considered all written submissions.

INDEPENDENT EXPERTS

Taking into account the complexity of the issues to be assessed by the Inquiry, the Board engaged a number of independent experts:

- Professor David Cliff – Professor of Occupational Health and Safety in Mining and Director, Minerals Industry Safety and Health Centre, Sustainable Minerals Institute, The University of Queensland
- Mr Roderic Incoll AFSM – Bushfire Risk Consultant
- Professor Donald Campbell – Professor of Medicine, Southern Clinical School, Monash University and Program Director, General Medicine Program, Monash Health

- Ms Claire Richardson – Managing Director and Principal Consultant, Air Noise Environment Pty Ltd
- Professor James Macnamara – Professor of Public Communication, University of Technology, Sydney
- Mr Lachlan Drummond – Consultant, Research and Strategy Lead, Redhanded Communications.

The Board thanks these independent experts for sharing their expertise and for meeting tight timelines in the provision of reports.

PUBLIC HEARINGS

The Inquiry involved over three weeks of public hearings in Morwell from 26 May 2014. During that time the Board heard from the six independent experts and 13 community witnesses, and received 100 exhibits.

Counsel Assisting, Ms Melinda Richards SC and Mr Peter Rozen, led evidence and made final submissions to the Board.

Leave to appear before the Inquiry was granted to the State, GDF Suez and Latrobe City Council, and limited leave to appear was granted to Environment Victoria and the United Firefighters Union.

The Board heard evidence from a community witness on most days of the public hearings. The Board also heard evidence from GDF Suez personnel, including the Asset Manager (Chief Executive Officer) of the Hazelwood mine, senior government officials from a wide range of government departments and agencies, the Fire Services Commissioner (now the Emergency Management Commissioner), fire services personnel, the former Chief Executive Officer of the Environment Protection Authority, the Chief Health Officer, and the Acting Chief Executive Officer of Latrobe City Council.

The three weeks of public hearings were divided into themes. Evidence in the first week focused on the origin and circumstances of the fire, including how the fire started, why it became so fierce, the initial response of mine personnel and fire services, and what worked and did not work in suppressing the fire. A day of the hearings was devoted to evidence about firefighter health. The second week focused on evidence about environmental and health effects, relief and recovery, and communications. In the third week the Board heard evidence on measures to control risk and whether they were implemented, including rehabilitation of the worked out areas of the mine, and mine regulation. On the last day of hearings, the Board heard about new emergency management reforms to come into effect on 1 July 2014. Two days of oral submissions by each of Counsel Assisting, the State, GDF Suez, Environment Victoria and the United Firefighters Union, finalised the hearing.

OUTCOMES OF THE INQUIRY

Boards of Inquiry are not courts and the hearings are not court cases, although there are some similarities. Unlike a court case, there are no pleadings to limit and define the issues, and the rules of evidence are respected but are not binding. The Board and parties have a limited capacity to provide expert and other evidence or to test witnesses. The focus for an Inquiry is on lessons learned from past actions to improve future outcomes, rather than on establishing legal consequences.

The conclusions reached by the Board in this report are based on information available to the Board in the short time frame set for the Inquiry and for those responding to it.

RECOMMENDATIONS, AFFIRMATIONS AND FUTURE PROPOSALS

The Board has made 18 recommendations, taking into account issues raised by the Latrobe Valley community and the feasibility of implementation.

The Board has framed its recommendations broadly, so as not to constrain the best solutions by prescribing deadlines or particular details. A party's failure to take appropriate notice of the recommendations may result in adverse findings being drawn in the future.

The Board has also made affirmations where the State or GDF Suez has already taken action, or has announced a commitment to undertake action in response to the Hazelwood mine fire. This proactive approach has been a positive feature of the Inquiry.

The Board has included affirmations in the report for several reasons:

- where an action has been committed to, or is already underway, or has been funded, the Board considers that it did not have to make a separate recommendation
- to record agreed actions and to bring them to the community's attention
- to record agreed actions to enable monitoring of them on the same basis as monitoring of recommendations.

The Board has not been able, in the time available, to explore all reform options in depth, or test good ideas against a cost/benefit analysis. However, the Board considers that some proposals, that have arisen over the course of this Inquiry, warrant further attention.

IMPLEMENTATION MONITORING

The Bushfire Royal Commission Implementation Monitor, Mr Neil Comrie AO APM, has ensured that the 2009 Bushfires Royal Commission Report recommendations have come into effect. This success confirms the value of adopting a process so that government and the community have access to transparent independent verified information about the implementation of commitments and responses to the Board's recommendations. Monitoring arrangements reduce the prospect that this report will simply sit on a shelf.

RECOMMENDATION 1

The State empower and require the Auditor-General or another appropriate agency to:

- oversee the implementation of these recommendations and the commitments made by the State and GDF Suez during this Inquiry; and
- report publicly every year for the next three years on the progress made in implementing recommendations and commitments.

CONDUCT OF BOARDS OF INQUIRY

The Board of Inquiry wishes to make some observations about its powers to conduct the Inquiry.

The Board was appointed pursuant to s. 88C of the *Constitution Act 1975 (Vic)*. Its powers are set out in the Order in Council dated 21 March 2014, and in Part 1, Division 5 of the *Evidence (Miscellaneous Provisions) Act 1958 (Vic)* (Evidence Act). The Board could summon any person to give evidence or produce documents to the Board, and could take evidence on oath. Pursuant to s. 21A of the Evidence Act, the Board, the legal practitioners appearing with leave before the Board, and witnesses, are entitled to the same privileges and immunities as if the Inquiry were an action in the Supreme Court of Victoria.

In the course of conducting the Inquiry, the Board became conscious of a number of limits on its powers to obtain evidence and regulate its own procedure.

First, the Board had no power to prohibit publication of evidence received by it during its public hearings. While the Evidence Act was amended in 2010 to enable a Royal Commission to make such an order, the Board had no power to restrict publication of its proceedings.² This limits the ability of a Board of Inquiry to receive sensitive evidence, for example evidence that has security implications, is commercially sensitive, or deals with matters of an intensely personal nature.

Second, a Board of Inquiry does not have the capacity to deal with contempt of its processes. The chairperson of a board can report a refusal to attend in response to a summons or to refuse to answer a question to the Attorney-General, who may then apply to the Supreme Court of Victoria for an order dealing with the person concerned.³ It would enhance the independence of Boards of Inquiry if they were not dependent on a Minister of the Crown to enforce their processes.

Third, while fairness obliged the Board to give the parties access to witness statements and other documents to be tendered in evidence during its public hearings, the Board had no power to ensure that the parties used that evidence only for the purposes of the Inquiry.⁴ This is another aspect of the inability of a Board of Inquiry to deal with contempt of its processes.

Finally, there is no protection from adverse consequences available to persons who provide information or give evidence to an Inquiry. An Inquiry is not able to receive protected disclosures under the *Protected Disclosure Act 2012* (Vic). In the course of the Inquiry, staff of the Board were approached by people who had relevant information to provide, but who were not prepared to give evidence in a public hearing for fear of reprisals, for example in their employment or in their commercial dealings. 'Firefighter L' was one example. There were a number of others. This was a significant limitation on the Board's ability to inquire into the matters set out in its Terms of Reference.

The Board notes that the 2009 Victorian Bushfires Royal Commission and before it, the Royal Commission into the Metropolitan Ambulance Service, recommended the development of specific legislation for the conduct of inquiries in Victoria (Teague, McLeod & Pascoe, 2010, Vol III, p. 54; Lasry, 2001). These recommendations have not yet been implemented, despite the valuable groundwork laid by the Australian Law Reform Commission in its 2010 report 'Making Inquiries: a New Statutory Framework'. The Board joins these Royal Commissions in urging the Victorian Government to develop and implement legislation for the conduct of Commissions and Boards of Inquiry in Victoria.

On the eve of publication of this report, the State Government introduced the Inquiries Bill 2014 (Vic) into the Victorian Parliament.

THE HAZELWOOD MINE FIRE INQUIRY REPORT

This report is the culmination of the Board's work and reflects the entire conduct of the Inquiry.

Chapters in Part Two The fire include information about the origin and circumstances of the Hazelwood mine fire, measures taken by the State and GDF Suez to prepare to respond to fire, and the effectiveness and execution of those measures during the Hazelwood mine fire.

This section speaks primarily to fire services agencies and GDF Suez, but will also be of interest to members of the community who want to know how the fire started and why it took so long to extinguish.

Chapters in Part Three Fire risk management discuss the adequacy and effectiveness of measures taken to prevent and mitigate the spread of fire at state, regional and municipal levels, as well as at the Hazelwood mine itself. These chapters also consider whether GDF Suez implemented recommendations arising from reviews of previous fires and complied with legal obligations under the mine licensing and occupational health and safety regimes.

Chapter 3.1 is directed to the State and the Latrobe City Council, while Chapter 3.2 discusses the performance of the Victorian WorkCover Authority and the Mining Regulator. Chapter 3.3 focuses on the actions of GDF Suez, but also addresses issues raised by community members and environmental groups, such as rehabilitation of the Hazelwood mine.

Chapters in Part Four Health and wellbeing respond to concerns surrounding the environmental and health effects of the fire, and the adequacy and effectiveness of the health, relief and recovery response by government agencies.

Part Five Communications includes an analysis of how government agencies and GDF Suez managed their public communications and the overall effectiveness of crisis communication methods employed during the Hazelwood mine fire.

The Health and wellbeing and the Communications parts will be of most interest to the community and agencies responsible for health, environment, relief, recovery and communications.

The Board has structured the report in this way for a number of reasons.

The Board's guiding motivation was to ensure that each section served as a single reference point for the key stakeholders most interested in the subject matter of that section, and the parties responsible for implementation of the corresponding recommendations made by the Board.

Individual chapters have also been structured around the Board's Terms of Reference. It quickly became apparent to the Board that certain elements of its Terms of Reference and the evidence relevant to them overlap in a number of respects. For example, it is difficult to assess the adequacy and effectiveness of fire preparedness measures taken by the State and GDF Suez without a detailed understanding of the difficulties encountered during the firefighting response. Similarly, it is difficult to report on the adequacy and effectiveness of the administration and enforcement of mine licensing and occupational health and safety regimes without a discussion of the underlying regulatory framework and the measures adopted by GDF Suez under this framework.

Other Terms of Reference call for an examination of a range of actions by different parties. For example, there are a number of dimensions to regulation of the risk of, and response to, the Hazelwood mine fire, with different areas directed to different stakeholders. While a degree of duplication is unavoidable, the Board has strived to avoid this wherever possible.

BACKGROUND

THE LATROBE VALLEY AND MORWELL

A brief background of the Latrobe Valley, Morwell and the Hazelwood mine is outlined below to provide the reader with a broader context for the event that is the subject of this Inquiry.

The Latrobe Valley is home to over 70,000 people and is one of four regional cities in Victoria.

The Latrobe Valley has a long history of Indigenous settlement. Due to both the picturesque and productive nature of the land, European exploration and settlement began from the 1830s onwards, mainly for farming and agricultural purposes. Farming and agriculture is still very much a part of the Latrobe Valley today. Since the late nineteenth century the significant brown coal reserves located in the Latrobe Valley have been mined.

The Latrobe Valley coal reserves are unique and are characterised by a relatively thin layer of soil and clay (called 'overburden') covering massive coal seams that are on average 100 metres thick. This makes accessing the vast brown coal reserves in the Latrobe Valley relatively easy compared with elsewhere in the world, where there is the opposite ratio of coal to overburden.⁵

The 1920s saw an influx of migrants settling in the Latrobe Valley, many of whom had fought in World War I and came to the region to take up work in the Old Brown Coal Mine (Latrobe City Council, 2010, p. 7). Prior to World War II, Morwell and other towns in the Latrobe Valley remained predominantly agricultural in nature, with Morwell first established as a railway town as far back as the mid-nineteenth century.

The town of Morwell and its history are closely linked to coal mining. This is obvious today by the physical proximity of the town to the Hazelwood mine and power station. It is important to recognise that although coal mining has played a large role in the history of the Valley, it does not define the town or the people of Morwell. Rather, the development and expansion of coal mining in the area over time has had a direct impact on the people of Morwell due to the town overlaying a significant coal deposit. In the context of the Hazelwood mine and power station being built to the south of Morwell, the town has expanded to the east and to the north. Despite such expansion away from the mine, the southern perimeter of Morwell is still remarkably close to the mine site.

In more recent times, mining in the Latrobe Valley has increased, transforming the landscape from mostly agricultural to industrial. There are now three open cut coal mines in the Latrobe Valley: Yallourn, Loy Yang and Hazelwood. Today the Hazelwood Mine provides approximately 25 per cent of Victoria's baseline electricity supply (Vines, 2008, p. 26).⁶ This has created a dramatic contrast in the current landscape, with industrial areas meeting open green plains, as well as townships and people.

The Latrobe Valley community is less prosperous and less healthy overall than the rest of Victoria, even though it contributes significantly to Victoria's economic wealth. Median household incomes are significantly lower than the Victorian average, and there is a much higher proportion of low income households in the Latrobe Valley than in Victoria at large.

Morwell has an ageing population and the percentage of people living there who need assistance due to a disability is twice the rate for the rest of Victoria. Health outcomes are markedly worse in the Latrobe Valley. The community of the Latrobe Valley has been particularly hard hit by asbestos related disease. There would be few long-term residents who do not know someone who has suffered or died from a lung disease caused by inhalation, decades earlier, of asbestos dust.⁷

The Latrobe Valley is also a proud, strong and resilient community. Morwell has had a strong sense of community throughout its history. In the very early stages of the town's establishment, places central to the community's life and activity, such as schools, churches and a town hall, were built. These amenities are symbolic of the emphasis the community placed (and continues to place) on people and families.

The Latrobe Valley and Morwell have a vibrant well-established community network and a large cohort of volunteers. These aspects of the community were on display this year during the mine fire. They continue to be on display as the community, local business and local government work to clean up and recover from the fire's effects.

The Latrobe Valley, like much of Victoria and many parts of Australia, has been greatly affected by bushfire. The town of Morwell suffered damaging fires in 1890 and then again in 1912, prompting the creation of the first reticulated supply of water for the town in 1913 (Latrobe City Council, 2010, p. 15). There are fires in the area every summer. Sometimes these fires are catastrophic. Five years ago, on Black Saturday, the Churchill fire claimed 11 lives, injured 35 others and destroyed 145 houses. At one stage the fire threatened the Loy Yang open cut coal mine. On the same day, fires were also burning at Delburn and Bunyip, not far away (Teague, McLeod & Pascoe, 2010, Vol 1, pp. 39-68 & 127-142).

It is not uncommon for there to be multiple significant fires burning in the region at the same time. This was certainly the case on 9 February 2014 when the entire State was facing the most extreme weather conditions of that bushfire season and the worst conditions since Black Saturday (which occurred almost five years to the day on 7 February 2009).

THE HAZELWOOD MINE

Coal deposits at Morwell were discovered in the late nineteenth century by the Great Morwell Coal Mining Company, which was established in October 1888 (Vines, 2008, p. 26). The Hazelwood mine site was transferred to the State Electricity Commission of Victoria (SECV) on 1 April 1924 (Vines, 2008, p. 48).

Demand for electricity post World War II meant that the SECV had to expand and increase its operations beyond the Yallourn mine. In 1949, the SECV established the Hazelwood mine, then known as the Morwell Open Cut, in order to supply brown coal to the adjoining briquette works, now part of the Energy Brix Power Station. Mining operations initially commenced in 1955 in what is now known as the east field, bounded at the north by the northern batters.⁸

The Hazelwood mine was further developed from the late 1950s. Between 1964 and 1971, the Hazelwood Power Station was built and demand for coal from the Hazelwood mine increased dramatically (Latrobe City Council, 2010, p. 30). The Hazelwood pondage was constructed in the early 1970s to establish a supply of cooling water for the Hazelwood Power Station (Latrobe City Council, 2010, p. 16). Mining of the east field continued until about 1980.⁹ The Hazelwood mine then expanded to the south-west, then to the south-east and then west again, where the operational area of the mine is now situated.¹⁰ Under the current proposed mining schedule, mining at the Hazelwood mine will continue to the west and then to the north before the anticipated closure of the mine in 2031.¹¹

In the early to mid-1990s, the Victorian Government privatised the SECV, and its power stations were sold separately to overseas interests. The privatisation of the Hazelwood mine was part of this process.

The Hazelwood mine, including the land on which it operates, is owned by the Hazelwood Power Partnership. Since 7 June 2013, the four partners have been subsidiaries of International Power (Australia) Holdings Pty Ltd. This company is in turn jointly owned by subsidiaries of GDF Suez S.A. (72 per cent ownership) and Mitsui & Co Ltd (28 per cent ownership). GDF Suez S.A. is a global energy company with corporate headquarters in France. Mitsui & Co Ltd is a global trading company with corporate headquarters in Japan.¹²

The Hazelwood Power Corporation Ltd holds mining licence MIN 5004 and operates the mine. Personnel working at the mine are employed by Hazelwood Power Corporation Ltd. This corporation is also owned by the Hazelwood Power Partnership and thus jointly through subsidiaries by GDF Suez S.A. and Mitsui & Co Ltd.¹³ In this report, 'GDF Suez' refers to the mine owner, operator and licensee of the Hazelwood mine and includes the Hazelwood Power Partnership.

February 2014 is not the first time a fire has occurred in a mine in the Latrobe Valley, nor the first time a fire has occurred at the Hazelwood mine. The first known fire in an open cut mine in the Latrobe Valley was in 1896. Further open cut mine fires occurred at the Hazelwood site, most notably in 1977, 2006 and 2008. The mine fire of 1944 at Yallourn which resulted in the Stretton Royal Commission is also well known. Other fires at the Hazelwood mine are discussed in further chapters of this report.

1. Teague T4:21 – T5:8
2. *Crimes Legislation Amendment Act 2010* (Vic), s. 7
3. A ‘law officer’ in s. 20 of the *Evidence (Miscellaneous Provisions) Act 1958* (Vic) is defined in s. 38 of the *Interpretation of Legislation Act 1984* (Vic) to be the Attorney-General or any Minister of the Crown acting for or on behalf of the Attorney-General
4. By contrast, there is an implied obligation not to use documents obtained by discovery or other compulsory court process for a purpose other than use in proceedings: *Hearne v Street* (2008) 235 CLR 125 and *Harman v Home Department State Secretary* [1983] 1 AC 280
5. Exhibit 60 – Statement of Robert Gaulton, para. 13; Exhibit 88 – Statement of James Faithful, para. 28; Gaulton T1695:31 – T1696:6
6. Written submission of GDF Suez, 18 June 2014, para. 61
7. Details about the Health of the Latrobe Valley community can be found in Part Four Health and Wellbeing
8. Exhibit 90 - Statement of Richard Polmear, paras 6, 7 & 9
9. Exhibit 90 - Statement of Richard Polmear, para. 11
10. Polmear T2039:5-25
11. Exhibit 59 – Statement of Kylie White, annexure KAW-12, pp. 4-3 & 5-2
12. Mitsui, Mitsui & Co Corporate Profile, viewed 16 July 2014, <http://www.mitsui.com/jp/en/company/outline/>
13. Exhibit 66 – Letter from King & Wood Mallesons dated 2 May 2014



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