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TRANSCRIPT OF PROCEEDINGS

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**The attached transcript, while an accurate recording of evidence given in the course of the hearing day, is not proofread prior to circulation and thus may contain minor errors.**

2015/16 HAZELWOOD MINE FIRE INQUIRY

MELBOURNE

THURSDAY, 6 AUGUST 2015

BEFORE:

THE HONOURABLE BERNARD TEAGUE AO - Chairman

MRS ANITA ROPER - Board Member

MR PETER ROZEN - Counsel Assisting

MR RICHARD ATTIWILL QC - State of Victoria

MS RENEE SION - State of Victoria

MR ROBERT TAYLOR - Alcoa of Australia

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1 CHAIRMAN: Yes, Mr Rozen.

2 MR ROZEN: Good morning, chair; good morning, Mrs Roper.

3 The purpose of today's hopefully brief hearing  
4 will be to enable the parties and myself to make some  
5 brief submissions about what we consider the board  
6 ought to do by way of findings arising from the public  
7 hearings which were held in Anglesea last week.

8 A document setting out the final submissions of  
9 Counsel Assisting has been circulated to the parties  
10 and I have had some brief discussions with counsel  
11 representing both the State of Victoria and Alcoa.

12 I note that there are people in the room who were  
13 not in the hearing at Anglesea, and in those  
14 circumstances, at the risk of reading out something  
15 that people probably will have read, I propose to read  
16 through that document.

17 CHAIRMAN: That's appropriate if that is the case.

18 MR ROZEN: I should also indicate that the document from  
19 which I'm reading will be uploaded onto the inquiry  
20 website so that it will be available if anyone wants to  
21 read it in any more detail. I'm obviously not going to  
22 be going to each of the references that I've included  
23 in the submissions, but they of course will be there  
24 for anyone that wants to follow those up.

25 The references, I should add, are to items of  
26 evidence in the transcript which are either on the  
27 website or in the process of being uploaded to the  
28 website.

29 If I could start with a few short words about the  
30 inquiry itself. This board of inquiry was established  
31 under s.53 of the Inquiries Act 2014 by Order in

1 Council dated 26 May 2015.

2 By paragraph 11 of its terms of reference, the  
3 board is required to inquire into and report to the  
4 Governor no later than 31 August 2015 about  
5 "sustainable, practical and effective options that  
6 could be undertaken by the mine operator to decrease  
7 the risk of fire arising from or impacting the Anglesea  
8 Mine for the 2015/2016 summer season, noting the  
9 impending closure of the mine on 31 August 2015".

10 In my submission the following aspects of this  
11 term of reference are noteworthy: firstly, the  
12 investigation by the board is limited to options that  
13 could be taken by Alcoa alone as the mine operator.

14 Secondly, the concern is with the risk of fire  
15 both arising from the mine and impacting on it, for  
16 example by ember attack.

17 Thirdly, the scope of the inquiry is limited  
18 temporally to the 2015/2016 summer season.

19 As part of the inquiry process, members of the  
20 board and the inquiry staff have visited the Anglesea  
21 Mine and met with Alcoa managers. The board has  
22 consulted with the local community at an open community  
23 forum, and it has received and read several written  
24 submissions from individuals and organisations.

25 Finally, the board heard two days of evidence at a  
26 public hearing at Anglesea last week on 30 and 31 July.  
27 At the public hearing the board heard from Alcoa  
28 managers, government regulators, emergency services  
29 personnel and expert witnesses.

30 The inquiry is clearly conducted against the  
31 backdrop and in the context of the disastrous Hazelwood

1 Mine Fire of February/March 2014. That fire was the  
2 subject of a separate board of inquiry that reported  
3 in August 2014. All of the evidence before that  
4 earlier inquiry is taken to be evidence before the  
5 current board.

6 The Anglesea and Hazelwood coal mines. As the  
7 evidence before the board has made clear, there are  
8 significant differences between the Anglesea Mine and  
9 the Hazelwood Mine. Importantly, these differences are  
10 such that the fire risks associated with the Anglesea  
11 Mine are considerably lower than those associated with  
12 its Hazelwood counterpart. The differences include  
13 that the Anglesea Mine is far smaller than the  
14 Hazelwood Mine.

15 The overburden to coal ratio is far greater at  
16 Anglesea and this has facilitated progressive  
17 remediation of the Anglesea Mine.

18 The moisture content of the coal mine at Anglesea  
19 is higher than that mined in the Latrobe Valley and the  
20 coal has less potential for spontaneous combustion.

21 By contrast to the history of significant fires at  
22 Hazelwood, there have been very few fires at Anglesea  
23 and none that has impacted on the coal or required the  
24 attendance of the CFA.

25 Contrary to the experience of Hazelwood on  
26 9 February 2014 the extreme Ash Wednesday fire of 1983,  
27 which of course burnt in the Anglesea area, did not  
28 result in ignition of the coal at Anglesea even though  
29 there was some spotting into the mine.

30 The Anglesea Mine is subject to a lower level of  
31 occupational health and safety regulation compared to

1 the Hazelwood Mine by virtue of not being a prescribed  
2 mine under the Occupational Health and Safety  
3 Regulations. The board heard evidence that this is on  
4 the basis of an assessment by the regulator, the  
5 Victorian WorkCover Authority, that the Anglesea Mine  
6 presents a lower level of risk than the Hazelwood Mine.

7 Further, closure of the mine on 31 August 2015  
8 will significantly reduce its risk profile, according  
9 to Mr Lapsley, the State's Emergency Management  
10 Commissioner. This view is supported by the Alcoa risk  
11 assessment dated July 2015 which is in evidence.

12 As noted above, the inquiry heard from two expert  
13 witnesses: they were mining engineer, Cameron  
14 Farrington of Mining One Consultants, and bushfire risk  
15 consultant, Rod Incoll. Mr Farrington had been engaged  
16 through Mining One Consultants by Alcoa to assess its  
17 strategies; Mr Incoll was engaged directly by the  
18 board.

19 In relation to the risk of fire arising from the  
20 Anglesea Mine, Mr Farrington and Mr Incoll both  
21 examined the risk of a fire resulting from spontaneous  
22 combustion of the coal. Mr Rolland of Alcoa informed  
23 the inquiry that there is some history of such fires,  
24 although only three have resulted in what he called  
25 "flame events". Most such events have involved "steamy  
26 coal" short of open flame.

27 Mr Incoll, the board's bushfire risk consultant,  
28 considered that it was unlikely that a fire would  
29 commence due to spontaneous combustion or as a result  
30 of worker carelessness or non-observance of permit  
31 conditions.

1           In relation to the western coalface, which I will  
2 refer to in a moment, Mr Incoll rated the probability  
3 of fire as rare. Mr Farrington also considered fire  
4 from spontaneous combustion as being unlikely. The  
5 Alcoa risk assessment of July of this year reached  
6 similar conclusions about the risk of fire arising from  
7 the mine.

8           As far as the risk of fire impacting on the mine  
9 is concerned, Mr Incoll examined the risk of mine fire  
10 caused by ember or ash attack and, as the board will of  
11 course be aware, this was the cause of the Hazelwood  
12 Mine fire, that is, embers from outside the mine being  
13 thrown into it during a bushfire and igniting the coal.

14           After examining the history of planned burning in  
15 the Anglesea heath to the north and west of the  
16 Anglesea Mine, Mr Incoll opined that the likelihood of  
17 a high intensity bushfire impacting the Anglesea Mine  
18 during the 2015/16 fire season is considered to be  
19 rare.

20           Referring to both the risk of fire from within the  
21 mine and from outside the mine, Mr Incoll concluded,  
22 and I quote from his report , "The analysis of fire  
23 risk on the mine site after 31 August 2015 has  
24 indicated that, at the worst case, a fire outbreak in  
25 coal or vegetation at the mine after shutdown is  
26 'unlikely', and should an incident occur any risk of  
27 fire spread beyond the mine is insignificant."

28       CHAIRMAN: Could I just interrupt there to in effect make  
29 the point that, because these are submissions, you  
30 don't have to cover the sort of things that a report  
31 would cover, but I think it's highly likely that there

1 would be reference in the report to the matters raised  
2 by Mr Incoll about the high risk of fire in the Otways  
3 generally, and to prescribed burning, for the kind of  
4 reason that is underlined in the Black Saturday Royal  
5 Commission, that there's a kind of forgetfulness of  
6 what can happen and a complacency that may arise  
7 therefrom, and if one reads it without reference to  
8 that, there isn't, I think, the appreciation of what  
9 always is in my mind, that the Dandenongs and the  
10 Otways, for reasons that Mr Incoll has referred to,  
11 just are a major cause for concern compared with other  
12 parts of Victoria, and the prescribed burning is an  
13 aspect of dealing with those that impacts upon the risk  
14 of fire.

15 You're not saying that they shouldn't be included,  
16 your just saying, well, you haven't specifically  
17 included them because you're really rather fixedly  
18 going to the matters that have been of particular  
19 concern.

20 MR ROZEN: Yes, that's correct, chair. I should add that,  
21 even though the terms of reference do rather focus the  
22 minds of the board on the mine - - -

23 CHAIRMAN: It's clearly the particular focus is this coming  
24 fire season, but one can't say that the potential  
25 risk - we've referred to Ash Wednesday and you've got a  
26 brief reference to Ash Wednesday, but it's that overall  
27 picture, that complacency concern that stems from  
28 southeastern Australia, being the most fire risk prone  
29 area of the world, in my opinion, and the Dandenongs  
30 and Otways just being one of the higher risk areas that  
31 needs to be focused on. I didn't happen to have

1 Mr Lapsley's here, but I have an idea that, if he  
2 hasn't put it in, it's not because he doesn't think  
3 that way because I've heard him speak on the subject in  
4 other circumstances.

5 MR ROZEN: I was just going to add that, even though the  
6 terms of reference focus the minds of the board on the  
7 mine itself, it's somewhat artificial to look at the  
8 mine not in the context of the surrounding area that  
9 it's in, particularly the evidence that we've heard  
10 about the heath.

11 If I could turn then to Alcoa's strategy for  
12 minimising the risk of fire after the closure of the  
13 mine on 31 August 2015. The evidence before the board  
14 establishes that Alcoa is in the process of  
15 implementing a detailed and comprehensive strategy for  
16 minimising the risk of fire at the mine post closure.  
17 The strategy includes the following features: covering  
18 most of the exposed coal through what's been referred  
19 to in the evidence as the overburden strategy; updating  
20 the internal risk assessments; updating the Alcoa  
21 emergency plan; co-operating with the CFA in updating  
22 the CFA's pre-incident plan and addressing practical  
23 issues such as access to water for firefighting;  
24 updating the Alcoa standard work instruction for mine  
25 coal fires and hot coal procedure; and putting in place  
26 staffing arrangements addressing site security, plant  
27 maintenance and operation and the implementation of the  
28 Mining One recommendations concerning inspection of the  
29 mine post closure. I'll come to those in a moment.

30 The key plank in the strategy, in my submission,  
31 is the overburden strategy. This consists of covering



1 most of the exposed coal at the mine, some 41 hectares,  
2 with a metre of overburden. The evidence is that that  
3 overburden is soil with a significant clay content.

4 This strategy has been the subject of detailed  
5 assessment by Mining One Consultants through  
6 Mr Farrington, the mining engineer. Mining One  
7 considered the quantity and quality of the overburden  
8 being used and ultimately endorsed the strategy.

9 Mr Farrington has "endorsed the minimum capping  
10 levels as ongoing monitoring provides an opportunity to  
11 identify any problematic areas". He explains that, if  
12 there are problem areas, the one metre of capping is  
13 easily removed to access the area to be addressed.

14 Mr Incoll endorsed the Mining One assessment.  
15 Similarly, the overburden strategy has been endorsed by  
16 Alcoa's Global Mining Centre of Expertise.

17 As at the date that the hearing concluded, which  
18 was last Friday, 31 July, Alcoa had capped 23 hectares  
19 of the coal. Alcoa expects the mine floor will be  
20 covered by 31 August 2015, and it is sourcing external  
21 contracted earthmoving support to ensure that this is  
22 the case.

23 It is important to note that some of the coal will  
24 not be covered. Alcoa told the inquiry that due to a  
25 combination of time constraints and its proximity to  
26 the approved Cultural Heritage Management Plan  
27 boundary, an area of exposed vertical coal, known as  
28 the west wall, will not be covered before 31 August  
29 2015.

30 Mining One expressed the view that the long term  
31 exposure of this coal presents minimal combustion risk,

1 and it proposed that the vertical faces be left exposed  
2 in the period between the interim closure work and  
3 final rehabilitation.

4 However, as Mining One explained, if this is in  
5 fact done, Alcoa needs to ensure the following: that an  
6 inspection regime is implemented as detailed on  
7 pages 21-23 of the Mining One report; that a water cart  
8 and an appropriate management strategy for tackling any  
9 coal fire and spontaneous combustion must be maintained  
10 on site; and what was referred to as a Target Action  
11 Response Plan (or TARP) is developed. The TARP should  
12 address the risks of fire, for example from a bushfire  
13 in the vicinity, and should outline appropriate  
14 responses that will be implemented.

15 One of the clear themes in the evidence is that  
16 most, if not all, of the work Alcoa is doing to  
17 mitigate the risk of fire post closure is presently  
18 incomplete. Alcoa has helpfully provided a table, a  
19 document dated 29 July 2015 to the inquiry which sets  
20 out 39 recommendations made variously by Mining One,  
21 Mr Incoll, Robert Barry of the CFA and Ross McGowan of  
22 the Earth Resources Regulations department.

23 In relation to each recommendation Alcoa has set  
24 out what it intends to do to implement the  
25 recommendation. In the majority of cases the date by  
26 which the work is to be completed is 31 August 2015,  
27 the date of mine closure.

28 With the reporting date of the same date,  
29 31 August 2015, and time needed to write the report,  
30 the board will not hear new evidence after  
31 31 July 2015. This means that it will not hear

1 evidence of the outcomes of the various scheduled  
2 meetings and other work that will be done by Alcoa and  
3 the various government agencies that regulate and  
4 interact with Alcoa during August. For example, the  
5 inquiry has been told that the CFA pre-incident plan  
6 was to be discussed and revisions finalised by Alcoa  
7 and the CFA on 3 August 2015, which was last Monday.  
8 The Alcoa emergency plan was also to be discussed at  
9 that meeting and Alcoa set a target date of 14 August  
10 2015 for finalisation of that plan.

11 The inquiry was told that Alcoa was yet to make  
12 final decisions about who will maintain and operate its  
13 equipment on site, including its firefighting  
14 equipment.

15 We were told that Alcoa is developing the TARP,  
16 the Target Action Response Plan recommended by  
17 Mr Farrington of Mining One, and in particular is  
18 considering what needs to be in place by way of  
19 pre-planning on days of high fire danger.

20 Finally, Alcoa is yet to engage trained security  
21 officers who will have the important tasks of  
22 inspecting the overburden, escorting the CFA in an  
23 emergency and addressing any spontaneous combustion  
24 events that might occur.

25 Simply put, the board cannot know what has been  
26 and will be done after 31 July 2015. What should the  
27 board do to address this knowledge gap?

28 It's my submission that the answer to this  
29 important question is to be found in the evidence that  
30 the board has heard. A clear theme in the evidence is  
31 that, as the well respected and highly experienced

1 Emergency Management Commissioner Mr Lapsley put it,  
2 Alcoa is "a good corporate citizen within the  
3 community".

4 The senior officers of the government agencies  
5 that regulate and interact with Alcoa have echoed these  
6 sentiments in their evidence. The board heard from  
7 Ross McGowan, the Executive Director of the Earth  
8 Resources Regulation branch, the principal mining  
9 regulator in this State. He said that he had been  
10 "extremely satisfied" about his interaction with Alcoa.

11 Similarly, Robert Barry, assistant chief officer  
12 with the CFA, said that, "Alcoa are very positive in  
13 their arrangements with the CFA for post closure."

14 Highly experienced bushfire risk consultant, Rod  
15 Incoll, whose evidence was central to the conclusions  
16 of the first Hazelwood Mine Fire Inquiry, was referred  
17 to the Alcoa response to his recommendations. That  
18 document is exhibit 11 in these proceedings.

19 Mr Incoll said that, "Generally speaking, they  
20 (Alcoa) have satisfied the main thrust of my issues."  
21 Mr Incoll noted that he was unable to assess certain  
22 aspects of Alcoa's response like the TARP because it  
23 was not yet available.

24 What he then said to the inquiry in his evidence  
25 is worth quoting in full. Mr Incoll said, "... so I  
26 can't know what is in them [that is those documents],  
27 but the fact that [Alcoa is] producing something that  
28 deals with the issue that I've raised gives me a sense  
29 of comfort in that everything else they said they'd do  
30 they have done up-to-date, so I assume on that basis  
31 that it is going to happen henceforth."

1           Mr Incoll concluded his valuable contribution to  
2 the inquiry with the observation that he would be  
3 comfortable that the end result would be satisfactory.

4           It is my submission that, in light of all of the  
5 evidence that it has heard, the board too can have the  
6 sense of comfort that Mr Incoll has that Alcoa will  
7 deliver on the commitments it has set out in  
8 exhibit 11.

9           In this regard I submit that two particular  
10 aspects of the evidence enable the board to have a  
11 reasonable expectation that, as Mr Incoll put it, the  
12 end result will be satisfactory.

13           The first aspect of the evidence is that Alcoa's  
14 operations at Anglesea are being competently regulated  
15 by two relatively well resourced and active government  
16 agencies. These agencies, Earth Resources Regulation  
17 and the WorkCover Authority, are well aware of the  
18 deficiencies in their regulation of the risk of fire at  
19 the Hazelwood Mine that were discussed at length in the  
20 2014 Mine Fire Report. The evidence of the officers  
21 from those agencies would suggest that the approach  
22 that they're taking in the case of Anglesea is a very  
23 detailed and thorough one.

24           Firstly, the Earth Resources Regulation branch has  
25 been extensively involved in the closure of the mine  
26 since 18 May of this year. That involvement is  
27 detailed in the statement of Mr McGowan. Most  
28 recently, the branch's senior mining inspector,  
29 Mr Mitas, wrote to Mr Rolland of Alcoa, requiring Alcoa  
30 to address a number of questions concerning its  
31 implementation of the Mining One recommendations. The

1 board heard that Mr Mitas has requested answers to  
2 these questions no later than 21 August this year.  
3 Mr Rolland of Alcoa told the inquiry that he will meet  
4 with Mr Mitas to discuss that letter on 10 August, that  
5 is, next Monday.

6 The other mine regulator is the VWA, the Victorian  
7 WorkCover Authority. Mr Kelly of the VWA explained to  
8 the board its role since June 2015 in relation to the  
9 imminent closure of the mine. He explained that the  
10 role is ongoing and that his staff are meeting with  
11 Alcoa on 10 August to discuss the capping strategy,  
12 amongst other parts of Alcoa's post closure plans.

13 In addition, Alcoa, the various agencies and the  
14 Emergency Management Commissioner all participate in  
15 the Surf Coast Taskforce. The Taskforce and its  
16 Latrobe Valley counterpart were established on  
17 16 September last year with the aim of implementing the  
18 improvement plans and recommendations detailed in the  
19 Hazelwood Mine Fire Inquiry Report, Victorian  
20 Government Implementation and Monitoring Plan October  
21 2014 to the Hazelwood Coal Mine Fire Inquiry.

22 As the chair of that taskforce, Mr Lapsley  
23 explained to this inquiry that Alcoa's involvement in  
24 the Taskforce has been a very positive experience. At  
25 its most recent meeting on 28 May this year, the  
26 members of the Taskforce were informed by Alcoa of  
27 Alcoa's plans to shut down its mine and power station  
28 at Anglesea. Mr Sharp of Alcoa advised of Alcoa's five  
29 mitigation plans as described in these submissions.

30 Mr Lapsley informed this inquiry that at its next  
31 meeting the Taskforce would consider the existing Alcoa

1 risk assessments and, in Mr Lapsley's words, ensure  
2 that everyone's got ownership and understanding, and  
3 what are the other risks that need to be considered.

4 The board therefore, in my submission, can readily  
5 assume that the level of regulation and oversight will  
6 continue through the month of August and beyond, thus  
7 providing the board with a further level of comfort.

8 The second important aspect of the evidence  
9 concerns Alcoa's staffing plans at the mine post  
10 closure. In particular, the board has been told that  
11 Mr Chris Rolland, the highly experienced mine manager,  
12 will remain on the site as the mine rehabilitation  
13 supervisor. His role, he told the inquiry, will  
14 include supervision of the fire minimisation strategy.  
15 He will have an experienced team to support this work.  
16 That team is detailed in the evidence.

17 The Anglesea team will in turn be supported by  
18 Mr Sharp, existing site manager, and the health and  
19 safety and environmental professionals in Alcoa's asset  
20 management and planning group.

21 Mr Farrington of Mining One was asked if the  
22 ongoing involvement of Mr Rolland was beneficial to the  
23 oversight of the inspection regime and maintenance  
24 issues that he had identified in his report, Mining One  
25 report. His response also should be quoted in full.

26 Mr Farrington told the board, "Based on my  
27 exposure to Chris [Rolland] he is very competent, has a  
28 very good understanding of the site and its  
29 characteristics and I think he would be an ideal person  
30 to maintain vigilance on the operation as a whole."

31 In a similar vein Mr Incoll described Mr Rolland

1 as "an experienced and competent person", and he said  
2 that his appointment would be a "significant bolster  
3 for the company's plans". He added that Mr Rolland's  
4 appointment would add what Mr Incoll described as  
5 "quality assurance".

6 In summary then, Mr Incoll was asked by the  
7 inquiry whether the measures taken and planned to be  
8 taken by Alcoa are sustainable, practical and effective  
9 to mitigate the risk of fire at the mine. Those words  
10 were chosen deliberately, because of course they're the  
11 words used in the board's term of reference -  
12 sustainable, practical and effective.

13 In Mr Incoll's report to the board, he outlined  
14 Alcoa's action and proposed actions, which I've  
15 referred to briefly in these submissions, and he  
16 concluded as follows, "From an emergency management  
17 viewpoint, these arrangements follow a rational path  
18 and appear to be both sustainable and practical. As to  
19 their effectiveness, the sole comment is that the  
20 contribution an experienced manager makes in an  
21 emergency was highlighted by less than effective  
22 management when senior managers were not available in  
23 the early stages of the Hazelwood Mine Fire. This  
24 should be borne in mind when planning incident response  
25 at Anglesea."

26 It's my submission that Alcoa's resourcing plans,  
27 and in particular the ongoing role of Mr Rolland, which  
28 I've made brief reference to earlier, address this  
29 concern of Mr Incoll, as Mr Incoll himself acknowledged  
30 in his evidence to the board.

31 I therefore submit that, for the reasons explained



1 above, the board should conclude that Alcoa has either  
2 implemented or is in the process of implementing a  
3 range of fire minimisation strategies that are  
4 effective, practical and sustainable. These strategies  
5 when fully implemented should reduce the risk of fire  
6 at the Anglesea Mine so far as is reasonably  
7 practicable.

8 It's important to note that the inquiry has not  
9 identified any particular options over and above those  
10 developed by Alcoa in conjunction with the regulators  
11 that the board considers should be implemented at the  
12 mine.

13 The board should be reassured that the regulatory  
14 agencies identified above will continue to monitor  
15 Alcoa's progress towards fulfillment of the commitments  
16 it has made to the board.

17 I should add that nothing the board concludes or  
18 recommends should, in my submission, be taken to limit  
19 what Alcoa does or what the various regulatory agencies  
20 require Alcoa to do; that is, over and above the  
21 commitments in the evidence given to the inquiry.

22 It is submitted that it would also be desirable if  
23 Alcoa updated the Surf Coast Taskforce about its  
24 implementation of its fire risk mitigation plans, as is  
25 likely to occur at the Taskforce's next meeting in  
26 light of the evidence we heard from Mr Lapsley.

27 It follows then that the only recommendation that  
28 I would urge the board to make in relation to this  
29 aspect of its terms of reference is to recommend that  
30 Alcoa publish on its website a report by  
31 15 September 2015 detailing the steps it has taken

1 since 31 July 2015 to implement its fire minimisation  
2 strategies as set out in the list of the commitments it  
3 provided to the inquiry; that is, exhibit 11.

4 Publication on the Alcoa website will provide important  
5 information, both to the community and to regulators.

6 They're the submissions that I would make to the  
7 board.

8 CHAIRMAN: Yes, thank you, Mr Rozen. Yes, Mr Attiwill.

9 MR ATTIWILL: Mr Chairman, Mrs Roper, as you know I appear  
10 on behalf of the Victorian Government, together with  
11 Ms Sion. Mr Rozen has provided a fair and accurate -  
12 and has given that submission - all based on the  
13 evidence and we don't wish to add anything in relation  
14 to those matters.

15 The Victorian Government supports the proposed  
16 recommendation that's set out in paragraph 50. The  
17 only matter that I'd raise in addition to those  
18 matters, Mr Chairman, is, you raised with Mr Rozen this  
19 issue of the general fire risk to Anglesea outside of  
20 the impact of the closure of the mine. I'd simply say  
21 in relation to that, that a convenient source of that  
22 general fire risk is in Mr McKenzie's statement at  
23 paragraph 19.

24 Mr McKenzie, you will recall, Mr Chairman, is both  
25 a senior instructor within the CFA but he is also a  
26 local volunteer at Anglesea, and at paragraph 19 he  
27 both deals with the fire risk and prescribed burning in  
28 short compass, but makes the point - - -

29 CHAIRMAN: It's only that I think that, in the final report,  
30 there should be reference to that so that anyone  
31 reading the report just understands that there is a

1 balancing consideration that needs to be borne in mind  
2 over this question of fire risk.

3 MR ATTIWILL: Yes, we understand the concern. The only  
4 other statement that is relevant to that of course is  
5 the statement of Dr Smith, who didn't give oral  
6 evidence, but as a deputy secretary he has much to say  
7 about prescribed burning and precautions and so forth,  
8 and so we will just direct your attention to that as  
9 well.

10 CHAIRMAN: Yes. They're incidental references that I think  
11 are relatively important but don't directly bear on the  
12 issue.

13 MR ATTIWILL: That's correct. They're the submissions on  
14 behalf of the Victorian Government, it's a bit longer  
15 than I was during the hearing.

16 CHAIRMAN: There are a couple of other factors that mean  
17 that the continuing presence of the inquiry is likely  
18 to be a factor that will mean it will be kind of  
19 exerting a polite pressure indirectly to see that  
20 things are done because it has a kind of indirect  
21 relevance to matters to do with the short and long-term  
22 future of the three mines in the Latrobe Valley.

23 MR ATTIWILL: Yes, and I think, although Mr Rozen has put  
24 it, but it was very plain at the end of the two days  
25 that Alcoa has made much progress, is prepared to  
26 listen, and there's been much good cooperation between  
27 Alcoa, the local community and the regulators and  
28 that's going to continue.

29 They're the only matters.

30 CHAIRMAN: Yes, thank you Mr Attiwill. Yes, Mr Taylor.

31 MR TAYLOR: Thank you, chairman; good morning, Mrs Roper.

1           Once again, I appear for Alcoa Australia.

2           Before I pass to some more formal remarks that I  
3 was going to make and which I'll hand a very brief  
4 outline that has been provided to the Bar table, I can  
5 update the board, at the risk of giving some evidence  
6 from the Bar table, that the contracting crews  
7 commenced work on Monday and we've now reached 25 and a  
8 half hectares of overburden coverage on the floor of  
9 the mine, so the work is progressing at a pace.

10           There's one matter, and I apologise to Counsel  
11 Assisting for not drawing his attention to this because  
12 it had got past I and others until this morning. My  
13 learned friend suggested that at paragraph 6(c) the  
14 moisture content at Anglesea was lower. I think he  
15 might have meant to say the moisture content of the  
16 coal mine either at Hazelwood was lower; because if one  
17 goes to paragraph 28 of Mr Burton's report, the  
18 moisture content as received in the samples is  
19 44.7 per cent according to Alcoa's records, and 46.2  
20 according to the Gloe data.

21           What was higher of course was the megajoules per  
22 kilogram of coal, so nothing turns on that as a matter  
23 of record.

24   CHAIRMAN: That needs to be checked, yes.

25   MR TAYLOR: Just as a matter of record. I can also agree  
26 with the amendment to the coverage of the floor that my  
27 learned friend made.

28           The meeting referenced in Counsel Assisting's  
29 submissions at paragraph 24(a) on page 7 with the CFA  
30 did take place, the minutes are with the CFA for  
31 verification and adoption. Other meetings have been

1 confirmed. That's in particular the one reference to  
2 paragraph 34 for 10 August on page 9; that's also been  
3 confirmed.

4 Can I introduce as present today Mr Tim McAuliffe,  
5 the gentleman seated to my right in the second row, the  
6 Director of Environment Sustainability and Director of  
7 Government Relations for Alcoa of Australia.

8 Mr McAuliffe has come from Perth to be present at  
9 today's hearing to hear the submissions; and Mr John  
10 Osborne, who was present throughout the evidence last  
11 week. Mr Osborne is the Director, Asset Management and  
12 Planning Eastern Australia and has come up from  
13 Geelong; and of course Mr Sharp, who the board heard  
14 from for some time has also come up today.

15 Other activities are under way, as the board will  
16 appreciate, and obviously for that reason Mr Rolland's  
17 not present today, he's managing matters.

18 Could I ask for copies of some brief remarks to be  
19 handed to the board. I will speak briefly to these and  
20 they won't take long and I don't think they'll even  
21 take as long as Mr Attiwill took all of last week.

22 Can I say first of all that Alcoa has appreciated  
23 the opportunity to participate in the inquiry process.  
24 It has seen it as an opportunity to be fairly heard, to  
25 tell the community and the board what its situation is  
26 and what it's doing.

27 It's had an almost 50-year relationship with the  
28 community at Anglesea and is, in my submission, rightly  
29 proud of the contribution it's made over the years to  
30 the community and the way in which it's managed the  
31 mine generally.

1           Alcoa's decision to close the mine and the power  
2 station has not been an easy one; not from an  
3 industrial level and certainly not from the human toll  
4 level. It's committed to undertaking the site closure  
5 and rehabilitation, including the fire risk management,  
6 with the same level of diligence that we submit it  
7 brought to the operation of the assets throughout its  
8 occupation of the site.

9           We acknowledge the work of Counsel Assisting and  
10 the work of the State of Victoria in providing the  
11 board with, in our view, a fair, a balanced and a  
12 well-informed summary of the history of Alcoa's  
13 interactions with the various State agencies in  
14 relation to fire risk management.

15           Alcoa is pleased with the manner in which the  
16 hearing was conducted, if we may say so, and we are  
17 satisfied that all issues of substance that relate to  
18 the terms of reference have been put on the table for  
19 consideration by the board. We recognise the comments  
20 made by I think Mr Barry and certainly Mr Incoll, that  
21 the matters can't be viewed in isolation and the  
22 comments of the chair this morning. We hope that the  
23 material provided by Alcoa has been of great assistance  
24 to the board in determining the issues Alcoa can deal  
25 with.

26           Alcoa's closely reviewed the closing submissions  
27 prepared by Counsel Assisting and Alcoa agrees with the  
28 summary of the hearing and the key elements of the  
29 evidence. We appreciate the recognition of the  
30 business's standing as a good corporate citizen and as  
31 an organisation that can be trusted to make good on the

1 commitments it gives.

2 As the submissions note, a number of issues remain  
3 a work-in-progress, but Alcoa is committed to working  
4 with relevant agencies to reach a mutually satisfactory  
5 resolution to each issue.

6 Parenthetically I note that Alcoa of course  
7 continues to remain a Victorian corporate citizen and  
8 continues to have operations in the southwest of the  
9 State and will not simply be leaving the jurisdiction  
10 come closure of the mine.

11 The presence of Alcoa's senior management  
12 throughout the hearing and again today, in my  
13 submission, underlines the seriousness with which Alcoa  
14 takes the process.

15 Alcoa notes the recommendation made by Counsel  
16 Assisting that it prepare a report detailing the steps  
17 taken since 31 July to implement its fire minimisation  
18 strategies and to publish the report on its website by  
19 15 September. Alcoa accepts this recommendation.

20 In Alcoa's submission, no further recommendations  
21 are necessary for the board to be satisfied that the  
22 measures Alcoa has committed to will be undertaken.

23 In that note we understand that one additional  
24 submission that we've seen from Environment Victoria  
25 has been uploaded and makes some further suggestions  
26 with respect to implementation monitor or something of  
27 that sort. We would respectfully submit that that is  
28 completely unnecessary, and for the reasons that  
29 Mr Rozen gave in respect to two well resourced and  
30 competent regulatory agencies and the clear evidence  
31 given by both Mr Farrington and the evidence given by

1 Mr Incoll, which not only endorsed what Alcoa had done  
2 to date, but also endorsed to a very high standard the  
3 opinions and conclusions that were expressed by  
4 Mr Farrington. The board might recall Mr Incoll saying  
5 that he regarded it as a highly professional and  
6 thoroughly well considered report.

7 For those reasons, we would agree both with the  
8 State and with Counsel Assisting that no further  
9 recommendations or progress monitoring need be  
10 recommended.

11 Beyond the inquiry process Alcoa will continue to  
12 engage with the community through the community  
13 consultation network and with the State agencies  
14 through the Surf Coast Taskforce and through its  
15 ordinary dealings with each agency. Alcoa will use  
16 these avenues to provide regular updates about its  
17 progress across the range of activities to be performed  
18 at Anglesea as the closure transitions into the  
19 rehabilitation process.

20 Alcoa thanks the board for its assistance and its  
21 time today. May it please the board, unless there are  
22 matters that you want to raise with me, those are the  
23 remarks that we make on behalf of Alcoa.

24 CHAIRMAN: Thank you, Mr Taylor. Any matter arising?

25 MR ROZEN: Just one brief matter to correct an error which  
26 is entirely my own. In paragraph 6(c), as Mr Taylor  
27 noted, the word "higher" in line 1 should in fact be  
28 "lower". For the record, Ms Stansen did point that out  
29 to me just before Mr Taylor rose to his feet. That  
30 change, I should indicate, will be made before the  
31 document is placed on the website.



1 MR TAYLOR: I hope no one thinks it was a "got you"; it  
2 occurred to us at the same time.

3 MR ROZEN: Not at all.

4 CHAIRMAN: Thank you all. We'll now embark upon the process  
5 of preparing the report for delivery on its due date.  
6 Thank you all.

7 HEARING ADJOURNED

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