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# REPORT

FROM

## THE PARLIAMANTARY PUBLIC WORKS COMMITTEE

ON

## THE YALLOURN COAL RESERVES INQUIRY

PRESENTED TO HIS EXCELLENCY THE GOVERNOR IN COUNCIL PURSUANT TO  
THE PROVISIONS OF THE PUBLIC WORKS COMMITTEE ACT (No. 6352)

*By Authority:*

C. H. RIXON, GOVERNMENT PRINTER, MELBOURNE.



# Members of the Fourteenth Committee

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## LEGISLATIVE COUNCIL

The Honorable ARCHIBALD KEITH BRADBURY.

The Honorable WILLIAM VASEY HOUGHTON.

## LEGISLATIVE ASSEMBLY

JOHN JOSEPH GINIFER, Esquire.

HENRY GEORGE BROAD, Esquire.

JAMES EDMUND McCABE, Esquire.

WILLIAM LAURENCE FLOYD, Esquire.

*Chairman* : The Honorable ARCHIBALD KEITH BRADBURY.

*Vice-Chairman* : The Honorable WILLIAM VASEY HOUGHTON.

*Secretary* : HUGH WILLIAM CAFFREY, Esquire.



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Report on the Yallourn Coal Rese  
ACC 015135  
BRN 25895

# PUBLIC WORKS COMMITTEE

## REPORT

The Public Works Committee, to which the Governor-in-Council, in accordance with the provisions of the *Public Works Committee Act 1958*, referred for inquiry and report the following matter:—

“To inquire into the correctness of the decision of the State Electricity Commission of Victoria that the town of Yallourn be removed so that established coal reserves in the Yallourn town area can be mined as a development of the Yallourn open cut, and any other matters which appear to the Committee to be relevant to the Inquiry.”

Has the honor to report as follows :—

### FOREWORD

The Inquiry was referred to the Committee on 9th December, 1969, during the term of the Thirteenth Committee of the Forty-fourth Parliament. The Thirteenth Committee decided, in view of the impending proroguing of Parliament, that for the sake of continuity, it would be as well to delay the commencement of the Inquiry until the appointment of the Fourteenth Committee. Parties interested in the Inquiry were advised accordingly, and the Fourteenth Committee was appointed by Parliament on 17th June, 1970. Proceedings were commenced by taking sworn evidence from the State Electricity Commission on 2nd July, 1970. Transcripts of the evidence were circulated to interested parties, a practice that has been followed throughout the conduct of the Inquiry.

The Committee has visited Yallourn on three occasions to take evidence and make inspections. The inspections included a study of housing and amenities in Yallourn and neighbouring cities and towns, coal-winning procedures and power station operations. Although the bulk of evidence has been taken at Yallourn, some has been received at Melbourne and several submissions have been made by way of affidavit and statutory declaration. A final invitation to present evidence or further evidence was extended on 15th February, 1971, but was not taken up by any of the interested parties. The Committee conferred with the Chairman and senior officers of the Australian Atomic Energy Commission and inspected the Atomic Energy Research Station at Lucas Heights, New South Wales.

The Committee, after exhaustive study and debate, following careful consideration of a large volume of evidence, submits this report which terminates with conclusions and recommendations. The attached appendices require a full appreciation for the reader to comprehend the contents of the Report.

Throughout the Report, unless the context requires otherwise, the Public Works Committee is referred to as the “Committee” and the State Electricity Commission as the “Commission”.

### BRIEF HISTORY

To appreciate the problem as posed by the term of reference, it is as well to be acquainted with the chronological sequence of events that are pertinent to the Inquiry. They are as follows :—

- 1917–1920 The Brown Coal Advisory Committee reported to the Government on utilization of brown coal for electricity generation. A scheme for a State electricity system was adopted by Parliament passing the Electricity Commissioners Bill in 1918. The first meeting of the Commissioners was held on 7th March, 1919. Sir John Monash was appointed General-Manager on 1st October, 1920.
- 1921 The name was changed to “State Electricity Commission of Victoria” and Sir John Monash took up the appointment as first full-time Chairman on 10th January. The first sod of the Yallourn development was turned on 5th February.
- 1924 First generator operated at Yallourn (June 15). Coal-winning commenced in Yallourn open cut (August 21).
- 1925 Yallourn briquette factory commenced commercial operation.
- 1928 Yallourn “A” power station (75,000 kW) completed.
- 1932 First 25,000 kW generator commissioned at Yallourn “B” power station.

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- 1934 Severe flooding at Yallourn open cut.  
 1938 Yallourn "B" power station (100,000 kW) completed.  
 1944 Bush fire spreads to Yallourn open cut.  
 1947 Yallourn Town Advisory Council established.  
 1949 Field works started for Morwell open cut. The Commission commenced a large housing programme at Newborough and Yallourn North.  
 1954 First Yallourn "C" generator (50,000 kW) in service. Work resumed on programme of power generation from Morwell following curtailment of works in 1951 because of financial recession.  
 1957 First of two 50,000 kW generators in Yallourn "D" power station commissioned. Yallourn "E" station (240,000 kW) approved.  
 1958 Yallourn "D" power station (100,000 kW) in service. Brown coal production for 1957/58 nearly 10 million tons.  
 1959 Parliament approved scheme for development of 1,200,000 kW Hazelwood power station, scheduled for completion in 1971. Briquette production commenced at Morwell.  
 1961 First of two 120,000 kW generators in service at Yallourn "E" power station. Briquette production (Yallourn and Morwell) exceeded 1,800,000 tons for 1960/61.  
 1962 Yallourn "E" power station (240,000 kW) completed.  
 1963 Morwell power station (170,000 kW) completed.  
 1964 First 200,000 kW generator in service at Hazelwood power station.  
 1965 The Government approved Yallourn "W" power station (700,000 kW) for completion in 1973.  
 1966 Brown coal production for 1965/66 exceeded 21 million tons.  
 1968 First 500,000 volt transmission line in service from Latrobe Valley to Melbourne. State-wide electrification virtually complete.  
 1969 Sixth 200,000 kW generator in service at Hazelwood.  
 1971 The extended development of Hazelwood (1,600,000 kW) completed.

The following table depicts the progressive increase in brown coal production and electricity supplied since 1920.

Year	Brown Coal Won (Mil. Tons.)		Electricity Supplied (GWH)	
	Power Generation	Briquettes	From Brown Coal	From hydro and other sources
1920	Nil	Nil	Nil	*
1925	0.25	0.18	43.2	53.4
1930	1.14	0.64	312.7	150.6
1940	2.31	1.63	797.1	248.1
1950	4.41	2.33	1,556.5	839.0
1960	9.18	3.38	3,944.1	2,174.8
1970	17.92	4.47	11,581.9	1,872.6

\* Information not available.

Brown coal in the form of briquettes was also used for manufacture of gas in the Gas and Fuel Corporation's Lurgi plant at Morwell. The plant closed in 1969 after natural gas became available from Gippsland shelf fields.

A striking feature of the short history of brown coal-mining in Victoria is the remarkable progress that has been made against seemingly insurmountable difficulties. In 1919 there was scant knowledge and no experience in the field of power generation from brown coal, and the extent and value of the brown coal deposits of the Latrobe Valley had not been established. Information had to be gleaned from experts in Germany during the difficult period following the 1914-1918 World War. The design of power plant was geared to the quality of coal from a particular seam and then had to be modified to accommodate coal from other seams. Early set-backs included flooding and fire in the open cut at Yallourn. Other circumstances beyond the vision of State Electricity Commission planners in the early days included the spiralling of demand for power by munitions industries during the 1939-1945 war, the spectacular growth of industry since the war, the difficulties created by shortage of manpower and materials immediately following the war, and the rapid increase in the population in Victoria from 2.0 million in 1945 to 2.5 million in 1955 and 3.4 million in 1970.



## THE LIMITS OF THE INQUIRY

At the outset the Committee wishes to indicate clearly that the objective has been to establish the correctness of the decision to mine the coal reserves under the town of Yallourn. Although the Committee has probed the history of brown coal production in the Latrobe Valley and looked for enlightenment as to future developments in the field of power generation, it has remained confined by two factors. They are :—

- (i) Commitments from past planning decisions.
- (ii) The lack of certainty as to future technological advances in the field of power generation.

A brief summary of the importance of these factors is contained in the following paragraphs :—

### (i) *Commitments from past planning decisions.*

The Commission's evidence pointed to the need for the existing Yallourn "C", "D" and "E" power stations to be worked to the end of their useful life, and the fact that Yallourn "W" power station with an output of 700 megawatts was already under construction. The Government approved the construction of Yallourn "W" in 1965 and it is planned to be operative by 1973. The estimated capital cost of Yallourn "W" is \$110 million of which \$40 million has already been spent.

### (ii) *Future trend in power generation*

The Committee probed the possibility of nuclear energy or natural gas supplanting brown coal as a method of power generation within the foreseeable future. The Commission considers that power generation by these means will eventuate, but for many years will be complementary to the brown coal industry. This view is shared by the Chairman of the Australian Atomic Energy Commission, Sir Philip Baxter, who was called to give evidence to the Committee.

However, Sir Philip's evidence does not reveal any possibility of power generation from nuclear energy competing with the economics of exploiting the useful life of existing generating plant. He pointed out that an important characteristic of nuclear plant is that there is a high capital investment and a low fuel cost. Another feature is the substantial escalation in the capital costs of all kinds of power stations and increase in world interest rates in recent years. Sir Philip instanced the fact that in the United States of America the capital investment in nuclear power stations increased from \$110 per kilowatt installed in late 1967 to between \$220 and \$240 per kilowatt in 1970.

The Committee inspected the Atomic Energy Research Station in New South Wales and conferred with Sir Philip and senior officers of the Australian Atomic Energy Commission. All concerned were most co-operative and eager to help the Committee to assess the relative merits of power generation from nuclear energy and fossil fuel.

Although enthusiastic about the realistic programme of research in the field of nuclear energy and confident that, in the long term, substantial benefits will be achieved, the Committee established that nuclear power stations will be brought in as additions to the State generating system, and will not replace existing plant and plant already under construction at Yallourn.

After having established the existence and importance of these factors, the Committee localised the task to relating the aesthetic and humane values of retaining the township of Yallourn to the economic feasibility of so doing. This involved making a close appreciation of the quality of the town and its community life, and scrutinising the relative merits of alternative coal fields. The following summary of evidence is mainly related to this issue.

## YALLOURN TOWN HISTORY

In their report in 1919, on which the first section of the Yallourn undertaking was established, the Electricity Commissioners indicated their intention to assume the obligation of providing modern homes for their employees in the new undertaking then to be established in bush country several miles from the nearest centre of population. This outlook was endorsed by the Government of the day and accepted by Parliament. The concept of a model town then was looked upon as a very decided advance in the relationship between the State and its employees; certainly there was little Australian precedent for it in privately or State owned undertakings.

In 1920 legislation, which was unique at that time, authorized the Commission to erect and let houses to their employees and also to construct business premises, boarding establishments, public buildings, places of recreation, etc. The legislation was framed to empower the Commission to define the policy to be adopted as to the administration of the area, the buildings and the various essential services in connection therewith such as water supply, sanitation, lighting, maintenance of streets, roads, etc. In fact, the Commission's desire to retain complete control over the whole of the area vested in it at Yallourn was granted.



In the following years the town has been developed generally in accordance with the basic plan. The construction of houses commenced in 1921, and the first stage—200 houses—was completed in 1924–1925. The second stage—600 houses—was not completed until 1937. By 1944, 870 houses had been erected. Between 1945 and 1950, 161 houses were built, the majority being located on the western edge of the town, remote from future open cut development. No house building has taken place since 1950. The more modern houses on the west, constructed in the 1945–50 period, are not involved in the excavation of the open cut. However they will be isolated and without services and therefore their retention is not favoured by the Commission.

After 1950, the Commission developed a settlement at Newborough, some four miles to the west where 680 houses were built; and another at Yallourn North on the opposite side of the Latrobe River, where 270 houses were built. Some house construction was carried out at Morwell. Since then the Commission has relied on the Housing Commission to accommodate its housing needs in the Latrobe Valley.

Bearing in mind that the town lies over coal-bearing lands, the Commission has never sold houses or other property in Yallourn. The most recent development in the township was the leasing, between 1953 and 1955, of commercial sites in the Yallourn shopping centre. Leaseholders built their own premises, but the leases were limited to forty years because the Commission envisaged that the township life would finish around the year 2000.

In 1947 the Yallourn Town Advisory Council was established. The administration of the town is the direct responsibility of the Commission, but the Advisory Council assists in this function and advises the Commission on matters affecting life, health, welfare and amenities of the residents of the town area. The Advisory Council of seven Members comprises an independent Chairman appointed by the State Government, three Members elected by adult franchise of town residents, and three nominated by the Commission. It is empowered to make by-laws for the town area on matters normally dealt with by a municipal council, however the Commission is responsible for putting such by-laws into effect. All costs and expenses of the Advisory Council are paid by the Commission except the Chairman's salary which is paid from State consolidated revenue.

The Commission's policy for the ultimate abandonment of Yallourn township in order to win underlying coal deposits was established by the Commission in August, 1961, when it was resolved that—

“as the winning of coal under the town of Yallourn seems likely after the year 1995, the town must be reserved against this probability, and the Commission should aim at the gradual attrition of the town over the next 40 years and the establishment of housing accommodation elsewhere on the basis that public and private interests, and not the Commission, should make this provision.”

The decision was conveyed to local Members of Parliament and the Yallourn Town Advisory Council on 4th October, 1961.

Over the years the Commission has been associated in a marked degree with the establishment of all main features of the community life; but, on the other hand, the Committee was told that every phase of the communal activities is wholly within the administrative control of the people themselves and that Commission representation is conspicuously absent. Grants and loans have been made available to various organizations by the Commission, along with supply of materials and loan of equipment, with clubs and organizations supplying labour or accepting financial responsibility for labour costs. Some organizations have been assisted financially from the profits made from a co-operative General Store which operated successfully between 1920 and 1953.

Appendix B outlines some of the main features of communal life at Yallourn.

The Commission was asked to supply updated information concerning population figures and population estimates and these are depicted in the following table:—

	June, 1969.	June, 1970.	February, 1971.	December, 1971 (Estimated).
Occupied Houses .. .. .	1,002	952	951	951
Township Residents .. .. .	3,797	3,613	3,609	3,609
Eastern Hostel .. .. .	260	128	98	40*
Hospital† .. .. .	100	100	100	—
Total Population Yallourn Works Area .. .. .	4,157	3,841	3,807	3,649

\* Hostel residents expected to obtain board in Yallourn township.

† The hospital will be closed during 1971 when the new Latrobe Valley Community Hospital at Moe is operative.



## THE COMMISSION'S PLAN

The Commission considers that the coal requirement to employ Yallourn plant to the end of its useful life and for manufacture of briquettes will be not less than 500 million tons nor greater than 600 million tons. Coal readily available to help meet this demand is as listed hereunder:—

South Field and area south of the town	.. ..	..	275 million tons
South and east of town and in lower township area	.. ..	..	70 " "
Area under main township	.. ..	..	128 " "
Total	.. ..	..	473 " "

If all this coal were won the Commission would still require a further 27 million tons to satisfy the lower limit of 500 million tons.

The Commission considers that it could be possible to keep close to the lower limit of 500 million tons by accepting some reduced loading of the Yallourn "W" power station towards the end of its useful life, as by that time the capacity of the station will be only 3% to 4% of the State system. In addition some assistance in accommodating the lower limit could be gained by backloading up to 30 million tons of Morwell coal in the trucks used to take briquetting coal from Yallourn to Morwell. If the coal quantities required could be kept to the lower limit there would be no necessity to incur the expense of opening the East Field but, should a situation arise where the upper limit of 600 million tons would be needed, then a substantial part of the coal in the East Field would be required.

The Commission gave an assurance that there would be no sudden upheaval of Yallourn residents involved in the plan. The plan is to retire up to 1,000 houses by the year 1995. As obsolete houses become vacant they will be retired so that the transfer of Yallourn residents will be kept to a minimum. It is intended to limit the continued occupation of Yallourn houses by people who retire or leave the Commission's work force. This will ensure a continual decline in population, and will avoid an increase in the less mobile, older group of the remaining residents. Retired people and widows and those who retire before 1975 will not be affected. As the open cut develops it may become necessary to move some people from their homes to other houses in the town.

The Commission is at present negotiating with the tradespeople in the town in respect of the decline in business because of the reduction in population. It is also prepared to pay compensation for improvements to community properties, such as churches and clubs. The question of advance compensation to churches will be considered as circumstances require.

*Alternative Proposals to Mining Coal under the Township of Yallourn*

The Committee, having appreciated the validity and sensibility of working existing generating plant and the new Yallourn "W" power station to the end of its useful life, closely examined alternatives to firing the plant with coal from deposits under the township of Yallourn. The total quantity of coal needed (using 1967 as the base year) will not be less than 500 million tons and not more than 600 million tons. The evidence revealed that the main criteria for assessing the relative merits are as follows:—

- (i) The quality of the coal.
- (ii) The Yallourn plant is designed to burn coal from the Yallourn seam and technical problems and operating difficulties would arise if coal from the Morwell seam were to be used. Not the least of the problems is the high fouling index of coal from the Morwell seam. Boilers at Hazelwood power station, which burn coal from the Morwell seam, are out of commission for at least seven days every four months for cleaning purposes. The cleaning operation for each boiler takes approximately seven days and occupies 2,500 man-hours. According to the Commission the cost of each cleaning operation for a 200,000 kW unit amounts to approximately \$7,500. The cost of replacement energy varies throughout the year between \$56,000 and \$86,000. The fouling index of coal from the Yallourn seam is much less with the result that Yallourn plant requires cleaning once only per year.
- (iii) The ratio of coal to over-burden at each field.
- (iv) The distance between the coal deposit and Yallourn power plant.
- (v) The expense of opening a new cut as against the continuation of working the face of an existing open cut.
- (vi) Another important factor is the presence of natural and artificial features, deviation of which would involve large capital expenditure. Features involved in this instance include the following:—

The Morwell River (Average annual flow of 114,400 acre-feet).  
 The main Gippsland Railway.  
 The Princes Highway.  
 Existing cables of the Postmaster-General's Department.



A brief summary of the alternative sources of supply suggested by witnesses during the Inquiry is contained in the following paragraphs:—

#### *The Maryvale Open Cut*

The Maryvale open cut area is situated north of the town of Morwell and east of the Morwell River. An open cut site selected for examination commands some 500 million tons of coal with an average coal/over-burden ratio of 1.7. The evidence indicated that the proposal is unattractive because of the following factors:—

- (i) Unfavourable coal/over-burden ratio.
- (ii) Long distance from Yallourn power station complex (2½ miles radial distance at the north-western tip, and 5 miles at the south-eastern extremity).
- (iii) High fouling index.
- (iv) Establishment costs of a new open cut.

#### *Extension of the Yallourn Open Cut to the South*

The Narracan open cut is located to the south of the Princes Highway and to the west of the Morwell River. Without diversion of the river, this site commands some 500–600 million tons of Morwell seam coal with a coal/over-burden ratio of 2.7.

Between this open cut site and the Yallourn open cut (Driffield area), and underlying the Gippsland Railway and Princes Highway corridor, the Yallourn seam coal thins out rapidly and some 80 million tons could possibly be won at a coal/over-burden ratio of about 1.1. Under this Yallourn seam coal there are also two splits of the Morwell seam coal which thin out to the north. The evidence indicated that the proposal is unattractive because of the following factors:—

- (i) Transport distance from the deposit to the generating plant around the worked out area of the open cut would extend to 6 miles.
- (ii) It would be necessary to deviate the Gippsland Railway, the Princes Highway and P.M.G. services.
- (iii) Adverse coal/over-burden ratio.
- (iv) Small amount of Yallourn coal available.
- (v) Rapid thinning of Yallourn seam.
- (vi) Fouling index of Morwell seam coal.

#### *The Morwell Open Cut*

A possibility closely examined by the Commission was the firing of Yallourn plant with coal transported from the Morwell open cut via the existing inter-connecting railway. The evidence indicated that the proposal is unattractive because of the following factors:—

- (i) If more than about 30 million tons of coal were taken from Morwell open cut it could jeopardize the future establishment of any new power station based on the Morwell open cut.
- (ii) The fouling properties of Morwell coal make it unsuitable for briquette manufacture. It is for this reason that Yallourn coal is used for this purpose at the Morwell briquetting plant.
- (iii) Morwell coal is not suited to the design of the boilers at the Yallourn "E" and "W" power stations. Expensive modifications would be required and increased operating costs would occur because of the fouling problem.
- (iv) Extra capital cost would be involved in provision of additional coal-winning plant at Morwell, increasing the capacity of the inter-connecting railway and diversion of the Morwell River to enable extension of the Morwell open cut.
- (v) The additional cost of the Morwell open cut alternative is estimated at \$100 million.

#### *The East Field*

According to the Commission the best alternative is the use of coal from the East Field which contains some 180 million tons of coal with a coal/over-burden ratio of 2.9. The examination by the Commission revealed the following pertinent information concerning the East Field alternative:—

- (i) It is technically and economically more feasible to continue the progressive development of the open cut through the town area from established operating faces and transport links than to switch plant and equipment for the opening of the East Field, and then be faced with the possibility of returning to the town area at a later date. If, in the future, coal is required from the East Field to meet the higher limit of estimated requirements, this could be done after the town area has been worked out, thus avoiding a double shift of working faces.
- (ii) The East Field lies under 1,000 acres of productive farm land on the flats east of the Morwell River.



- (iii) It would be necessary to divert the Morwell River which has an average annual flow of 114,400 acre-feet. It is quite a sizeable river, an interesting comparison being with the Maribyrnong River which has an average annual flow of 88,000 acre-feet. The diversion works would cost some \$8,000,000 and levees and other flood protection works would also be required.
- (iv) Adverse coal/over-burden ratio in comparison with existing Yallourn open cut.
- (v) East Field coal is inferior in quality to that under the town, as it has a higher ash content and could be expected to cause boiler fouling problems. It is also expected to be less satisfactory for briquetting purposes than coal below the township.
- (vi) The additional cost of opening the East Field compared with winning the coal beneath the town is estimated at \$40,000,000.

#### CREDIBILITY OF THE COMMISSION'S EVIDENCE

The Committee was unable to secure the services of an independent assessor to probe the validity of the Commission's submission concerning geological information and coal quality in the deposits under consideration. There is no authority in Australia involved in brown coal mining apart from the Commission. However, the Commission did bolster its technical evidence with exhibits which included papers prepared by experts in these fields. It also drew the Committee's attention to the fact that it has spent \$2,705,620 on brown coal research since 1965.

The Committee was able to check the credibility of the financial figures submitted by the Commission. At the request of the Committee, the State Treasury provided an economist, Mr. E. C. Brownbill, to probe the background material and analyses used by the Commission. After an exhaustive study, Mr. Brownbill established that the analyses conform with accepted techniques of investment and financial feasibility analysis where the objective is to ascertain the least cost alternative for achieving a specified objective.

#### CONCLUSIONS

The Committee has reached the following conclusions:—

1. The State Electricity Commission established the town of Yallourn to serve the purpose of housing employees close to the works installations. The natural environment is excellent and the layout on garden city principles was well conceived. It is obvious that the houses have been well constructed and well maintained by the Commission with the tenants taking an enthusiastic interest in their upkeep. An adverse feature is the proximity of the Yallourn open cut which causes a rather high incidence of coal dust in the atmosphere.

2. The operation and maintenance of the town by the State Electricity Commission with the assistance of the Yallourn Town Advisory Council is of a very high standard. Indications are that the Commission has been considerate in its attitude to the residents. This is evidenced by the unstinted provision of services at a low nominal charge on the residents, the provision of excellent amenities, and the encouragement and co-operation given to clubs and organizations in the town.

3. The decision by the State Electricity Commission to gradually retire the town in order to mine the coal deposit under it was not hastily conceived. The Committee is inclined to accept evidence that the original planners, including Sir John Monash, preferred to site the town further to the west. However, an intensive search of records of the State Electricity Commission, the Department of Crown Lands and Survey and the Parliamentary Debates has failed to reveal substantial proof. There is evidence that the Commission was giving earnest consideration to the possibility of retirement during the late 1940s and the certainty of the decision was revealed when the Commission advised the Yallourn Town Advisory Council and local Members of Parliament on 4th October, 1961, that the town area should be resumed for coal winning. The decision was confirmed in 1965 when the Government approved the development of Yallourn "W" power station at a cost of \$110,000,000, designed for burning coal from the Yallourn open cut.

4. It is unfortunate that there is no independent expert available in Australia to assess the judgment of the Commission's officers concerning the extent and relative value of the various coal deposits in the Yallourn area. However, the Committee believes that the Commission's officers have acted ethically and not under duress. The independent check carried out by the Treasury at the request of the Committee as to the credibility of the Commission's cost estimates has revealed that they are authentic, valid and also conservative.

5. The Committee has discarded the alternatives involving the Driffield area, the Maryvale open cut, and the use of coal from the existing Morwell open cut on the score of cost. The most attractive of the alternatives to firing Yallourn generating plant with coal from under the town is the development of the East Field. However, as outlined in the body of the Report, the adverse features of the East Field alternative would involve the State of Victoria with an additional capital expenditure of \$40,000,000. It is felt that such expenditure is unwarranted to preserve the town beyond the life of the industry that has supported it over the years.



6. The planned retirement of the town will not occasion sudden hardship on the residents. The intention is to phase the removal of houses between the years 1980 and 2000. The Commission will allow employees who retire prior to 1975 to remain in residence in the town. It is evident that Commission employees will not be disadvantaged, but in fact will receive greater consideration than employees of other State instrumentalities which provide housing for their work forces.

7. The opening of new and larger coal fields in the Latrobe Valley and the probability of power being generated from nuclear energy at reasonable cost will make Yallourn redundant by the year 2000.

8. The Committee has confidence in the ability of neighbouring municipalities, assisted by the Housing Commission, to absorb Commission employees who are required to vacate their homes in Yallourn but remain engaged on the Commission's strength within the Latrobe Valley.

9. It is noted that Yallourn traders and local churches and clubs will be compensated by the Commission. The Committee expects the traders to be adequately compensated for the gradual decline as well as the eventual closure of their businesses. Furthermore, the churches and clubs should be adequately compensated for the replacement value of their properties, and paid in advance so that they can re-establish elsewhere in the Latrobe Valley at a time appropriate to their requirements.

10. It is regrettable that habitable houses in Yallourn are vacant. The Committee considers that such houses should be let on a short-term basis if a worthwhile use can be found for them, provided that the leases are subject to periodical review. This sentiment does not include houses that would require extensive renovation.



## RECOMMENDATIONS

The Committee recommends:—

1. That the Government recognises the correctness of the decision of the State Electricity Commission of Victoria to remove the town of Yallourn in stages as required by the progressive development of the Yallourn open cut.
2. That the State Electricity Commission gives consideration to making habitable vacant houses in Yallourn available for leasing on a short-term basis.
3. That the State Electricity Commission preserves its present standard of maintenance of services and amenities during the period of the town's retirement.
4. That the intentions of the Committee as outlined in the conclusions drawn in this report be borne in mind when the abovementioned recommendations are being implemented.

A. KEITH BRADBURY.  
W. V. HOUGHTON.  
JOHN J. GINIFER.  
HARRY G. BROAD.  
J. E. McCABE.  
W. L. FLOYD.

HUGH W. CAFFREY, Secretary.

Public Works Committee,  
Parliament House,  
Melbourne,

11th May, 1971.



## APPENDIX A

## WITNESSES TO THE YALLOURN COAL RESERVES INQUIRY

Sworn evidence has been submitted to the Yallourn Coal Reserves Inquiry by the following witnesses who are listed in order of appearance:—

<i>Name</i>	<i>Occupation</i>	<i>Address</i>
Mr. G. Paterson	.. Assistant General Manager (Generation and Transmission), State Electricity Commission of Victoria ..	.. 142 Bamba Road, Caulfield.
Mr. J. N. J. Touzel	.. Assistant Secretary, Hospitals and Charities Commission ..	.. 78 Venice Street, Mentone.
Mr. G. Black ..	.. Civil Engineer ..	.. 10 Allambee Cresc., Yallourn.
Mrs. N. Smith ..	.. Housewife ..	.. 84 Broadway West, Yallourn.
Mr. W. J. Pettigrew	.. Garage Proprietor ..	.. Bourke Street, Hernes Oak.
Mr. L. V. D'Alterio	.. Shop Proprietor ..	.. 3 Ridgeway West, Yallourn.
Mr. R. P. Larsen	.. Watchmaker and Jeweller ..	.. 11 Fernhill, Yallourn.
Mr. J. Clucas ..	.. Professional Photographer ..	.. 23 Bourke Street, Hernes Oak.
Mr. J. T. Synan	.. Secondary Teacher ..	.. 175 Service Road, Moe.
Mrs. T. Davey ..	.. Housewife ..	.. 13 Grandview Grove, Morwell.
Mr. F. S. Onger	.. Painter ..	.. 17 Kerin Street, Moe.
Mr. G. Wragg	.. Mechanical Maintenance Fitter	.. 10 Dwyer Street, Moe.
Mr. W. E. Bartholomeusz	Property Accounting Officer ..	.. 11 Delvurn Street, Newborough.
Mrs. D. Steele	.. Businesswoman ..	.. 17 Narracan Ave., Yallourn.
Mrs. H. McGregor	.. Housewife ..	.. 29 Fairfield Ave., Yallourn.
Mr. G. P. Seers	.. Engineer ..	.. 1 Parkside, Yallourn.
Mrs. M. Bryant	.. Housewife ..	.. 20 Hillside, Yallourn.
Mr. A. D. Spaul	.. School Teacher ..	.. 20 Charnwood Road, St. Kilda.
Mr. K. J. Dolphin	.. Bookseller, Stationer and Travel Agent ..	.. 63 Chamberlain Road, Newborough.
Mr. G. Browitt ..	.. Truck Driver ..	.. 21 Tyers Avenue, Yallourn.
Mrs. H. K. Eddy	.. Typiste-Clerical Assistant ..	.. 32 Westbrook Road, Yallourn.
Mr. G. A. Evans	.. Amenities and Welfare Officer ..	.. 27 Fairfield Ave., Yallourn.
Mr. W. Johnston	.. Electrical Engineer ..	.. 4 Jeeralang Cresc., Yallourn.
Mr. J. P. Gaskin	.. Director of Housing and Chairman of Housing Commission of Victoria ..	.. 9 Elmie Street, Hawthorn.
Mr. K. A. Lamin	.. Mining Engineer ..	.. Mirboo North Road, Boolarra.
Sir Philip Baxter	.. Chairman of the Australian Atomic Energy Commission ..	.. 1 Kelso Street, Enfield, N.S.W.
Mr. C. S. Gloe	.. Geologist ..	.. 23 Kirkwood Street, Beaumaris.
Mr. E. C. Brownbill	.. Economist ..	.. Flat 7, 176 Power Street, Hawthorn.
Mr. E. R. Inglis	.. Secretary for Local Government ..	.. 1 Ashby Court, North Balwyn.
Mr. J. A. Alder	.. Assistant Secretary for Local Government	.. 119 Shannon Street, Box Hill.



MAIN FEATURES OF COMMUNAL LIFE AT YALLOURN

Type	Club, Society, Organisation or Facility	Administered By
1. Medical and Health	Latrobe Valley Community Hospital  Yallourn Medical and Hospital Society - Registered under the Companies Act as an Association 'Not for Profit'.  Infant Welfare Centre Latrobe Valley District Ambulance Service	Hospital Board including Government representative (no SEC representat  Society's Board (no SEC representat  SEC Ambulance Service
2. Sporting and Recreation	Yallourn Ovals Trust (Regulates use of ovals)  Football, Soccer, Cricket, Tennis, Croquet, Basketball, Bowling, Golf, Small-Bore Rifle and other sporting Clubs.  Yallourn Swimming Pool	Trustees (including SEC representat  Administered by respective Club com (no SEC representation).  SEC
3. Education and Youth	Yallourn Technical College (now at Newborough) Yallourn High School Yallourn Primary School St. Therese's School Yallourn Kindergarten  Yallourn Youth Club Boy Scouts' Association Girl Guides' Association Sea Rangers	Education Department. SEC represent on School Council. " Education Department Roman Catholic Church Kindergarten Committee  Club Committee Local Committee Local Committee Local Committee
4. Religion	Church of England Presbyterian Roman Catholic Methodist Salvation Army	) ) ) Respective Church Committees ) )
5. Other Recreational Pursuits	R.S.L. Yallourn Band Horticultural Society Yallourn and District Orchestral and Choral Society Entertainment Bodies - Dramatic Society, etc.	Local Committee Band Committee Society Committee Society Committee Respective Committees
6. Other	Yallourn Library St. John's Ambulance Brigade Yallourn Cemetery  Caravan Park Town Fire Brigade	SEC Local Brigade Cemetery Trust (including SEC representative)  SEC SEC







C. 180  
R. 2-9

O/B. 39  
C. 128  
R. 3-3

O/B. 22  
C. 70  
R. 3-2

O/B. 20  
C. 85  
R. 4-4

O/B. 70  
C. 190  
R. 2-7

O/B. 174  
C. 525

O/B. 70  
C. 190

O/B. 90  
C. 275

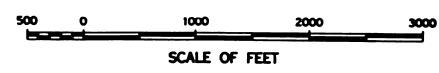
SOUTH FIELD

June '67

**Legend**

O/B 70  
C. 190  
R. 2-7

Overburden 70 Million Cu. Yds.  
Coal 190 " Tons  
Ratio:  $\frac{\text{Coal (tons)}}{\text{Overburden (cu. yds.)}}$



# YALLOURN OPEN CUT DEVELOPMENT

DRG. N° P45/21

APPENDIX 'D' DRAWING N° 1