CONTACT
GENERATION VICTORIA
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Yallourn group goes loco

An old SEC locomotive has been restored for use on the Walhalla railway which opens on April 10 for the first time in 50 years

The Yallourn Open Cut Projects Group and Walhalla Goldfields Railway President Andrew Stephens and, inset, the restored locomotive bound for Walhalla.

Generation Victoria has donated an old SEC diesel locomotive to the Walhalla Goldfields Railway Project.

The Fowler locomotive, called Spirit of Yallourn, has been restored by Generation Victoria employees from the Yallourn Open Cut Projects Group.

The group is also converting two coal trucks to replicas of the original Walhalla passenger carriages and these will be donated to the Walhalla project at a later date.

Another group of Generation Victoria workers are also helping with the project by restoring the Thomson River bridge and a number of railway buildings at Walhalla.

Supervisor Elliot Batchelor said employees had been working steadily for the past three months to clean, regauge and paint the locomotive and begin building the carriages.

Various tradesmen, truck drivers and trades assistants have been working on the project using a range of skills.

"Everyone has been given the opportunity to learn new skills and some of the trades assistants and truck drivers have shown abilities equal to that of competent tradesmen," said Elliot.

"The blokes are very enthusiastic and the result of their work is fabulous, especially so since we have had no plans to follow and we've had to use a lot of basic hand skills.

"I'm really proud of the effort they've put in to this project, which will put something back into the community and bring a lot of tourists to the area.

"Having part of Yallourn at Walhalla is also important in that it will preserve memories of the inter-connecting railway system for a lot of people."

Walhalla Goldfields Railway President Andrew Stephens said he was extremely appreciative of the generosity shown by Generation Victoria in the past year.

"It is mainly because of the donation of this locomotive that the Walhalla Goldfield Railway will be able to begin limited operations from April 10," said Andrew.

Latrobe Valley Tourism Director Shirley Westerberg said the railway would be a big tourist drawcard for Gippsland.

"The potential for the railway to generate tourism for Gippsland is immense and will only be limited by resources available," said Shirley, who is also the Walhalla Goldfields Railway Commercial Manager.

Plans are already under way to include the railway in a tourist package for interstate and overseas markets.

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Generation Victoria, a State-owned company, was previously the Production Group of the former State Electricity Commission of Victoria.

Editor
Gerald May (35) 3228

Photographer
Jenny Ritchie (35) 2329

Enterprise payment to Yallourn W

Hazelwood and Loy Yang Power remain the only areas yet to have enterprise agreements certified by the AIRC

Yallourn W Power employees will join Morwell Open Cut and Yallourn Open Cut as Generation Victoria workforce groups receiving a 2.5 per cent pay increase under an enterprise bargaining agreement.

The pay increase was approved following a six week assessment period which showed that all agreed work practice and other agreed changes have been implemented.

The 2.5 per cent increase will be back-dated to January 4, the date theYallourn W enterprise agreement was certified in the Australian Industrial Relations Commission.

Employees at Newport, Jeeralang, Loy Yang Mine, Research and Development and the corporate area should be the next to receive the pay rise if assessments, due to begin from March 8, indicate that implementation of change has occurred.

A Technology and Services agreement, the most recent to receive approval, was certified by the AIRC on February 18, joining the growing number of Generation Victoria business units now covered under enterprise bargaining.

Hazelwood Power Station and Loy Yang Power remain the only areas in which agreements have not been certified by the AIRC, although agreement has been reached with unions and documents lodged with the AIRC for Hazelwood and part of Loy Yang A.

Hazelwood's agreement could be certified at a hearing tomorrow, while negotiations continue between Generation Victoria and unions over a number of unresolved issues at Loy Yang Power.

All agreements are for six months duration with stage two enterprise bargaining discussions expected to begin soon.

Bushfire money from employees

Generation Victoria employees have dug deep to help victims of the New South Wales bushfires

Generation Victoria will donate at least $10,000 to the New South Wales Bushfire Appeal.

Just under half the amount was donated by employees through a payroll deduction scheme, with Generation Victoria providing the remainder.

A total of $18 million was donated by the public for distribution to bushfire victims who lost their homes in the bushfires.

Last week the first major payments were made to families who lost uninsured houses.

Around 200 properties were lost with damage estimates ranging between $150 and $200 million.

Reform - and the shape of Generation Victoria

Setting up a structure for competing businesses within the Victorian electricity industry is no simple issue

BEANCOUNTERS' CORNER

BRIAN CLARK
Director Finance

I keep getting asked to comment on why the State Government seems intent on further breaking up the old SECV by carving the present Generation Victoria group into separate businesses based on completely independent power stations (and their supplier mine).

It is a difficult question to answer in the few lines available in this article.

The issues are complex and hard to simplify without running the risk of looking a bit one-eyed (which comes easy to we Collingwood supporters) and just confusing the issue even more. Let me have a go anyway.

It needs to be said that the first stage of the electricity industry reform was widely accepted as a good move.

The formal separation of the generation, transmission, and distribution businesses into fully autonomous groups really only formalised the existing SBU structure and eliminated the SECV Head Office management function. It meant that more of the decision making about generation matters could be directly in the hands of those running the old Production Group.

Despite some local noise in the media, I doubt if many will disagree that this first stage of the SECV split was in the best long term interests of the Latrobe Valley.

We need to understand that the State Government was elected on a policy platform which included the reform of the electricity industry by creating more competition.

In its most basic application to Generation Victoria, this translates to corporatisation and perhaps eventual privatisation of individual power stations, and then letting them slug it out in an open market for selling the wholesale electricity they produce.

This could sound attractive to Hazelwood Power Station, which has been forced to absorb most of the off-loading faced by Generation Victoria over the past nine months.

The idea behind this policy is to have stations competing head to head to supply customers with electricity at the lowest possible price.

Given that everyone concedes there is over-capacity at present in generation, even the legendary "Blind Freddie" would not be surprised if this forced the selling price down quite savagely as stations fought each other to retain or win market share.

There are, though, a couple of questions you need to ask yourself at this point.

Certainly the customer might benefit in the short-term, but how long could stations afford to keep cutting each others throats by selling at prices way below the price needed to cover costs?

One answer is that the stations would be forced to cut their costs and become more efficient if they wanted to survive. However, as we all know, generation is a very capital intensive business, with much of the money spent at the start in building and financing the construction of the station.

We might wish that Loy Yang had not cost as much to build, but there is not much we can do about it now. Make no mistake, if we ever want to see another station built in the Valley, it will need to be far cheaper than the Loy Yang experience.

I digress, the other thing to remember when considering costs is the amount of progress we have made in the past four years in getting rid of a lot of the "fat" in the place.

We are still far from perfect, but the "easy" cost cutting is behind us and Enterprise Bargaining should help in getting rid of the remaining unnecessary costs that outsiders still use to criticise our performance.

You need to ask yourself also whether some of our power stations would survive on their own in an open market likely to be in an over-supplied position till after the year 2000.

Your views on these sorts of questions depends a bit on where you think the level of competition will occur.

If it is at a National level, then NSW's Pacific Power, in its present form, would be able to use its immense surplus capacity to send a number of relatively small independent stations in Victoria to the wall, even if they happen to be cost-effective in their operation.

On the other hand, with competition confined to the Victorian market, the concept of independent stations could produce some price uncertainty, bringing with it the possibility of price reductions, though whether it would reduce industry costs is a more difficult question to be sure about.

I will further expand on the issues underlying this debate, which directly impacts on all of us, in subsequent articles.

Visit by Governor

Governor Richard McGarvie and Mrs McGarvie pay their first Vice-Regal visit to Latrobe Valley

Governor McGarvie meets Dredger Driver Geoff Hanson during his tour of Loy Yang Mine.

The visit last week of Victoria's Governor Richard McGarvie, and Mrs McGarvie, proved an eye-opener for the Vice-Regal party, and a pleasant occasion for the Generation Victoria personnel and community leaders involved in the visit.

After taking a close-up look at Loy Yang A power station and mine - including an inspection of an operating dredger - the party enjoyed lunch with municipal leaders at the Visitors' Reception Centre before spending a short time at Yallourn Mine.

At Yallourn, both Governor McGarvie and Mrs McGarvie met and congratulated the team responsible for restoration of a diesel locomotive donated by Generation Victoria to Walhalla Goldfields Railway.

Reunion flavor at CGM tribute

Community leaders join Latrobe Valley power industry personalities to mark the retirement of SECV Chief General Manager George Bates

Pearce Bowman presents George Bates with a valued memento - a wall clock made from a pressure gauge salvaged from the old Yallourn power station.

In a function attended by more than 200 well-wishers, tributes were paid to the guest of honor for his contribution to the industry, the Latrobe Valley and the State in a career which spanned 43 years.

Hosted by Generation Victoria, the social evening was conducted in Kernot Hall, one of the key Yallourn facilities replaced in Latrobe Valley towns under the Yallourn Resettlement Program managed by George in the late 1970s and early 1980s.

Describing the tribute as an event "to mark the end of an era", Generation Victoria Chief Executive Officer Pearce Bowman said George Bates had devoted his entire professional life to an industry which was "the most significant driver of business prosperity in the State".

Pearce touched on several highlights including:

- A period as Area Administration Manager at a time of industrial unrest;
- testing development issues and close community involvement,
- "revival" of Loy Yang A construction when the project was in serious financial difficulty and well behind schedule,
- management of the removal of Yallourn township and the resettlement of thousands of the town's residents, including replacement of much of the housing stock and of the town's major community facilities, and
- his involvement in planning and implementation of the SEC restructuring process begun in the late 1980s to position the SEC for life under National Electricity Grid competition.

Pearce described the transformation of the SEC and its performance improvement under George Bates' leadership during the past few years as "one of Australia's great business success stories".

The Mayor of Morwell, Cr Jack Vinall, commented on community aspects of George Bates contribution to the Latrobe Valley over the years, pointing out that he had been a prime mover and keen supporter in many of the most significant local community developments in the past 25 years.

- George Bates will retain links with the industry through involvement at Board level with Generation Victoria and National Electricity.

Researchers find future for brown coal

Brown coal could get a new lease of life from technology being developed at the Herman Research Laboratory

A team of researchers at the Herman Research Laboratory in Mulgrave is on the verge of proving a new technology which could see brown coal power generation rival both black coal and gas.

The technology, Integrated Drying Gasification Combined Cycle or IDGCC, is good news for the Latrobe Valley according to Manager Strategic Research, Terry Johnson.

"We expect our technology to make brown coal more environmentally friendly and significantly cheaper than both black coal and gas generation at current prices," said Terry.

"That's going to make a big difference to the way in which people view brown coal generation in future."

A unique process which dries brown coal and turns it into a combustible coal gas for use in gas fired turbines, IDGCC is made even more efficient by using the heat generated from the gasification to dry the coal, and by using the gas turbine exhaust heat to generate steam.

The problem with burning brown coal has always been its high water content and the need for large boilers. By using IDGCC technology, smaller and more efficient brown coal stations can be built.

On a "greenfield" site, these stations produce electricity which is about 30 per cent cheaper, and they emit 25 per cent less CO2 than conventional stations.

Manager, Research and Development Graeme Pleasance: "For a 1000 megawatt power station, we would expect an operating cost saving of up to $150 million a year. So, we're talking about billions of dollars in savings if IDGCC becomes a commercial reality.

"Add to that its application to low rank coals in Asia and the rest of the world and the financial and environmental benefits of the investment are enormous."

The technology has been four years in the making, at a cost of $25 million.

Current plans are to progress the IDGCC technology further by building a 10 megawatt scale proving plant in the Latrobe Valley at a cost of about $100 million.

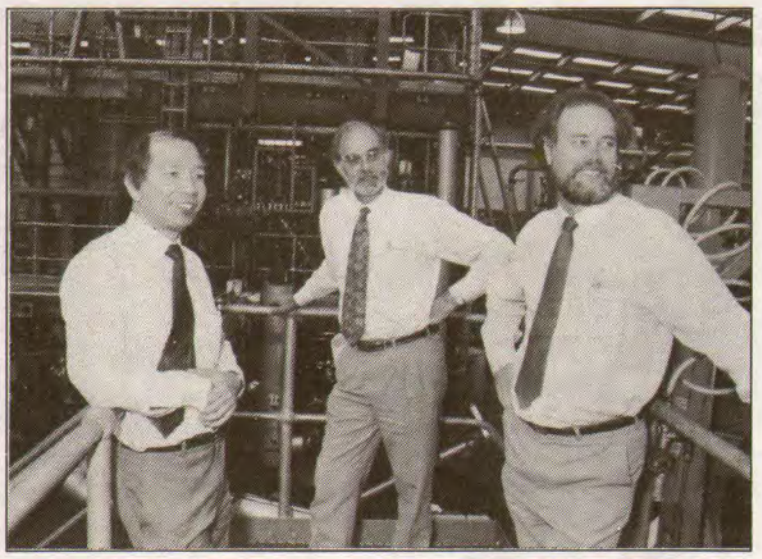
"There are still a lot of issues and approvals that need to be worked through with regard to financing the project," said Graeme.

"But it's encouraging to have the support of people like Pearce Bowman and the Latrobe Valley community. We remain hopeful that we'll have the go ahead soon to start work on the proving plant.

"The success of the whole project has relied on the skills and dedication of the people involved.

"I think everyone can feel proud to be a part of getting this technology to where it is today. It's been a pretty hard slog and not without it's setbacks."

If all goes well, a demonstration plant of up to 300 MW costing around $900 million will be built by the turn of the century, with the technology available for commercial operation by 2005.



From left, Dan Huynh, Terry Johnson and Bernie Anderson from the Herman Research Laboratory near the coal gasification unit which could provide a bright future for brown coal.

Safety push by Loy Yang Power

Loy Yang Power is raising the profile of key health and safety issues

Loy Yang Power has been using shock treatment to encourage its employees to drive safely.

A car wreck, the result of a fatal collision with a log truck near Rosedale last year, has been on display in front of the Loy Yang Control centre Building for the past few months to make employees aware of the dangers on the road.

The mangled vehicle has had quite an impact according to Loy Yang Safety Adviser Val Heil.

"People are taking a lot of notice and they have been driving very slowly in that area".

The car display was the feature of a family safety promotion which included presentations to about 300 Loy Yang Power employees by Senior Sergeant Harry VerBaken from the Traffic Operations Group.

The promotion is part of a safety push by the Loy Yang Power Health and Safety Committee to focus on a new issue every three months. The next promotion will be eye awareness and will feature a 10 metre by seven metre pair of safety glasses.

Safe visit by professor

A world leader in community safety promotion visited Latrobe Valley industrial sites last month

Professor Leif Svanstrom from Sweden was guest speaker at the Fifth National Injury Prevention Seminar held at the Generation Victoria Visitors' Centre.

Professor Svanstrom is the Head of a Department of Social Medicine at the Karolinska Institute in Sweden. This organisation is the World Health Organisation's Collaborating Centre on Community Safety which has promoted the community safety movement world-wide.

Professor Svanstrom travels widely to encourage the development of "safe communities". These are communities which introduce safety programs for homes, workplaces, schools, recreational activities and on the roads.

Research has shown that ongoing community programs reduce the number of serious injuries and the associated personal suffering and cost to the community.

Dr Andrew Lark, Generation Victoria's Principal Consultant, Occupational Health, said the Latrobe Valley would be awarded the status of a "safe community" by the World Health Organisation if a successful community-wide program was implemented.

Professor Leif Svanstrom, left, with Generation Victoria's John Guy, who is Chairman of the Latrobe Valley Better Health Project.

Andrew said the seminar and Professor Svanstrom's visit had raised awareness of health and safety in the Latrobe Valley.

Magic million mark for mine

Loy Yang Mine continues to increase production from its overburden system

Loy Yang Mine's overburden system has for the first time in the mine's history dug one million cubic metres of material in a month.

The previous monthly record of 953,000 cubic metres of material removed was set in July, 1993.

Loy Yang Mine Manager Graeme Freshwater attributed the success to a combination of factors.

"We now have improved planning and operation along with improved maintenance following the outsourcing of the maintenance function," said Graeme.

"There is more focus on production throughout the group and I expect further improvement to stem from the enterprise agreement signed in January."

Graeme said the one million cubic metres mark was an important milestone for the mine, setting the scene for achieving the million-plus standard the mine should be aiming for.

"This shows that when we get a full month's production we should be getting one million cubic metres out of the system," said Graeme.

"I hope this is the first of many months in which we will break the million mark."

He said the overburden system was capable of recording consistently high levels of production, and while the OB target for 1993/94 is nine million cubic metres, Graeme believes 13 million is achievable in the future.

"The system has enormous capability and if we reach our target for operating time and multiply that by the guaranteed digging rate, then we should be able to reach at least 12 million."

Graeme said the Loy Yang overburden system had come a long way in a short time.

Five years ago the system managed only 2.4 million cubic metres for a whole year; increased the level to eight million last year and will reach nine million this year.

"It is a tremendous improvement but obviously in the past there was a lot of fat in the system," said Graeme.

A barbeque to recognise the achievement was held at Traralgon with 150 people attending.

Loy Yang Mine's record breaking Dredger 16

AIRC to address public holidays

The Full Bench of the Australian Industrial Relations Commission has decided to address the future of public holidays, possibly in a national context.

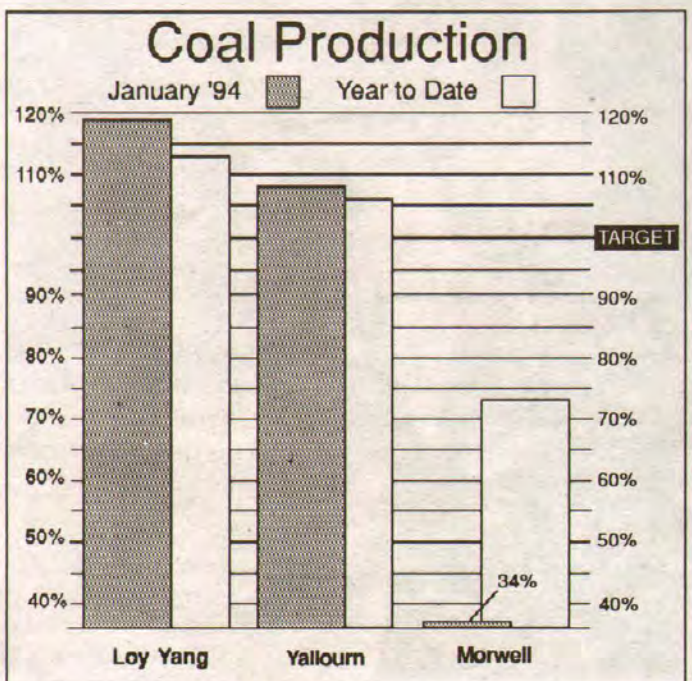
The Bench will reconvene on 17 March to program proceedings.

No interim award variations will occur, which means no change is likely to occur to Easter public holidays.

On this basis, the following information has been supplied on SDOs and public holidays for Generation Victoria employees between April and August.

Public holidays: April - 1, 4, 5, 25; June - 13.

Special Days Off: April - 6, 18; May - 2, 16, 30; June - 14, 27; July - 11, 25; August - 8, 22.



Yallourn Mine's coal supply to Yallourn W continued at 100 per cent for the 16th consecutive month. Low coal production from Morwell reflected demand from Hazelwood. At Loy Yang boiler fouling, caused by high sodium coal, has had a drastic effect on boiler performance and units will have to come off line this month for cleaning.

LYB precips close roads

Large precipitator modules will soon be transported to Loy Yang B Power Station

Roads around Loy Yang B will be closed intermittently over the next two months as 12 large precipitator modules are transported to the site.

The eastern end of Barton's Lane from the Loy Yang B gatehouse, including Boundary Rd to Minniedale Rd, will be closed on 13 different occasions (the first trip will be a trial) from mid March to the end of May.

The 360 tonne modules, pictured, are being moved from the nearby Loy Yang B construction storage yard on the back of large trailers, pulled by three prime movers.

During these times, Traralgon Creek Rd will be the only access to Barton's Lane, Loy Yang Mine, Loy Yang Power and Loy Yang B. For more information contact Richard Northover, phone Loy Yang B Project ext 6675.

power lines

THE SECV golf championships will continue this year under a revised name and format.

The Power Industry Golf Championships will be open to all Generation Victoria employees and employees of those companies allied to the power industry and affiliated with the Generation Victoria Social League.

Affiliated companies to date are Energy Brix, Mission Energy, Skilled Engineering and Fisher Stewart.

The 1994 Power Industry Golf Championship agenda is:

17 April - Latrobe Valley Four-ball Championships, Yallourn Golf Club. Entry forms are now available.

25 to 27 November - State and Latrobe Valley Singles 36 Hole Championships, Yallourn Golf Club.

For more information contact Ken Flanigan, phone 27-6792 or Ivan Harris, phone 34-4583.

Big power bill

AUSTRALIA'S electricity bill has passed the $12 billion mark for the first time.

The Electricity Supply Association of Australia has reported that the nation's outlays on electricity rose 3.7 per cent in the last financial year to $12,108 million.

New South Wales, Victoria and Queensland consume most of Australia's electricity - in 1992-93 NSW customers used 47,191 million kWh, Victorians used 31,659 million kWh and Queensland customers consumed 23,919 million kWh.

The largest increase in demand was in Queensland - up 4.4 per cent - followed by NSW (3.8 per cent) and Victoria (2.8 per cent).

Only Tasmania recorded a fall in electricity demand - down 0.3 per cent after a 2.1 per cent fall the previous year.

Cricket delayed

THE annual Lightning Cricket Premiership has been deferred until later in the year.

Organisers have had difficulty gaining the minimum number of teams from within Generation Victoria.

It has been decided to defer the event until October or November when the situation within the power industry may be clearer. It is likely contractor teams will be invited to take part.

The lightning cricket tournament, which has been running since 1970, has always been a popular event.

The highlight was in 1988 when a record 42 teams entered, more than double the normal entry. Last year only eight teams entered.