

EP Mineral & Energy Resources Community Development Taskforce

Venue: Port Lincoln Hotel
Commencement Time 10.04am

Present:

Rob Kerin	Chair
Geoff Dodd	Coordinator
Tony Irvine	EO, Eyre Peninsula Local Government Association
Rebecca Knol	CEO, South Australian Chamber of Mines and Energy
Trevor Smith	CEO, District Council of Tumby Bay
Eleanor Scholz	Mayor, Wudinna District Council
Phil de Coursey	CEO, RESA
Karen Hollamby	Regions SA, PIRSA [proxy for Minister Brock]
Bryan Trigg	Chair, RDAWEP
Dion Dorward	CEO and DRD Regional Development, RDAWEP
Alexandra Blood	Executive Director, Mineral Resources, DPC
Diana Laube	Presiding Member, EPNRM Board

Invited Guests:

Brad Flaherty	BNJ Consulting
Myriam Hyde	Adviser and Communications, Office of Peter Treloar MP
Joe Mastrangelo	Director Infrastructure & Investment, Department of Premier and Cabinet
Terry Burgess	Chair, Central Eyre Iron Project Taskforce Steering Group
Terry Visser	Senior Project Adviser, Statoil Australia
Dwayne Povey	Chief Geologist, Lincoln Minerals
Peter Scott	Economic Development Manager, RDAWEP
Aina Danis	Executive Assistant, RDAWEP [minute taker]
Jonathan Clark	Regional Director, EPNRM Board
Tim Coote	Regional Manager, Department of State Development

Apologies: Stephen Smith, Dan van Holst Pellekaan, Melissa Muller, Daniel Woodyatt, Larry Ingle, Tim Scholz, Peter Treloar, Sam Telfer, Eddie Hughes

1.0 MEETING OPENING:

1.1 Welcome/Apologies

Chair Rob Kerin welcomed members and guests to the meeting and explained the procedure for the day's business.

2.0 DISCLOSURE OF CONFLICTS OF INTEREST:

None tabled.

3.0 CONFIRMATION OF MINUTES:

3.1 9th meeting: 29 August 2017

RECOMMENDATION:

Moved: T Smith **Seconded:** R Knol

That the minutes pertaining to the meeting of the EP Mineral & Energy Resources Community Development Taskforce held on 29 August 2017 be accepted as a true and correct record of that meeting.
CARRIED

4.0 PRESENTATIONS

4.1 Peter Scott, Economic Development Manager, RDAWEP – Green Hydrogen and Ammonia Demonstrator for Port Lincoln

Peter outlined the process associated with the development of hydrogen energy, benefits and future prospects of this source of energy:

- › Explanation of companies involved, being The Hydrogen Utility [H2U]; thyssenkrupp; and the State Government.
- › Worldwide hydrogen production: renewable energy + fossil fuels:
 - grid stabilisation;
 - stationary fuel cells;
 - direct hydrogen gas injection;
 - chemical industry;
 - heavy industry; and
 - hydrogen powered net zero emission vehicles.
- › Polymer Electrolyte Membrane [PEM]
- › Chlor Alalik Process: Brine to Chlorine gas, caustic soda, hydrogen then to hydrochloric acid and sodium hypochlorite.
- › PEM electrolysis for hydrogen production.
- › Map of proposed Port Lincoln site.
- › Renewable hydrogen for export funding round.
- › Aesthetics of the Port Lincoln site.
- › Techno-economic assessment.
- › 4 ways to make money:
 - fertiliser;
 - explosives;
 - refuel vehicles; and
 - export hydrogen as ammonia.
- › Hydrogen refuelling station:
 - liquid hydrogen transportation by ship.
- › Membrane to fill gap in hydrogen export market.
- › Recent announcements regarding production of hydrogen:
 - Shell and ITM Power to construct world's largest hydrogen electrolysis plant in Germany.
 - AkzoNobel unveils plans to build Europe's largest green hydrogen plant.
 - Voestalpine and its partners get green light to build world's largest industrial hydrogen pilot plant in Linz, Austria.
 - Third China International Hydrogen and Fuel Cell Conference and Exhibition.
 - Hydrogen city to be built in central China.
 - South Korea announced commitment for 26000 hydrogen buses.
 - iLint: the world's first hydrogen-powered train.
 - Hydrogen Park SA establishing at Tonsley.
 - Crystal Brook Energy Park.
- › Port Lincoln has been put on the map regarding establishment of the hydrogen energy demonstrator via several media outlets and energy publications.
- › Fuel cell electric vehicle operating principles.
- › Hyundai will manufacture revolutionary fuel cell electric vehicles in the future – implications/impacts.
- › Farm machinery – options.
- › Use of hydrogen energy across the Eyre Peninsula.
- › Next phase of the project will be the development of the business case followed by construction.
- › SA Water has committed to supplying the required amount of water.
- › Hydrogen Utility is the name of the company working with RDAWEP following initial contact by the company.
- › Timeframe – 2-5 years pending demonstration of viability by the business case.

4.2 Larry Ingle, General Manager/Tim Scholz, Principle Advisory Stakeholder Engagement, Iron Road Limited – Central Eyre Iron Project/Deep Sea Port

Late withdrawal.

4.3 Terry Burgess, Chair, Central Eyre Iron Project [CEIP] Task Force Steering Group

Terry Burgess indicated that a new State Liberal Government was elected on 17 March and the presentation is provided on the basis of “business as usual” approach pending machinery of government changes.

- › Explanation of the operations of Iron Road Limited.
- › Benefits of associated infrastructure developments.
- › Iron Road project – top benefits.

- › General consensus of the public is that they are not sure that the project will come to fruition.
- › \$150m spent to date on the project.
- › CEIP Task Force – need an all of government approach to the initiative, taking into account every aspect such as the agriculture industry and energy and water.
- › Purpose of the CEIP Task Force is to get all government agencies together that are working on the project.
- › Cross agency task force to work with Iron Road to capture economic opportunities from a complex high value project.
- › Consider issues benefitting from further cross-government approach or requiring a whole of government policy response.
- › Reporting to the Minister.
- › Steering committee members.
- › Working group government agencies: DPC, PIRSA, DEWNR, DPTI, DSD, IASA, EPA, SA Water.
- › Consultation with key stake holders, eg Councils, RDAWEP, etc.
- › Site map – importance of infrastructure, rail, port at Cape Hardy, etc.
- › Competition is not an issue rather the need to implement actions as soon as possible.
- › Infrastructure Australia has listed CEIP as a priority.
- › Project overview.
- › Project key milestones.
- › Potential economic development opportunities: key priority areas identified by the CEIP Task Force
 - local industry participation program;
 - workforce and skills development in regional businesses;
 - TAFE – training scale and scope;
 - increased water supply – mine desalination infrastructure and distribution;
 - grain export facilities – Cape Hardy;
 - residential development for population growth and industrial planning and development (Cape Hardy);
 - Wudinna airstrip upgrade – tourism operators and trade exports;
 - Native Vegetation Offset – leverage opportunities local involvement; and
 - improved telecommunications infrastructure.
- › Justification of a port at Cape Hardy, eg additional exports and meeting criteria for potential investment.
- › Ensure preparation is fully undertaken for the project, ie shovel ready in every aspect.

Presentation to be undertaken at the EPLGA meeting in June to ensure Councils initiate/motivate forward planning along with information on the progression of the project.

Tony Irvine raised that the Joint Planning Board would be of benefit to Councils in situations such as this.

Dion Dorward spoke on the grain transport savings for farmers associated with the development of a port at Cape Hardy. Actual figures to be forwarded to the CEIP Task Force.

Terry Burgess spoke on the effect of the development of a deep sea port at Cape Hardy following the announcement of the Lucky Bay barge system. Uncertainty of commencement of Iron Road project can cause confusion for the farmer, so there is a need to progress the initiative in the near future.

4.4 Dwayne Povey, Chief Geologist, Lincoln Minerals:

- › Currently based in Port Lincoln.
- › Organisational changes – Managing Director Dr John Parker no longer with Lincoln Minerals, with the new Managing Director to be appointed.
- › Additional funds of \$9.6m approved by the Board however only half the required amount has been raised.
- › At present there is considerable financial pressure on the company and therefore the project cannot progress.
- › New CFO is Mr Kee Saw, and the previous CFO is now the Company Secretary.
- › Offices have been consolidated, with the Adelaide now closed.
- › Lincoln Minerals submitted a draft program for environment protection and rehabilitation (PEPR) to the DPC on 29 September 2017 and a request received for additional information to complete the studies.
- › Other approvals being progressed:
 - Preliminary design will be submitted to DPTI in the near future.
 - Road maintenance agreements with DCTP.
 - EPA licence.
- › Current economic conditions are a challenge for the company in securing funding, which will cause a delay with the PEPR submission.
- › Lincoln Minerals will provide updates as its funding position becomes clearer.

- › Working towards the company being in better financial shape and positioning it for greater prosperity and growth.
- › Community consultation with key stakeholders has been undertaken during March to obtain feedback while pausing the project.

4.5 Terry Visser, Senior Project Adviser, Statoil Australia:

- › Continuing to work closely with NOPSEMA.
- › Next phase will be consultation.
- › Financially Statoil is a very transparent company.
- › Future meetings will be scheduled with Minerals and Energy, DPTI, etc.
- › Expected start date of drilling has now changed to late 2019.
- › Hoping for support from the incoming government.

5.0 REPORTS

5.1 Chairman

No report tabled.

5.2 Members

No reports tabled.

Phil de Courcey, CEO, RESA:

- › Currently holding sessions on the METS Ignited Project Funds Round 2 for businesses in Port Lincoln, Whyalla and Port Augusta, with Ceduna participating as part of the supply chain development.

5.3 LGA of SA

No report tabled.

5.4 Department of State Development [Alexandra Blood]

No report tabled.

Alexandra Blood, Executive Director, Mineral Resources, DSD:

- › 100 day plan before and during the election.
- › Petroleum – the new government is progressing with fracking moratorium in the south-east as per election commitments.
- › Mining Act Review.
- › Accelerating financial support.
- › Restructure of the departments since the change of government, including incorporation of industry, export, etc.
- › The Department of Treasury and Finance to include an industry investment department.
- › No official notification of exact changes received at this stage.
- › Business as usual with current activities.
- › Royalties for regions included in the plan.

5.5 South Australian Chamber of Mines and Energy [Rebecca Knol]

- › SACOME's main focus has been the lead up to the State Election.
- › 4 clear policy directions
 1. State Economic Development;
 2. Energy;
 3. Infrastructure; and
 4. Legislation and Regulation.
- › 12 election priorities – lobbied hard with 9 supported by the Liberal Government [moratoria was one exception].
- › A priority is to better understand moratoria, eg implementation in the south east of the State.
- › Moratoria is a legitimate tool used by regulators and the government as a pause.
- › SACOME does not object to fact based moratoria, but rejects moratoria imposed as a result of public perception of a project.
- › The Liberal Government proposed a moratoria on fracking in the south-east 16-17 months ago [November 2016]. The recent Northern Territory Fracking Inquiry, dismissed many of the arguments provided by "Lock the Gate" misinformation.

- › More information on the table required in relation to the decision to propose moratoria on a method of extraction.
- › SACOME was successful in obtaining tripartite support from Labour, Liberal and SA Best on the duplication of the Joy Baluch Bridge.
- › The need for a deep sea port has received support and will fall under the new governments top 10 priorities regarding projects.
- › SACOME currently lobbying for consideration of capping of royalties to prevent what happened in Western Australia. A comprehensive report on the negative impacts related to non-capping is available.
- › Lobbying for reintroduction of Mining Act review.
- › Transmission infrastructure – parts of Eyre Peninsula and north of the State are supported by all parties.
- › Junior Mining Explorations Incentive has recently replaced the Exploration Development Incentive [EDI] that commenced 10 years ago.
- › Steel tariffs – implication for companies.
- › SACOME is hosting an upcoming an Energy Storage Conference, with dynamic speaker, Audrey Zibelman, CEO Australian Energy Market Operator, on the breakfast program.
- › Annual Gala on 30 May.

Members discussed the subject of moratoria, raising the following key issues:

- › Lack of analysis of the process.
- › From industry perspective, eg hydraulic fracture and associated policies.
- › Difficulty to combat because of the way issues have been put across.
- › Both agriculture and mining industries have been affected.
- › Reports are being developed once a moratoria has been put in place.
- › Need to address the issue of avoiding the implantation of moratoria.
- › Vandalisation of social media is a key factor.
- › Social licence.
- › At present moratoria is just a policy that can be changed however there is a strong push to have it legislated.
- › Moratoria has significant impact on local investment.

Rebecca Knol suggested the Taskforce invite Glenn Toogood, Regional Manager-South East, Beach Energy Limited to speak at a future meeting.

Meeting adjourned for lunch at 12.07pm and reconvened at 12.48pm.

Tim Coote joined the meeting and Peter Scott, Brad Flaherty, Terry Visser, Dwayne Povey did not return to the meeting.

6.0 GENERAL BUSINESS

6.1 Report on LG Questionnaire

Tony Irvine provided an overview of the outcome of the questionnaire, highlighting the fact that a Joint Planning Board [JPB] would greatly assist Councils in these circumstances, as it is essential that plans are developed, which is difficult for small Councils as they do not have the resources to do so. Plans should include social aspect, financial impact and population growth.

Tony Irvine informed members that the JPB pilot is in the business case phase, followed by reporting back to Councils for a final decision.

Geoff Dodd spoke on the results of the questionnaire, including the associated recommendation to the EPLGA.

Bryan Trigg raised the issue of some Council CEOs answering the questionnaire without consulting with the Elected Members.

Bring the new government up to speed accordingly.

Terry Burgess suggested that the group be formed with specifications that are focussed on the region and not just a joint planning board.

Rob Kerin and Terry Burgess stated that they are prepared to provide a presentation to all Mayors, Chairperson and CEOs of member Councils prior to the June Board meeting of the EPLGA.

Bryan Trigg read out a media release by Iron Road Limited announcing an additional investment by Sentient of \$1m.

The EP Mineral & Energy Resources Community Development Taskforce resolved that the investigation, design and development and sustainability of a Special Economic Zone encompassing the Eyre Peninsula region be pursued by the Eyre Peninsula Local Government Association, and that a report on the outcomes of the investigation be forwarded to the Taskforce.

6.2 Taskforce Work Plan as at March 2018

As tabled.

6.3 Taskforce Member Contact Details

As tabled.

7.0 CORRESPONDENCE

- 7.1 Trevor Smith, CEO, DC Tumby Bay: Geoff Dodd, Taskforce Coordinator: Request for a letter of support for the application for funding towards the Agricultural and Mining Industrial Land project.
- 7.2 Geoff Dodd, Taskforce Coordinator: Trevor Smith, CEO, DC Tumby Bay: Letter of support for the application by the DC Tumby Bay for funding towards the Agricultural and Mining Industrial Land project.
- 7.3 ElectraNet: Excerpt from the Executive Summary pertaining to the most economic long-term electricity supply solution for the Eyre Peninsula, seeking feedback on the Project Assessment Draft Report [PADR].
- 7.4 Geoff Dodd, Taskforce Coordinator: Consultation@electranet.com.au: Submission in regard to the ElectraNet Eyre Peninsula Electricity Supply Options PADR.
- 7.5 Geoff Dodd for Rob Kerin, Chair, EP Mineral & Energy Resources Community Development Taskforce: Hon John Rau, Minister for Planning: Letter of support for the submission by the Wudinna DC regarding the Wudinna Industry Zone – Statement of Intent.
- 7.6 Alan McGuire, CEO, Wudinna DC: Hon John Rau, Minister for Planning: Request for agreement to progress the Statement of Intent pursuant to Section 25(1) of the Development Act 1993 adopted by Council on 4 December 2017. A copy of the associated report on the Wudinna Industrial Zone by the CEO was included in the correspondence to the Minister.
- 7.7 Media Releases: Eyre Peninsula Cooperative Bulk Handling and Iron Road Limited: Announcement of the signing of the Memorandum of Understanding between the 2 companies to work together to advance the development of a new grain handling business with export facilities at Cape Hardy.

Dion Dorward reported that EP Rail Transport Studies are underway with completion expected during April 2018. The studies will have a significant impact on investment in the region.

Bryan Trigg informed members that ElectraNet activities have been beneficial for the east coast of Eyre Peninsula at this stage and SA Power Networks does not have the capacity to provide the required supply of electricity.

8.0 NEXT MEETING/CLOSE OF MEETING

To be advised.

Meeting closed at 2.18pm.