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
	Jeanine Carruthers	Deputy CEO, RESA
	Karen Hollamby	Regions SA, PIRSA [proxy for Minister Brock]
	Bryan Trigg	Chair, RDAWEP
	Dion Dorward	CEO, RDAWEP
	Alexandra Blood	Executive Director, Mineral Resources, DPC
	Diana Laube	Presiding Member, EPNRM Board
Invited Guests:	Brad Flaherty	BNJ Consulting
	Daniel Woodyatt	Director, Resource Land Access Strategy, DSD
	Geoff Rayson	Regions SA, PIRSA
	David Christensen	Managing Director, Renascor Resources
	Geoff McConachy	Executive Director, Renascor Resources
	Evelyn Poole	Consultant, Renascor Resources
	Jacques-Etienne Michel	Country Manager, Statoil
	Terry Visser	MultiClient Manager, PGS Pty Ltd
	Geoff Rogers	Technical Director, Enlighten Power Systems
	Peter Scott	Economic Development Manager, RDAWEP
	Aina Danis	Executive Assistant, RDAWEP [minute taker]
	Melinda Maher	Rail Operations Manager Bowmans Intermodal Pty Ltd
	Jonathan Clark	Regional Director, EPNRM Board

Apologies: Bob Ramsay, Stephen Smith, Dan van Holst Pellekaan, Phil de Courcey, Peter Treloar, Don Hogben

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 Eighth meeting: 7 March 2017

Change Mayor Scholz's Council to Wudinna not Elliston.

RECOMMENDATION:
Moved: E Scholz ***Seconded: T Smith***
That the amended minutes pertaining to the meeting of the EP Mineral & Energy Resources Community Development Taskforce held on 7 March 2017 be accepted as a true and correct record of that meeting. ***CARRIED***

4.0 PRESENTATIONS

4.1 Jeanine Carruthers, Stakeholder Engagement Manager, RESA: Resources Ready Online Program

- Number of positions have increased over the years and changed from exploration to operations and management.
- Industry Activity 2016-17.
- Current Status.
- Structured series of workshops and mentoring.
- Track record of facilitation by RESA over 2 programs.
- Heavily subsidised through METS Ignited.
- Phase 1 workshops will be streamed to 2 nodes:
  - Upper Spencer Gulf; and
  - Gladstone and Central Queensland.
- 6 x themed full day sessions.
- Mentoring and coaching between sessions.
- Access to resources and online networks.
- Outcomes:
  - develop or refine their resources strategy;
  - strengthened resources industry knowledge;
  - create industry networks; and
  - access mentoring/coaching and consultancy resources.
- RR USG begins 18 October.
- Places for 16 companies.
- Industry contribution of $3,200 [+GST] per company.
- Registrations are open now. http://www.resa.org.au/capability-programs/resources-ready-online/
- National exposure for participating companies.

Phase 2 [if enough interest is shown during Phase 1] encompasses a greater area, such as Port Hedland, Darwin, northern Queensland, Hunter Valley and Newcastle.

4.2 David Christensen, Managing Director/Evelyn Poole, Renascor Resources: Siviour Graphite Deposit Project

Siviour: a Tier-1 Graphite Deposit in South Australia

- Ability to produce a graphite concentrate of high quality and be one of the most competitive mines in the world.
- What makes this deposit unique in the world.
- Project economics.
- High quality graphite product.
- Size: long-life, low-cost.
- Australia: low sovereign risk – Siviour offer graphite supply chain globally competitive graphite within stable political environment.
- Graphite market – high tech growth areas are adding to historical industrial uses:
  - Lithium ion batteries;
  - Fuel cells;
  - Graphene;
  - Expandable graphite;
  - Super capacitors; and
  - Pebble bed reactors.
- China dominates current supply, but market is restricted and unstable:
  - increased domestic demand;
  - supply limitations; and
  - environmental and export restrictions.
- Renascor offers secure supply from Australia:
  - low sovereign risk jurisdiction;
  - established infrastructure; and
  - supportive government.
- Located centrally.
- Optimal location for development and production:
  - favourable jurisdiction;
  - port, road, power; and
  - established workforce.

- Globally competitive project economics – scoping study results:
  - high NPV;
  - low cost of production;
  - fast payback;
  - Siviour's flat laying orientation underpins a low cost of production;
  - OPEX;
  - Siviour has rapidly transitioned from discovery to development;
  - largest graphite deposit in Australia;
  - offers ample scope to expand;
  - initial metallurgical testing has established Siviour as unique in Australia;
  - offering potential to produce concentrates competitive with largest graphite deposits in the world; and
  - with conventional [non-chemical] processing.
- Siviour downstream processing potential:
  - well-positioned to produce premium priced valued added graphite products;
  - ultra high purity;
  - located proximate to modern industrial zones; and
  - downstream testing underway.
- Renascor market information.
- Forward plan and news flow.

4.3 Jacques-Etienne Michel, Country Manager, Statoil: Great Australian Bight Exploratory Drilling Program

- Introduction – Statoil always safe; high value; low carbon.
- Key figures.
- Statoil's exploration goals and portfolio strategy.
- Focus areas.
- Exploring the Asia-Pacific region.
- Large investments in oil and gas are needed:
  - supply and demand factors;
  - gas demand and supply from existing fields; and
  - oil demand and supply from existing fields.
- Opportunities in the energy transition.
- Statoil's planned global exploration programme 2017/2018.
- Statoil in Australia and in the Great Australian Bight.
- 40 years of experience from the harsh and cold North Sea:
  - 6,000 wells;
  - 40 fields; and
  - 60 deep-water wells.
- Building on the history of activity in the GAB.
- Preparing to drill the Stromlo-1 well – a best-case timeline for a success case.
- Progress to date:
  - met with broad range of stakeholders – fisheries, aquaculture, tourism, conservation, Local and State Governments, MPs, Aboriginal groups;
  - over 40 stakeholders met by senior Statoil management;
  - key messages heard, such as
    - ✓ need for transparency;
    - ✓ all risk, no benefit [although some saw potential local benefits];
    - ✓ seismic noise effects;
    - ✓ compensation mechanism [local business continuity during any incident]; and
    - ✓ emergency response plan [relief rig, response time, location of equipment, eg capping stack].
  - most not anti oil and gas exploration.

Terry Visser added that the Department of Industry, Innovation and Science is undertaking a roadshow in early 2018, incorporating information on the pre-release phase, more input from stakeholders, fishing and aquaculture sectors and possible release of more pre-award information and particular sensitivities for these industries.

4.4 Geoff Rogers, Technical Director, Enlighten Power Systems: Alternative Energy Generation Plan - Karpowership

- Introduction/background
- The new dinner party conversation – power supply – monthly average spot energy prices 1/1/16 – 25/6/17.

- Recent history WEP:
  - stranded windfarms developed;
  - Arrium sale;
  - IRD progressing, but short of FID;
  - tourism and retirement development;
  - decentralisation to attractive, self-sufficient regional cities of scale;
  - September 2016; and
  - uncertain status of Port Lincoln power station.
- ElectraNet power supply options – Project Assessment Report.
- Port Lincoln – Eyre Peninsula Power Reliability RIT/T – Karpowership technology:
  - 40-80 MW combined cycle powership;
  - rapid deployment in 120+/- days;
  - LNG gas-fuelled, combined cycle efficiency;
  - minimal cash outlay ahead of generation commencing;
  - negotiable offtake arrangements; and
  - proven solution.
- South Australia-based Key Resources – network map.
- Current SA Power initiatives:
  - SA Government forward power purchase;
  - EOI 250 MW gas fired electricity generating equipment;
  - SAPN 200 MW Temporary Power [gensets];
  - Market player/Ancillary Services; and
  - SACOME consortium forward power purchase.
- South Australian/Victorian power requirements:
  - 250/470 MW = 1 powership; and
  - 1000 MW = 2 powerships.
- Eyre Peninsula power requirements:
  - Whyalla/Arrium – 30 MW;
  - Port Lincoln – 35 MW;
  - other – 2 MW;
  - Iron Road – 500 MW;
  - Oz Mineral – 30 MW; and
  - Statoil/Chevron – 10-100 MW.
- RIT/T Offer.
- How can we help each other [alliance-ing]:
  - increase profile of EP power needs;
  - promote independence of region;
  - take control of energy future;
  - engage with governments, public planners, major investors;
  - support education and technical training with opportunities for local and remote employment; and
  - aggregated purchasing.
- Map of placement of Karpowership.

4.5 Dan Woodyatt, Director Resource Land Access Strategy, DSD: Mining Act Review Status Update

Leading Practice Mining Acts Review:

- Major amendment s of mining acts since 1836 through to 2016
- History from 1850s through to 2017.
- Mining lease applications:
  - 1971 Mining lease application 20-100 pages; and
  - 2017 Mining lease application 2500+ pages, expert reports
- Current stage of the Mining Act Review
  - Discuss – November 2016-January 2017;
  - Engage – March 2017;
  - Decide – June 2017; and
  - Draft approval to draft August 2017.
- Regional public meetings.
- 130+ written submissions of 1,000+ pages [high representation from land owners] – all accessible on the SACOME website.
- Key issues raised in submissions.
- Support for Review – quotes from key public submissions.
- Release of update and “policy directions”.
- Compliance in the regions update.

- Policy Directions – topics x 20.
- Next round of publications due on 4 September 2017. – benefits for all.
- Further ongoing engagement.
- Legislative timelines:
  - changes to be balanced and fair; and
  - reduce any potential adverse risks to community, industry and the environment.
- A new Mining Act: Benefits for All:
  - transparency;
  - faster approval times;
  - better protection of the environment;
  - landowner assistance;
  - protections for farmer;
  - ‘use it or lose it’ – market handover of mineral tenements if not worked;
  - digital by default systems, approval tracking; and
  - repeal of obsolete legislation.
- Benefits for industry:
  - reducing overly prescriptive application requirements;
  - removing a whole tier of tenement needed;
  - making more land available;
  - more flexible Bank Guarantees so bond can reduce as you rehab;
  - better recognition of operators/JV/farm-in partners and their rights;
  - more flexible ‘change to operations’ process;
  - it will be cheaper, safer and easier to do business in South Australia; and
  - better environmental protections.
- Benefits for community/landowners:
  - community members will have better/clearer rights.
- Leading Practice Mining Acts Review:
  - Minerals Minister remains committed to the review;
  - Government has committed to drafting phase;
  - Most comprehensive community consultation on minerals legislation ever undertaken in SA [COAG]; and
  - A unique opportunity in history for SA miners, farmers and the community.

Iron Road Limited chose to submit their application through the Development Act and therefore DSD has an interaction role with the Department of Transport. DSD does not have full control of the associated process, but works effectively with the Department of Transport on the Iron Road’s application.

Aboriginal Heritage Act is a vital component of the Act however it is very complex. Engagement with associated Aboriginal groups and a larger conversation is required. Large forum including the traditional groups, etc, will be undertaken.

Meeting adjourned for lunch at 12.37pm and reconvened at 1.26pm.

5.0 REPORTS

5.1 Chairman

No report tabled.

Chair Rob Kerin spoke on the following issues:

- It would be dismaying if mining companies such as Iron Road Limited sourced their required workforce/support services outside the region and this area needs to be worked on to ensure the community achieves maximum benefits within the area of employment.
- Power grid – pre-planning required by the government on the issue of future economic development. This issue has been raised with the Premier through the Economic Development Board. Disappointment by the government in the lack of foresight in this area.
- Attendance as a representative of the oyster industry at a briefing with Chevron in Perth, which was a useful exercise, spending a day on Barrow Island. Statoil were highly spoken of by Chevron during the session. Chevron have a substantial amount of production people on board, covering areas such as safety, relationship building, environmental, etc. It is impressive what Chevron have achieved in the operation. Chevron will need to continue with consultation and address the issues within the fishing industry, particularly the matter of capping stack.
- Facilitated a meeting between EPLGA, NRM and RDAWEP regarding the Joint Planning Board pilot.

5.2 Members

No reports tabled.

Diana Laube spoke on the effective consultation process undertaken by Chevron.

Eleanor Scholz reported on the consultation session conducted by Iron Road to address any community issues, adding that the consultation phase finishes in September 2017. It was suggested that Iron Road be approached to provide a presentation at the next meeting of the taskforce.

Eleanor Scholz also provided an update stating that Iron Road has included plans for the development of a village adjacent to Wudinna to provide long term accommodation to encourage the workforce to stay in the town.

Jeanine Carruthers encouraged members and the mining companies to support students that undertake the Mining and Civil Engineering skills training program. Members and mining companies to contact Jeanine for further information at any time. Access to qualified training providers is also a problem.

Dion Dorward stated that training courses are an ongoing problem and have been raised with the Training and Skills Commission. Funding is a major concern and a constant bone of contention with government and associated agencies – example given.

5.3 Taskforce Coordinator

Geoff Dodd thanked presenters for taking the time to travel and present at the meeting.

Geoff Dodd briefly expanded on the following items.

5.3.1 Statoil
5.3.2 Mining Act Review – gratuities discussed. Who does it affect – DC Tumby, Cleve, Wudinna and Kimba.
5.3.3 ESCOSA Inquiry – Reliability and Quality of Electricity Supply on the Eyre Peninsula
5.3.4 ElectraNet Consultation Report and Workshop
5.3.5 SA Power Networks' Strategic Planning Workshop
5.3.6 Taskforce Work Plan
5.3.7 Taskforce Work Plan [detailed]
5.3.8 Taskforce Member Contact Details
5.3.9 Taskforce Activities Report 2017
5.3.10 Taskforce Questionnaire to Councils

Points of interest:
- There will be a push with the State Government to assist Councils with their preparedness for future developments in the region.
- Number of meetings per year for the taskforce will be 3.
- Liaison with mining companies, the EPLGA and RDAWEP will be ongoing.
- Members invited to provide input regarding structure of meetings, possible guest speakers, etc.

5.4 LGA of SA

No report tabled.

5.5 Department of State Development [Daniel Woodyatt]

- Changes within the department and portfolio and the focus on energy supply within South Australia.

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

- Group electricity buying
- Update on activities within the mining industry
    - Arrium;
    - Oz Minerals;
    - Olympic Dam;
    - Iron Road; and
    - Iluka Resources.
- Committee structure within SAMCOME.
- Conference towards the end of the year.

Presentation on SACOME's Electricity Buying Group:

- July 2016Wholesale NEM RRP graph.
- Energy in South Australia.
- 22 companies – 267 MW = 16% of the State's power supply.
- Background on the establishment and activities of the Electricity Buying Group.
- Media coverage on the activities of the group.
- Benefits.
- Impacts on companies across all sectors re the recent energy price rise.
- 14 possible tenderers, which has been shortlisted.

Peter Scott provided a presentation on energy based on the findings by ESCOSA.

As presented and attached with the minutes.

6.0 CORRESPONDENCE

None tabled.

7.0 GENERAL BUSINESS

Dion Dorward provided an update on Port Thevenard, which should be operational again early October 2017. Highlighted the importance of provision of infrastructure and investment into the region to be able to introduce new players into the region.

8.0 NEXT MEETING/CLOSE OF MEETING

Meeting closed at 2.45pm.