

Regional Mining and Infrastructure Plans (RMIPs)

Interim report for public comment until 7 June 2013

FAR NORTH REGION



The Regional Mining and Infrastructure project

The Regional Mining and Infrastructure Planning (RMIP) project is being undertaken for three regions of South Australia:

- Yorke and Mid North/ Braemar
- Far North
- Eyre and Western.

Prior to the assessment and prioritisation of potential infrastructure projects to address capacity constraints to mining growth, interim reports have been prepared for community consultation.

This factsheet provides summary information relating to the Regional Mining and Infrastructure Planning project interim report for the **Far North Region**.

The need for Regional Mining and Infrastructure Planning

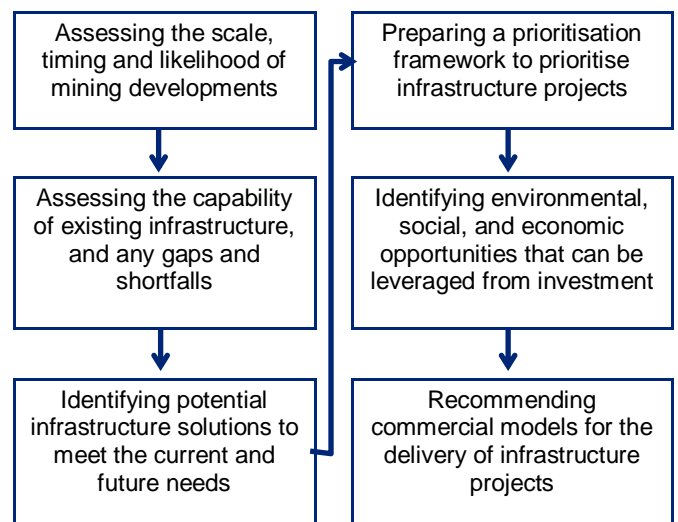
Since 2002, the level of mining activity in the three regions has grown, resulting in an increased number of tonnes of ore transported out of the regions. This growth is expected to continue.

The continued success of the mining industry in these regions is highly dependent on transport, water and power infrastructure. Gaps in infrastructure provision are significant barriers to South Australia's national and international competitiveness.

The RMIP project will support coordinated infrastructure planning across the three regions which is sensitive to potential environmental and social impacts. The RMIP project will identify existing and future infrastructure gaps and nominate priority infrastructure projects.

How the interim reports were prepared

The RMIP project builds on the work of the Resources and Energy Sector Infrastructure Council (RESIC) and its 2011 *Infrastructure Demand Study*, using the following approach.



Who prepared the interim reports?

The interim reports have been prepared by a large team of industry specialists led by Deloitte and SMEC, with support from Regional Development Australia offices of the Far North, Yorke and Mid-North, and Eyre and Western.

The project is funded through the Commonwealth Government's Regional Infrastructure Fund, and led by the South Australian Department of Planning, Transport and Infrastructure.

Mining in the Far North

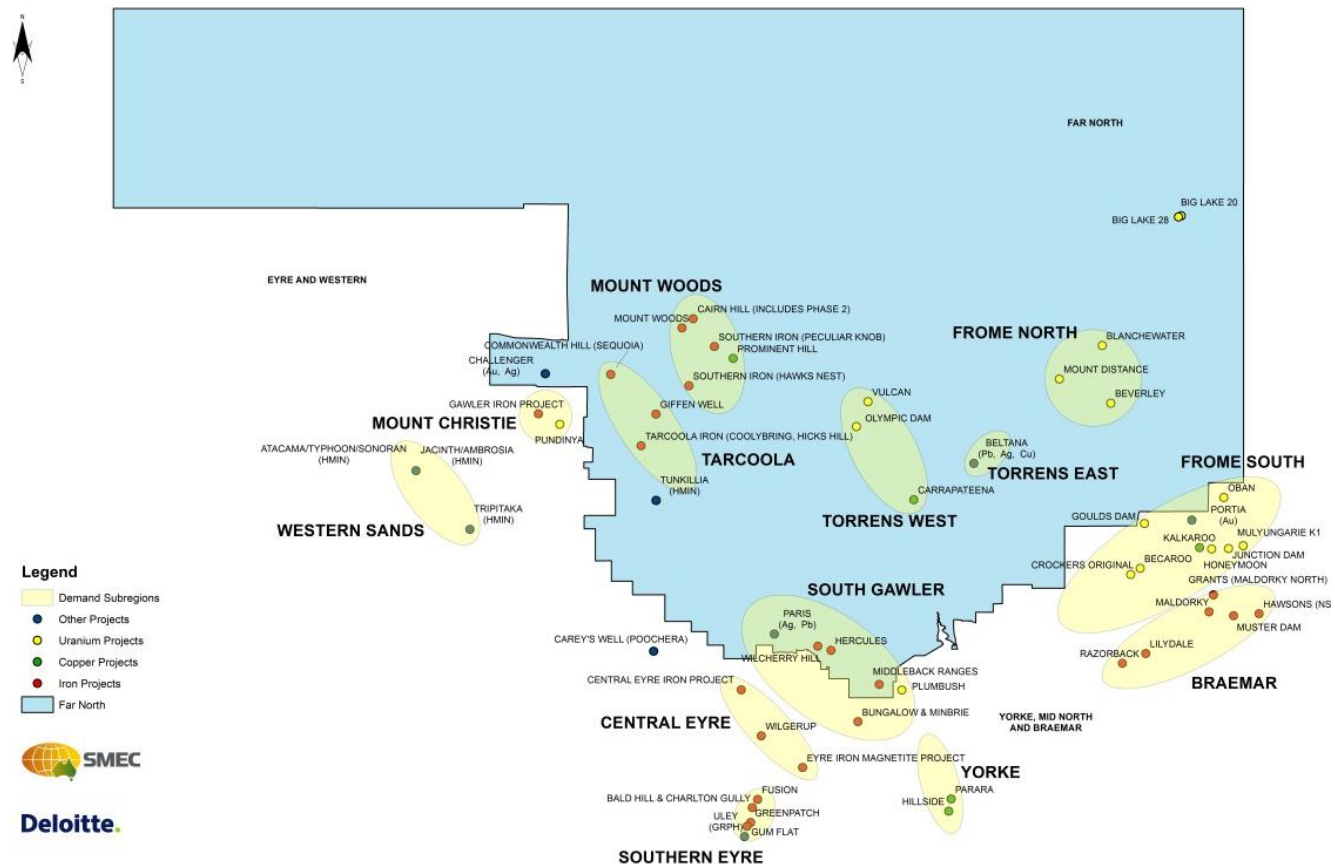
As at April 2013, the Far North had seven major mines, nine developing mines and 13 prospects. Minerals mined in the Far North include iron, copper, gold, silver and uranium oxide. The full report analyses mines, prospects and mineral deposits in detail.

Expected mining in the Far North

The Far North RMIP interim report details low, medium and high growth scenarios with infrastructure demand peaking between 2017 and 2020. Sufficient lead-time will be required to ensure peak demand is met. Refer to the report for details of projected growth and assumptions.

Mining sector expansion in the Far North has the potential to provide significant opportunities for the region's community. The capacity to respond to the challenges of increased population will depend on the level and availability of the local skilled labour force, the proximity and scale of mines, and the capacity of local services and facilities. A key aim is to ensure that, where possible, mining infrastructure also benefits the entire community and other industries.

Far North Region – Mine Clusters



Expected mining infrastructure gaps in the Far North

Seven mining clusters have been developed to identify common infrastructure needs and opportunities to deliver multiple outcomes across a number of mines and prospects. A detailed assessment of infrastructure capacity and condition, and future requirements identified the following key mining infrastructure issues for the next 20 years:

- Lack of bulk commodity export port facilities for the South Gawler sub region mines in the short term and Mount Woods subregion mines in the long term
- Inadequate mine to port bulk transport links connecting Mount Woods subregion
- No existing electricity transmission links to South Gawler mines
- No identified suitable source of water for South Gawler Mines, and
- Lack of adequate electricity transmission to Tarcoola and Mount Woods in the medium to long term.



Condition and capacity of key infrastructure in the Far North by Mine Cluster (10-20 year demand)

● = good, ● = moderate, ● = poor, ○ = not applicable

Mine Cluster	Ports		Rail		Roads		Energy		Water	
	Condition	Capacity	Condition	Capacity	Condition	Capacity	Condition	Capacity	Condition	Capacity
Frome North	●	●	○	○	●	●	●	●	●	●
Mount Christie	●	●	●	●	●	●	●	●	●	●
Mount Woods	●	●	●	●	●	●	●	●	●	●
South Gawler	●	●	●	●	●	●	●	●	●	●
Tarcoola	●	●	●	●	●	●	●	●	●	●
Torrens East	●	●	○	○	●	●	●	●	●	●
Torrens West	●	●	○	○	●	●	●	●	●	●

Potential projects identified for the Far North Region

The following 13 projects have been identified as potential priority projects for the Far North. Refer to the interim report for details of each potential project.

Transport:

PTM1: Northern Eyre Port Link, including rail connection between Port Bonython and Whyalla, partial duplication and upgrade of rail to Wirrida and road upgrades between Port Bonython and the South Gawler Cluster of mines

PTM2: Darwin rail link upgrade, increasing capacity to Darwin Port

Energy:

E1: Tarcoola gas pipeline, linking the Moomba-Adelaide pipeline to the Tarcoola Cluster including links to the Mount Woods, Torrens West and Torrens East Clusters

E2: South Gawler Cluster gas pipeline, linking the Moomba-Adelaide pipeline to the South Gawler Cluster

E3: On-site diesel generation, for selected sites including the Tarcoola, Torrens West, Frome North and South Gawler Clusters

E4: Cultana-South Gawler transmission line, incorporating a 275/132kV substation at Cultana and single circuit 132kV transmission line to South Gawler

E5: Davenport-Mount Woods transmission line, incorporating a new dual circuit 275kV line from Davenport to Mount Woods Cluster

E6: On-site LPG storage, to fuel on-site power generation at the Tarcoola, Torrens West, Frome North and South Gawler Clusters

E7: Renewable generation to support mining load requirement

Water:

W1: Investigation of potential groundwater use, for the all Far North clusters

W2: Groundwater extraction supplemented by on-site desalination where required for mines in the Torrens West cluster

W3: On-coast Desalination plant on the northern Eyre Peninsula with transmission to Torrens West and Mount Woods

W4: Seawater transmission pipeline from the coast, including desalination at sites at mines

It should be noted that these projects are proposals only at this stage. Each project requires further assessment and prioritisation, including the consideration of comments received from public consultation on the interim reports. Some projects may be mutually exclusive.



Stakeholder engagement undertaken to date

In undertaking this work, Deloitte and SMEC have been supported by the three RDAs of Far North, Yorke and Mid North, and Whyalla and Eyre Peninsula to survey and discuss issues and opportunities with a range of groups and organisations. Groups involved in the preparation of the interim reports include mining interests, local government, NRM boards, environmental groups, farming groups, regulators, and the transport and construction industry.

Project prioritisation

The potential projects identified by the RMIPs will be prioritised after public comment on the interim reports. Each project will be assessed for its alignment against the strategic objectives of the government, distilled into five key assessment criteria. Each project will also be assessed against seven deliverability criteria.

Once prioritised, projects will be subject to rigorous economic modelling and social and environmental assessment.

How input will be used

The *prioritisation framework* will be used to prioritise the projects identified. An important part of this prioritisation process will be the consideration of stakeholder comments. For this reason, it is important for us to receive your comments on the interim reports.

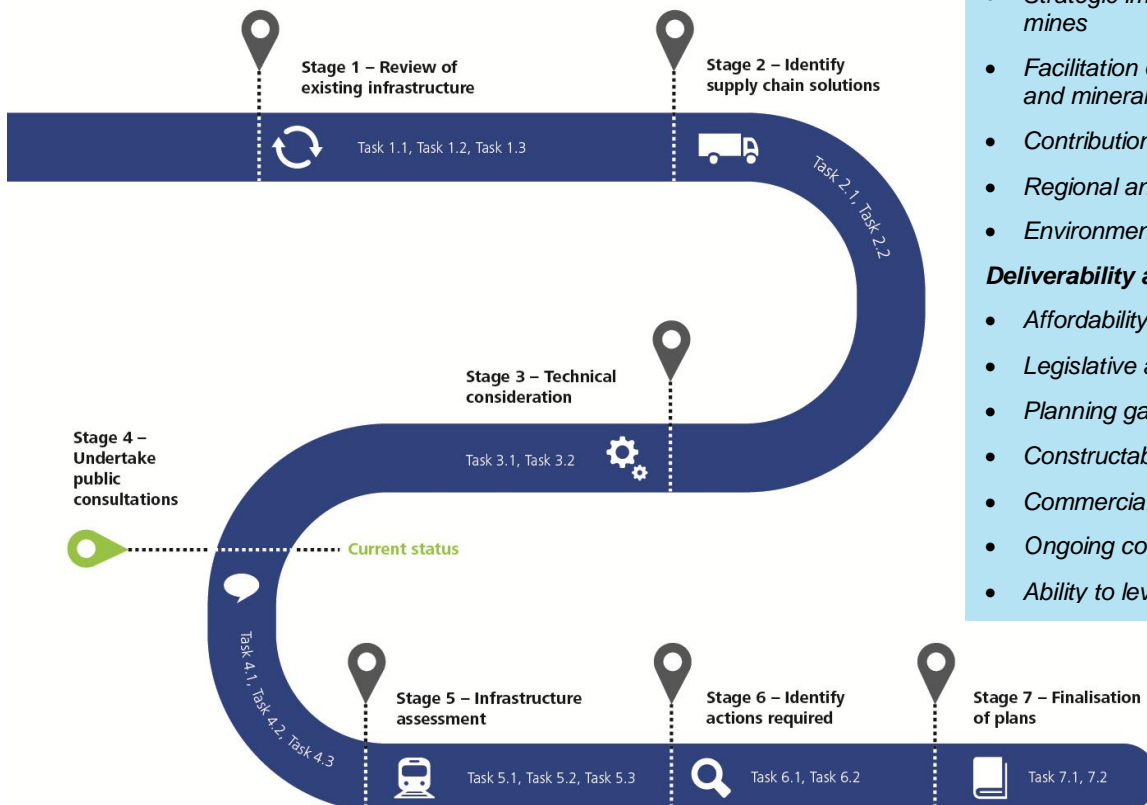
How to provide comment on the interim reports

The interim reports are available for download on DPTI's website:

www.dpti.sa.gov.au/infrastructure/infrastructure_project_s/regional_mining_and_infrastructure_planning_project

There is a submission form for you to provide your comments **by 7 June 2013**.

RMIP process and next steps



Prioritisation criteria

Strategic assessment criteria:

- Strategic importance to multiple mines
- Facilitation of growth in the mining and minerals processing industries
- Contribution to economic prosperity
- Regional and community impact
- Environmental benefits/costs

Deliverability assessment criteria:

- Affordability
- Legislative and political risk
- Planning gaps
- Constructability
- Commercial feasibility
- Ongoing commercial viability
- Ability to leverage partner funding