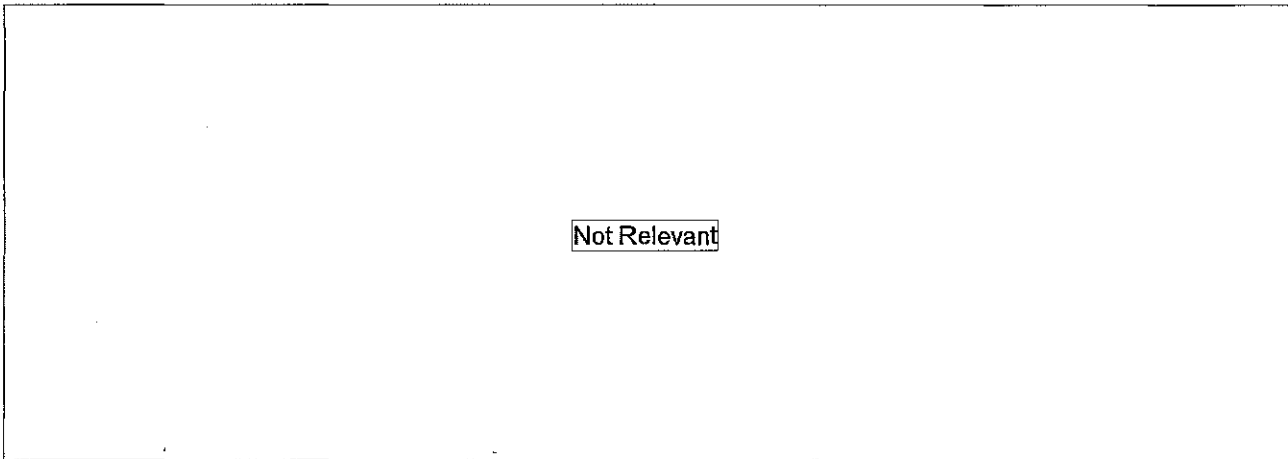


626 PORT BONYTHON REZONING (Paul Holloway) - NOTED





CABINET NOTE

CN MUDP 06/025

TO: THE PREMIER FOR CABINET TO NOTE

RE: PORT BONYTHON REZONING

1. PROPOSAL

That Cabinet note the intention to review the current zoning of land at Port Bonython.

2. BACKGROUND

2.1 Mining is an important contributor to State economic performance, materially contributing to South Australia's Strategic Plan target of trebling the value of export income to \$25 billion by 2013. The Strategic Infrastructure Plan for South Australia in the Upper Spencer Gulf and Outback includes several projects that would support expanded mining activity.

2.2 Current Port Bonython zoning is Special Industry (Hydrocarbons) and Deferred Industry (Petrochemical). Developing supportive land use zoning over Port Bonython for deep-water port development sends a message to the mining sector that commodities like iron ore can be cost effectively produced for export from the State. However, at this time, there are no known mineral deposits that, on current development plans, can justify the cost of constructing this infrastructure.

2.3 Port Bonython, if it were to be developed for bulk loading, would accommodate vessels requiring some 17 metres draft immediately adjacent the current Tanker berth. However, further to the west of the tanker berth, where the depths are much less, the draft would be subject to dredging of the berth box, tides and hydro graphic surveys. The water depth achievable at Port Bonython compares favourably with the newly dredged Outer Harbor that accommodates vessels requiring up to 14.2 metres draft.

3. DISCUSSION

3.1 New Outer Harbor Port facilities improve the draft handling capacity of that port, but for northern bulk mineral deposits it is unlikely to be economic to land transport ore such distances. From an amenity perspective large bulk mineral exports from Outer Harbor may also not be acceptable.

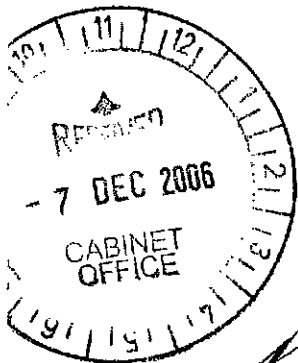
- 3.2 In recognition of the potential need for bulk mining to have access to heavy axle rail and deep draft port loading facilities, the Port Bonython area was identified by PIRSA and others as the only remaining site in the northern part of Spencer Gulf. The site is strategically located in the north where probable bulk ore bodies are known to exist (eg Hawk's Nest) and it has existing good offshore water depth relatively close to shore, giving it the best potential for cost effective development. Draft concepts were recently developed and have been subject to some initial consultation. The South Australian Chamber of Mines and Energy has also identified Port Bonython as a potential bulk commodity loading point.
- 3.3 Attachment 1 shows the Port Bonython area with current uses and a notional concept plan of the intended new bulk loading area. A notional site for a possible BHPB desalination plant is also shown. Other parties have also emerged showing interest in land at Port Bonython to accommodate petroleum-processing facilities.
- 3.4 It is proposed that a review of the current zoning scheme over Port Bonython be undertaken consistent with the objective of supporting development of a bulk loading facility and complementary support activities. Undertaking a zoning review and possible amendment is not intended to infer any state government appetite to fund any of the required capital works. The intention would be to protect the site for this intended use. It is proposed the private sector would design, fund and operate required facilities. Some Australian Government support for such a facility might be sought under various funding rounds such as AusLink, provided the private sector was committed to significant 'partnership' funding.
- 3.5 Relevant government agencies would be consulted as part of the review.
- 3.6 The Port Bonython area has several reported and registered Aboriginal Heritage sites. However, the Register of Sites and Objects is not a comprehensive record of all Aboriginal sites, objects and remains in South Australia. It is possible sites and objects may exist on the subject land even though the Register does not identify them. A heritage survey could be conducted when, and if, any proponent wishing to develop the site for bulk mineral loading materialises, and then, subject to the actual design of the intended development, an appropriately focused survey could be undertaken by the proponent. In this way project design can be managed to minimise conflicts with heritage sites if required. This latter approach is proposed for the purposes of the zoning review.
- 3.7 The Native Title status of the land at Port Bonython will be an important consideration for any prospective development. If Native Title has not been extinguished, freehold title to the land could not be created. The Land Administration Branch of DEH and Crown Law have provided previous documentation prepared on this subject.

3.8 Northeast of Port Bonython lies Fitzgerald Bay that has several existing sea based aquaculture licences used for fish grow out. Based on the success of these ventures to date it is considered this activity will grow in importance. West of Port Bonython is False Bay, the site of an intended Marine Protected Area for Giant Cuttlefish. PIRSA Fisheries has considered the potential impact that development of Port Bonython for bulk minerals loading would have on these existing activities and considers it low. Any proposal for development of bulk loading facilities, due to the envisaged scale, would be required to specifically address potential impacts of the development in any development application.

3.9 The Chief Executive of the City of Whyalla and the Executive and Group Manager Development Services have been consulted regarding the possibility of a zoning review as outlined in this submission. They indicated support subject to Council staff and community interests in the Port Bonython area (eg tourist accommodation owners and other operators and aquaculture operators) being involved. Council also suggested that community representatives should be selected through an Expression of Interest process. Council's motivation for this approach stems from its recent experience with a town foreshore Plan Amendment Report which they believe would have benefited from community input prior to the normal public consultation phase for it. An appropriate process can be accommodated within the context of a zoning review.

4. RECOMMENDATIONS

- 4.1 That Cabinet note the intention to review the current zoning for land at Port Bonython, with the view to supporting the use of suitable land immediately west of the existing Santos Port Bonython Liquids Plant for bulk storage and heavy rail access, to support a possible deep water bulk loading facility.
- 4.2 That any amendment to the current zoning would require formal endorsement by the Minister for Urban Development and Planning.



A handwritten signature in cursive script that reads "Paul Holloway".

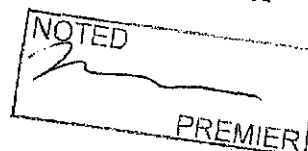
Paul Holloway
Leader of the Government in the Legislative Council
Minister for Police
Minister for Mineral Resources Development
Minister for Urban Development and Planning

Date:

5/12/06

In Cabinet

11 DEC 2006



ATTACHMENT 1

Port Bonython Area With Current Uses And A Notional Concept Plan Of The Intended New Bulk Loading Area and BHPB Desalination Plant Site.

