

Minutes.

Meeting Title: EP Desal Project – Site Selection Committee Meeting 02

Project Name: Eyre Peninsula Desalination Plant Project

Meeting Purpose: Assessment of alternative locations for the EP Desal Plant

Date: Friday 11 February 2022

Time: 3.00pm – 4.45pm

Location: Port Lincoln Hotel

Attendance:

Name	Role	Present
Peter Treloar	Chair	Yes
Steve Dangerfield	Engagement Facilitator	Yes
Sandra Klein	Community Engagement	Yes
Isaac Glonek	Minute Taker	Yes
Natasha Kousvos	Project Manager	Yes

Committee:

SSC Member	Role	Present	Proxy
Andy Dyer	President, SA Mussel Growers Association	Yes	
Brad Flaherty	Mayor, City of Port Lincoln Council	Yes	
Brian Jeffries	Chief Executive, Australian Southern Bluefin Tuna Industry Association Ltd	Apologies	Kirsten Rough
Bryan Trigg	Chair, Regional Development Australia Eyre Peninsula	Yes	
Clare McLaughlin	President, Eyre Peninsula Local Government Association	Yes	
Claire Webber	Executive Officer, South Australian Sardine Industry Association Inc.	Yes	
Delfina Lanzilli	Chief Executive, District Council of Lower Eyre Peninsula	Yes	
Gary Neave	Independent Project Director, TSA	Yes	
Hannah Allen-Jordan	Acting Mayor, District Council of Tumby Bay	Yes	
Jo-Anne Quigley	Mayor, District Council of Lower Eyre Peninsula	Yes	
Jonathan Clark	General Manager, Eyre Peninsula Landscape Board	Yes	
Mark Whitfield	Chair, Eyre Peninsula Landscape Board	Yes	
Matthew Morgan	Chief Executive, City of Port Lincoln Council	Yes	
Peter Scott	Executive Officer, Eyre Peninsula Local Government Association	Yes	
Rebecca Hayes	Chief Executive, District Council of Tumby Bay	Yes	
Rob Gratton	Chief Executive, Clean Seas Seafood Limited	Yes	
Ryan Viney	Chief Executive, Regional Development Australia Eyre Peninsula	Yes	
Shane Hodgins	Director, RecFish SA	Yes	
Sharni-Marie Barney	Chair, Port Lincoln Chamber of Commerce and Tourism	Apologies	Jack Ritchie
Thomas McNab	President, Abalone Industry Association of South Australia Inc	Yes	
Tom Hyde	TBC, Australian Abalone Growers Association	Apologies	
TBA	Member for Flinders		

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We acknowledge the Traditional Custodians of the Eyre Peninsula and we respect their spiritual relationship with their country. We acknowledge their elders past, present and emerging, noting in particular their spiritual and cultural connection to the lands and coastal waters of the Eyre Peninsula.

1. Welcome and Introductions

Peter Treloar gave an Acknowledgement of Country and welcomed attendees, noting new members Rob Gratton (Clean Seas), Tom Hyde (Australian Abalone Growers Association), and Hannah Allen-Jordan (District Council of Tumby Bay).

Attendees were reminded of COVID protocols and Peter Treloar noted the purpose of the meeting was to:

- Confirm the SSC's Terms of Reference
- Confirm the Project Objectives that the Committee will use to guide their deliberations and site selection process
- Identify committee issues and concerns; and
- Review site precincts, constraints and opportunities, and look to prioritise the site precincts to be more closely assessed.

2. Apologies and Proxies

Brian Jeffriess was noted as an apology, with Kirsten Rough attending as a proxy. Sharni-Marie Barney was noted as an apology, with Jack Ritchie attending as a proxy. Tom Hyde was noted as an apology.

3. Declaration of Conflicts of Interest

Peter Treloar noted SSC members are encouraged to submit any real or perceived conflicts of interest in writing. No conflicts were declared.

4. Minutes of the Previous Meeting

The minutes of the previous meeting held on 8/02/2022 were accepted, with no matters arising noted.

Peter Treloar noted the following open action items:

- Proxy nomination – SSC members should nominate a proxy to represent their organisation in case they are unavailable to attend the next meeting and any other subsequent meetings
- Project Objectives – SSC members shall have sent their comments for discussion at this meeting
- Terms of Reference – SSC members shall have sent their comments for discussion at this meeting
- Social licence – Steve to provide a reasonable and acceptable definition of 'social licence' for discussion
- Marine Scientific Review Committee (MSRC) – SSC members may recommend people to be considered by the Project Director, noting that members of MSRC will need to be independent; and
- Noted that discussion of the MSRC may be held over to the next meeting.

5. Terms of Reference (TOR)

Peter Treloar provided a brief overview of the structure of the TOR.

No changes were suggested.

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The committee endorsed and adopted the Terms of Reference as tabled noting that the project objectives would be inserted post meeting.

5.1 Social Licence

Social licence was referenced by the Minister in his opening address to the Committee in Meeting 01 on Tuesday 8 February 2022 and in the Terms of Reference. The SSC had asked for a definition of social licence, given the SSC will be required to recommend a site that achieves a social licence.

In response to this request, Steve shared a definition of social licence for discussion. An SSC member noted a social licence to operate is different to a regulatory licence to operate.

An SSC member noted that although the tolerances and thresholds of what people perceive to be environmental harm are an element of social licence, the management of environmental risk is through a different process.

Steve noted that environmental impact is assessed through the regulated approvals process, but that a social licence is concerned with the perception of stakeholders about what an acceptable level of environmental impact would be.

An SSC member suggested that the definition should include wording about the whole region instead of just stakeholders who may be impacted by the project or program.

An SSC member noted that social licence is to be granted by the community.

An SSC member suggested that SA Water should be mentioned by name in the definition.

It was agreed that a new definition be prepared to incorporate the points made during the discussion. On the basis that the amendments to be made reflect this discussion, the committee endorsed the definition of social licence.

The definition was amended as follows:

The EP desalination project site selection committee (SSC) operating with trust and legitimacy is aiming to obtain the informal consent to a site for a desalination plant from those stakeholders impacted by the desalination project.

In order to achieve this objective, the SSC will work with impacted stakeholders to develop ideas, options and solutions to manage environmental and social risk based around acknowledged tolerances and thresholds.

This will enable the SSC to recommend to Government and SA Water a preferred site for a desalination plant with the certainty of community and stakeholder support while realising opportunity and reducing risk.

6. Project Objectives

Steve shared a draft of the Project Objectives reflecting comments sent through by SSC members.

Some discussion was had, and further suggestions made as follows:

- Consideration should be given to the timeframe for which water security is to be addressed across the EP through the delivery of a desalination plant – solving a problem for 10 years is very different to solving a problem for 30 years.
- It was noted that the intention is to build a desalination plant that can be expanded as necessary to meet future demand.
- It was suggested that this point should be addressed in capacity terms, not in terms of timeframe.
- It was further suggested that the first project objective should be amended to include the words 'sustainable, secure and scalable' as a way of addressing the points made.

On the basis that the Project Objectives be amended to address the discussion had at the meeting and include the feedback received prior to the meeting, the committee agreed to adopt the Project Objectives and have them included in the Terms of Reference.

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Refer to Appendix 1 – Project Objectives.

Gary will advise the SA Water project Steering Committee of the SSC's Project Objectives, which the SSC will use to guide their deliberations, and provide any relevant feedback for the SSC's consideration.

7. Issues, Challenges and Opportunities

Steve explained that this item on the agenda provided an opportunity for each SSC member to raise any issues, challenges and opportunities they see for the project.

Key points are summarised as follows:

- Several members noted that they cannot see the SSC selecting a site in Boston Bay as its recommendation to the Government and SA Water.
- The formation of the SSC provides an opportunity to reset the focus and seriously consider other regional precincts / sites.
- The financial parameters for the project need to be understood by the SSC and potentially challenged. This includes whether any additional cost of supply to customers may or may not be acceptable, alternative funding sources and how much is available through the regulatory process on the basis of a re-shaped business case.
- The SSC needs to understand whether the cost of changes to the network to accommodate desalination is to be included or excluded from the overall project budget.
- In selecting a site must ensure there is the ability to scale up in order to meet future demand.
- The opportunity to leverage other projects in the region should be considered. For example, green energy and other projects that may be developed on Eyre Peninsula could link to this project and deliver broader economic growth opportunities for the region.
- Consideration needs to be given to the provision of infrastructure support (roads) for local council(s) that may be impacted by construction and ongoing operations of the desalination plant.
- Consideration to be given to sustainable electricity solutions as part of the project, which could help the business case for the desalination plant.
- The SSC need to better understand the rationale for excluding some sites over others in order to inform their deliberations.
- The deliberations of the SSC need to be informed by sound science and robust analysis.
- Water security is fundamental to the prosperity of the region and not building a desalination plant therefore is not a viable option.
- There is opportunity through this project to support the growth of new industries and therefore the location for the desalination plant needs to be sustainable for the future and not compromise existing businesses or the future economy.
- A key constraint for the project could be the capacity and structure of the SA Water network.
- Currently there exists a lack of trust with respect to the SA Water site selection process – that it has not adequately considered impacts to existing industry or the importance of supporting future industries.
- Consideration should be given to the appointment of a third-party private company to construct the desalination plant to achieve cost savings.
- Decisions regarding site selection should be evidence-based on the best available science. A challenge will be the ability to obtain the necessary data in the time given to select a site. The SSC will need to be given access to data that is collected in real time with historical data, if available, also made available to aid in the SSC's decision-making. La Niña phenomenon could mean that much of the research from this year will not accurately reflect more normal patterns.

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- The SSC will need to apply innovative thinking to solve site issues and resolve potential funding/regulatory constraints.
- Consideration should be given to what is the best solution for the Eyre Peninsula community – with a budget inclusive of funding sources structured to achieve the best solution.
- There could be an opportunity to use graphene technology instead of reverse-osmosis, especially given that the region is rich in graphite.
- A challenge will be for SSC members to remain open-minded about different solutions. This is a complex problem and there is a risk that the SSC could find it difficult to resolve issues to the satisfaction of all members.
- The SSC needs to be proactive in identifying other funding sources.
- The SSC will need to work through and balance the following:
 - Funding
 - Location
 - Network accessibility
- A challenge for the SSC will be to remain within the boundaries of the project brief as set out within the Terms of Reference and the Project Objectives.
- Opportunity to be more transparent in the process and provide consistent messaging to the community and stakeholders (including elected members of Council).
- Decisions must be made that do not impact and are not detrimental to existing industries.

The following table represents the key themes emerging from the points raised during the brainstorming session:

Theme	Detail
Water Security	Determine ability to meet demand both now and into the future.
Industry	No impacts to existing industry and provision of water security to the region to support and attract future industry and economic growth.
Funding	Identification of additional funding sources and to challenge current funding constraints.
Site Selection	Opportunity to reset and identify a site that will enable community, industry and stakeholder support. Evidence-based decision-making.
Network	Identify and challenge network constraints.
Focus	The SSC to remain focussed on the task and not be distracted by trying to solve issues and challenges beyond their brief articulated by the Terms of Reference.
Community	Make decisions in the best interests of the EP community and industry.
Economic Development	Consider other projects and initiatives in the region and how these might benefit/support site selection and longer-term economic growth for the region.
Local Government	Avoid any financial impact to local Councils (roads, stormwater, etc.).

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Sustainability	Consider sustainable power options as well as broader social, environmental and economic impacts.
Innovation	Apply innovative thinking to problem-solving.

8. Potable Water Network

Steve put forward a set of key guiding principles to assist in the site selection process:

- SA Water preference to own all assets
- To provide water at a consistent and improved quality to all SA Water customers, desalinated water must be fed into the network at North Side Hill Tanks
- In order to provide improved water quality at varying degrees across the network, some desalinated water would need to be fed into North Side Hill Tanks
- The bulk of the potable water demand is in Port Lincoln
- With the network in its current configuration, if the borefield was to fail in the future (i.e.: bushfire), the only way of achieving water security to the entire Eyre Peninsula is to feed into the North Side Hill tanks
- As an alternative to the construction of a new transfer main, water could be fed into Summit Tanks and back-fed to North Side Hill Tanks by augmenting the existing network, however, this would result in the net reduction of bore water used (with the greatest percentage of bore water utilized in Port Lincoln)
- Consider what capacity might be needed to support future predicted business growth on the basis of identifying a pathway of certainty including demand and timeline
- No demonstrable negative impact on aquaculture industry (brand, investment certainty, marine environment)
- The ability to access land, power supply and pipelines and plant
- Construction complexities and risk (safety) dependent upon open water vs sheltered water and ocean/land interface; and
- In order to mitigate the risk of unsustainable stress on the Uley South borefield, a site needs to be selected by the end of July 2022 and with desalination to be delivered into the network by December 2024.

An SSC member raised the notion of pumping desalinated water back into Uley South Basin for aquifer recharge, storage and recovery as a means of achieving greater water security.

It was noted that leakage naturally occurs from aquifers, which makes the idea of pumping water back into the basin challenging given potential losses.

An SSC member asked whether the above points represented an independent view from TSA or if the principles reflected SA Water's perspective.

Gary clarified that the guiding principles were a combination of SA Water related constraints to do with the network and observations of the project team based on discussions with stakeholders. The SSC are able to challenge these principles as they relate to the SSC's decision-making process in recommending a site to SA Water and the State Government.

Gary provided an overview of the of the Eyre Peninsula's potable water network.

Gary noted that it is important to protect Uley South Basin so that it is a sustainable source of water into the future, noting that it is a far cheaper source of water than desalinated water.

An SSC member asked where the water pumped from Uley South Basin intersects with water pumped from the River Murray through the Morgan-Whyalla pipeline.

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Gary clarified that the two water sources intersect at Lock. About 2GLs are pumped from the Morgan-Whyalla pipeline via the Iron Knob-Kimba pipeline to Lock. From Lock, River Murray water is shandy mixed with ground water from Uley South Basin and fed into the west coast main to Streaky Bay and Ceduna.

Peter Treloar noted that there are significant distribution lines that distribute water from the main system which were not shown on the network plan. Gary noted that the network plan only displayed the larger trunk mains that transport water to the various key location across the Eyre Peninsula.

Gary noted that one of the challenges will be to balance expenditure on pipeline infrastructure with the need to future-proof the network.

An SSC member asked whether the Iron Knob-Kimba pipeline is at capacity.

Gary noted that the pipeline itself isn't at capacity, but the Morgan-Whyalla pipeline system above it is nearing capacity. Gary suggested that one of the elements of this project might be to pump water north to supplement that part of the network.

An SSC member asked if there is a pipeline from Adelaide to the Morgan-Whyalla pipeline.

Gary explained that the Adelaide network extends to the Barossa, but there is no link from the Barossa to the Morgan-Whyalla pipeline.

An SSC member asked whether the Morgan-Whyalla pipeline services Whyalla and Port Augusta, and if there are water security issues in that area.

Gary noted that while the Morgan-Whyalla pipeline is nearing capacity, water security for the Upper Spencer Gulf is not an issue in the same way as it is in the Eyre Peninsula. Dependent upon the site selected for desalination for the Eyre Peninsula, there is the potential to reverse the Iron Knob-Kimba pipeline and push water from the Eyre Peninsula back to Whyalla further securing water for the Upper Spencer Gulf.

An SSC member suggested that a third party should build the desalination plant, with SA Water to own it. Gary confirmed that SA Water is intending to contract a third party to build the desalination plant.

9. Eyre Peninsula Desalination Plant – Precinct Maps

Steve presented the precinct maps and the various sites that had been considered in the past by SA Water within the precincts.

Steve suggested to the SCC that the best approach to the site selection process was to start with the eliminating precincts, thereby focusing only on those precincts that are worthy of further consideration. This approach was supported by the SSC.

10. Precinct Constraints, Opportunities, Advantages and Disadvantages

Steve shared a list of assessment considerations:

- Financial
- Connectivity to existing network - Power and Water
- Construction Complexities
- Heritage and Culture
- Environmental - Land and Marine
- Property and Infrastructure - Power, Roads (access), Land
- Ability to deliver project objectives
- Social / Community (Impacts); and
- Industry Impacts - Fishing and Agriculture.

Gary explained that financial considerations include:

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- Distance to connect to existing water and power networks
- Re-augmentation of existing system
- Construction complexity; and
- Risk profile.

Steve explained that he had prepared a high-level summary of issues, constraints and observations for each precinct. This information, together with the assessment considerations, was provided by way of presentation as a means to identify any gaps in information that might be required to assist the SSC in a precinct elimination process.

11. Precinct Preferences Discussion

In discussing the precinct approach to site elimination, an SSC member suggested that based on the information presented and the views of the community and industry, the western precinct and the Port Lincoln precinct could be removed. While the information presented and the community sentiment which has been expressed in 2021 might suggest that there was no merit in pursuing these precincts any further, the SSC felt that a structured assessment process should be developed to rank the precincts, thereby ensuring the decision-making process was credible and based on clear assessment criteria.

An SSC member suggested that a considered process was required as there were various development proposals for some precincts which could make them more viable for a desalination plant. It was also noted that precincts shouldn't be ruled out due to financial constraints, because certain sites might be able to attract alternative funding.

An SSC member noted the potential of having multiple smaller plants to spread the load and questioned whether the SSC can look at multiple plants. While an idea such as this could be explored at some stage in the site selection process, the SSC should not lose sight of the task given to them by Government – to identify a site for a single desalination plant to improve water quality and deliver water security to the Eyre Peninsula region.

An SSC member questioned whether the costing had been done on a facility having its own power supply through renewables.

Gary noted that it is more cost effective to buy renewable energy through the existing network than to have a dedicated renewable energy source of power separately developed at the site of the desalination plant. To construct a separate renewable energy source of power at the site would also require another organisation to make a separate business decision based on a return for investment. A consistent supply of power is also necessary which is more achievable via the existing network.

12. Priority information/data required to enable site shortlist

It was proposed by the SSC that members rank each precinct against established criteria. Information outlining the constraints, issues and opportunities should also be provided to support the decision-making of each SSC member. As a means of achieving this approach, Steve suggested that TSA could issue the following:

- The criteria to be considered when assessing each precinct
- The weighting for each criteria
- A scoring matrix; and
- Important information about each precinct.

This would be distributed and members asked to score each precinct prior to the next meeting. The outcomes of the scoring will be discussed at the next meeting.

13. Next Meeting and Close

An agenda for the next meeting will be circulated prior to the next meeting, set for **Thursday 24 February from 3.00pm to 5.30pm.**

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With no further comments, the meeting closed at 5.03pm.

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Open Action Items Register

No.	Action Description	By Whom	Date Raised	Date Due	Status
1	Proxy nomination – SSC members should nominate a proxy to represent their organisations in case they are unavailable to attend the next meeting and any other subsequent meetings.	SSC Members	08/02/22	11/02/22	Closed
2	Project Objectives – SSC members will send their comments about the Project objectives presented in the meeting.	SSC Members	08/02/22	11/02/22	Closed
3	TOR – SSC members to provide feedback on the Terms of Reference document.	SSC Members	08/02/22	11/02/22	Closed
4	Conflict of interest – SSC members to declare any real or perceived conflict of interest and submit to the Chair.	SSC Members	08/02/22	11/02/22	Closed
5	Social license – Reasonable and acceptable definition of social license to be provided by Steve for SSC review.	Chair through the Minister and SA Water Executive	08/02/22	TBC	Closed
6	Membership – A representative from Clean Seas and the Australian Abalone Growers Association will be invited to join the SSC.	TSA	08/02/22	11/02/22	Closed
7	Marine Scientific Review Committee (MSRC) – SSC members may recommend people to be considered by the Project Director noting that members of this panel will need to be independent.	SSC Members	08/02/22	TBC	Closed
8	Ratified minutes of Meeting 1 will be sent to SSC members.	TSA	08/02/22	16/02/22	Closed
9	SSC members to receive criteria for assessment, scoring matrix, and summary information tables for each of the five precincts.	TSA	11/02/22	18/02/22	Open
10	Members to rank each precinct according to the scoring system provided by TSA and submit to the Chair ahead of the next meeting.	SSC Members	11/02/22	23/02/22	Open
11	PowerPoint presentation – TSA will share a copy of the PowerPoint presentation with SSC members.	TSA	11/02/22	24/02/22	Closed
12	Minutes – Executive Officer will send a draft of the minutes of meeting 02 to SSC Members for review.	EO	11/02/22	18/02/22	Closed
13	Project Objectives – Project Director will take the SSC's amended Project Objectives to the Steering Committee at SA Water for discussion.	Project Director	11/02/22	TBC	Open
14	TOR – Finalised and agreed Terms of Reference document to be distributed to members.	EO	11/02/22	23/02/22	Closed
15	Social license – Amended definition of social licence to be circulated to members.	TSA	11/02/22	23/02/22	Closed

Appendix 1 – Project Objectives

In identifying a suitable site for a desalination plant as a climate independent source of water, the committee shall have regard to the following:

- Deliver a sustainable and secure water supply to the entire Eyre Peninsula region both now and into the future – and not compromise the ability to achieve water security into the future
- Select a site for a desalination plant that is supported by key stakeholders and the community
- Select a site for a desalination plant that does not prejudice the opportunity to respond to future demand
- Improve potable water quality to all existing SA Water customers across the Eyre Peninsula region
- Enable future economic growth opportunities for the Eyre Peninsula region where water security has previously been a barrier
- Mitigate the risk of detrimental impacts on existing or developing industries within the Eyre Peninsula region
- Develop a sound business case and funding model that will ensure the financial viability of the project
- Account for heritage and cultural views and values of the community; and
- Account for local impacts, issues and opportunities.

Aspirational Target (subject to confirming a climate independent source of water)

- Give consideration to the whole water cycle and existing water related assets (wastewater management, stormwater harvesting, ground water, Iron Knob-Kimba pipeline), marine science and research and broader community benefit and how the desalination project can be best leveraged to achieve added value.