

## **MINUTES OF CONFIDENTIAL PORT AUGUSTA ALINTA ADVISORY COMMITTEE MEETING HELD ON TUESDAY 28 OCTOBER 2015**

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### **PRESENT:**

Mayor Sam Johnson  
Chief Executive Officer Mr John Banks  
Minister for Manufacturing, Innovation & Trade Hon Kyam Maher MLC  
Federal Member for Grey Mr Rowan Ramsey MP  
Member for Stuart Mr Dan van Holst Pellekaan MP  
Cr Colleen Hutchison  
Alinta Energy Mr Brad Williams  
Chair, RDA Far North Dr Jen Cleary (entered 9:25am)

### **OBSERVERS:**

Co-Chair USG & Outback Community Engagement Team Mr Vince Duffy  
Ministerial Advisor (Office of Hon Kyam Maher MLC) Mr Cameron Smith  
Chief Executive Officer, RDA Far North Ms Claire Wiseman

### **APOLOGY:**

Business Port Augusta representative (David Versteeg)

**The confidential session commenced at 9:05am.**

### **AGENDA ITEM/S:**

#### **Impact of Alinta Energy Closure - Flinders Operations (Port Augusta Power Stations & Leigh Creek Coalmine)**

Brad Williams provided an overview:

Leigh Creek closure – 17 November 2015  
Port Augusta closure – 31 March 2016

Leigh Creek – 150 redundancies  
Employee Assistance Programs offered  
Career Advisors  
There is a significant Safety focus on site for the remainder of the operation.  
Rehabilitation work is being planned for Leigh Creek

Port Augusta –

McMahons have been engaged for decommissioning work of which the first 6 months will be planning.  
Asbestos removal is being assessed and commenced.  
Site contamination assessment is underway with Coffey Consultants engaged  
Redundancy packages have been offered to 104 employees  
1/4 to 1/3 right-to-return to State Government

Mayor Johnson questioned the numbers returning to State Government?

Minister Mayer provided the following breakdown:

Return to Government – 133  
Leigh Creek – 58  
Port Augusta – 70

Discussion took place whereby a number of questions/comments were raised:

John Banks – Port Augusta City Council

Q: Could the Committee be provided with clear numbers with respect to those impacted and their place of residence?

Brad Williams provided the overview of the current status.

A: Demolition of the site will be over 2 years and will involve approximately six (6) months of planning and 80 to 100 employees on site.

Rowan Ramsey MP

Q: What assets may remain on site due to other industries showing an interest?

Brad Williams - Alinta

A: Potential for water desalination plant, pumps, roadways.

Q. Rowan Ramsey MP

Who owns the Alinta Lease site and what is the situation in respect to land ownership?

Vince Duffy – South Australian Government

A: The Alinta site is a 'Prescribed Asset' owned by the State Government – following removal of the assets it will revert back to Alinta for a nominal price.

Seawater infrastructure will remain.

The ash dam is to remain safe condition until closure with the flooding & pumping infrastructure to remain.

Brad Williams - Alinta

In respect to the future of the ash dam.

A: Area could be used for other purposes. There is a rehabilitation obligation. In the interim – pumping is to continue. Bird Lake is not part of the lease area and is operated in conjunction with Council.

Dan van Holst Pellekaan MP - Statement

The community needs to know what is planned and the timing.

John Banks Port Augusta City Council

Q: What is the timing on the removal of the water pumping infrastructure for Bird Lake as previous verbal advice is that it will cease operation on the 31 March 2016.

Brad Williams - Alinta

A: It is not anticipated to turn off pumps in March. It is anticipated that due to the need to maintain the fly ash dam that pumping and water flow will continue for the next two to three years.

Mayor Johnson

Q: Who owns Bird Lake?

Brad Williams - Alinta

A: Not on the Alinta leasehold.

Question for Committee – clarify timing of infrastructure removal/shutdown for Bird Lake.

Dr Jen Cleary – RDAFN

There appears to be an information vacuum from Government. There is a need for a single point of contact.

*At this time (9:55am) Minister Maher left the meeting.*

Mayor Johnson

Q: Who is on the Taskforce?

Vince Duffy - South Australian Government

A: The Alinta Task Force is an internal Government working Group.

John Banks (presenting questions from Business Port Augusta)

Q: Will the closure of the Alinta Power Stations impact on the reliability of power supply to Port Augusta?

Comment: There is a distinct lack of information being conveyed to the community about the impact of the Alinta closures which is contributing to concern and uncertainty.

**The confidential session concluded at 10:30am.**

Note: Attached as Appendix 1 is information extracted from emails received from Cameron Smith providing statistical information, USG & Outback Taskforce Membership details and Council rates for the Power Station when it is an electricity Generating Plant. (Copies of the Mining and Power Station Leases are not attached to the Minutes).

**Email 30/10/2015**

There are expected to be in total 132 workers eligible for Return to Government (correct as of 25th September). Breakdown as follows:

- 5 Adelaide
- 69 Leigh Creek
- 58 Port Augusta

The below information is correct as of 27<sup>th</sup> October, provided by Eamon O'Sullivan from Alinta. Leigh Creek:

- 153 x Employees have exited (includes redundancy, early separation, resignations)
- 57 x Employees have been issued with a Return to Government offer letter

Port Augusta:

- 25 x Employees have exited (includes redundancy, early separation, resignations)
- 1 x Employee have been issued with a Return to Government offer letter

The second item was providing the leases for the power stations as well as the mine leases, see attached.

**Email 04/11/2015**

1) Total Original Number of Employees (Leigh Creek + Port Augusta): 445

Leigh Creek

- Original number of Employees: 255 (including casual, fixed term employees etc)

Port Augusta

- Original number of Employees 190 (including casual, fixed term employees etc)

2) Upper Spencer Gulf and Outback Taskforce Membership:

Co-Chair, Dr Paul Heithersay, Deputy Chief Executive, Department of State Development  
Co-Chair, Vince Duffy, Executive Director, Energy Markets and Programs, Department of State Development  
Director, Energy Markets and Programs, Department of State Development  
General Manager, SA Financing Authority  
Director, Olympic Dam Taskforce, Department of State Development  
Legal Counsel, Generator Lessor Corporation  
Manager, Governance and Corporate Projects, SA Financing Authority  
Executive Director, Economic Development, Department of Planning, Transport and Infrastructure  
Executive Director, Skills and Employment, Department of State Development  
Director, Strategic Projects, Resources and Energy, Department of State Development  
Executive Director, Economics and Commercial, Department of the Premier and Cabinet  
Senior Environmental Advisor, Environment Protection Agency  
Executive Director, Regions Strategy and People, Regions SA

3) Finally a link to the recent AEMO ESOO update as requested at the meeting last week.

[http://www.aemo.com.au/Electricity/Planning/~/\\_media/Files/Electricity/Planning/Reports/ESOO/2015/2015%20Electricity%20Statement%20of%20Opportunities%20Update.ashx](http://www.aemo.com.au/Electricity/Planning/~/_media/Files/Electricity/Planning/Reports/ESOO/2015/2015%20Electricity%20Statement%20of%20Opportunities%20Update.ashx)

**Email 09/11/2015**

This is relating to the council rates for the power station when it is an electricity generating plant. The advice we have received is below.

Clause 3(3) of Schedule 1 to the ECRD Act enables Governor to limit level of council rates for land on which electricity generating plant is located.

Government Gazette 7 September 2000 containing such a proclamation for Allotments 1 and 6 CT 5784/ 24 which is the Playford and Northern Power Station Land leased by GLC.

The proclamation applies to reduce the council rates if "*..Electricity generating plant used by the holder of a licence under the Electricity Act 1996 (other than a State-owned company) is situated on the [the above referenced land]..*"

Once Alinta ceases to use and dismantles the electricity generating plant and surrenders FPP's licence, the proclamation will not apply to the above referenced land and will not limit the amount of council rates that can apply to that land.