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6 **Cabinet Notes**

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602 CROWN SPONSORSHIP OF BHP BILLITON'S PILOT DESALINATION PLANT
(Kevin Foley) - NOTED

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CABINET NOTE**TO: THE PREMIER FOR CABINET TO NOTE****RE: CROWN SPONSORSHIP OF BHP BILLITON'S PILOT
DESALINATION PLANT****1. PROPOSAL**

For Cabinet to note sponsorship of the BHP Billiton pilot desalination plant in the Upper Spencer Gulf as a Crown Development, under Section 49 of the Development Act.

2. BACKGROUND

BHP Billiton is seeking to establish a pilot desalination plant as part of its investigations into the feasibility studies for a seawater desalination plant at Port Bonython in the Upper Spencer Gulf. Data from the pilot plant will be used for detailed design of the facility and to inform the EIS for the full plant.

The original Olympic Dam Major Project declaration covered any development that was ancillary to the proposed expansion and this included the pilot desalination plant. As a result no decision could be made on the pilot plant until the EIS process was completed.

In a recent Cabinet Note, the Minister for Mineral Resources Development informed Cabinet of his intention to vary the Olympic Dam Major Project declaration, to exclude the pilot desalination plant (subsequently gazetted on 14 Dec 2006). This cleared the way for BHPB to seek development approval for the pilot desalination plant separately to the assessment process for the EIS as a whole.

3. DISCUSSION

BHP Billiton has now written to government requesting that the pilot desalination plant be expedited through Crown sponsorship, and therefore assessed via the Development Assessment Commission (DAC), as per Section 49 of the Development Act, for the following reasons:

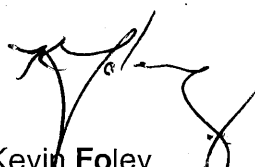
- The pilot plant is essential for the development of public infrastructure, as defined in Section 49, and evidenced by a MOU with the State Government for the full plant.
- Supply of data from the pilot plant will inform the Environmental Impact Statement for the overall project, to be lodged and assessed in 2007.

Because the pilot plant will have its intake and outlet pipework below sea low water level, DAC is the appropriate body in any case. Planning SA, DAC and the Whyalla City Council have been consulted on this matter.

I have agreed to BHP Billiton's request for Crown sponsorship.

4. RECOMMENDATION:

That Cabinet note Crown sponsorship of BHP Billiton's pilot desalination plant in the Upper Spencer Gulf, as per Section 49 of the Development Act.


Kevin Foley
Minister for Industry and Trade
22/12/2006

In Cabinet

15 JAN 2007

