



**SA Great
13 April 2005**

Mrs PENFOLD (Flinders): This week I had the pleasure of welcoming SA Great board members to Eyre Peninsula with a letter that I want to put on the record for the benefit of others. It states:

SA Great board members. Welcome to Eyre Peninsula Great, land of opportunities! I regret that I will be unlikely to be able to join you for your visit as parliament is sitting. However, I am taking the opportunity to update you on developments on Eyre Peninsula since I last briefed you when you visited in March 2003.

Next time you visit Eyre Peninsula, I am hopeful that you will be able to use the ferry (that is currently running between Stradbroke Island and the mainland in Queensland) which is being planned to run between Wallaroo and Lucky Bay located just north of Cowell. This trip should take you about one hour and 40 minutes and you will be able to relax in comfort instead of driving for an additional three hours to get here. This ferry will be a big boost for our tourism, our businesses and our people with the possibility of driving over for appointments in the morning and coming back in the evening.

. . . The wind farms mentioned in my last report are now becoming a reality, with two wind farms under construction—one at Mount Millar near Cowell and the other south of Port Lincoln at Cathedral Rocks. The planning of a third wind farm for the central west coast is continuing with the company already having spent \$1.45 million. However, it is restricted by the lack of a power line to connect it to the grid.

Eyre Peninsula is potentially one of the best wind power generation sites in the world. A second power line along the West Coast would ensure that an additional 1 000 MW. . . would be able to be connected to the grid. This power line could be connected to the Port Lincoln substation giving the triangulation that is needed for the city to have reliable power.

Currently Port Lincoln is serviced by a single 132 KV line from Port Augusta that is over 30 years old and the Electricity Industry Planning Council. . . has it on their program to replace but have been making excuses to delay. The Australian Competition and Consumer Commission. . . advise that these are not valid excuses. I have been trying to get a regulated line component used on the west coast in conjunction with the wind development companies and the government to 'kill two birds with one stone' for everyone's benefit!

. . . The proponents of an exciting new technology using graphite blocks to store wind energy as heat have visited our region on several occasions recently to look at a number of projects. This 'stored' energy can be used to take out energy fluctuations, for example, when the wind doesn't blow, to meet expensive peak demand or for the desalination of water using off peak power at a greatly reduced price and could be a major breakthrough of world class. The technology was developed by a [New South Wales] university and the first trial plant is at Cooma.

Water restrictions and poor water quality continue throughout Eyre Peninsula and are still hampering development. A desalination trial on the Tod Reservoir was completed but the promised desalination plant has not materialised and I don't expect that it will ever will in that particular location. I am currently working on the possibility of a desalination plant for Ceduna that would use the existing pipe system, reduce the use of chlorination and the requirement for pumping that put the real cost of their foul water at about \$3.60 per kilolitre.

This cost requires the use of community service obligation funding, one of the few sources of funding for SA Water, as most of their profits (some \$261 million in the last financial year) go back into general revenue for the government.

Private interest in desalination is being thwarted by SA Water's reluctance to facilitate the use of the existing pipelines and their unwillingness to assist in the provision of water to small communities currently not connected to pipelines such as Port Kenny. (Water for this small community I hope will mean the saving of their school which currently has only 11 students, as water will allow more people to come and live permanently in the area.)

The Elliston Council has only about 800 full ratepayers and urgently needs development that water would bring if it is to survive. SA Water is failing to fulfil its charter to provide water for the people of this state. Instead, they are getting into the plumbing business where they have no right or responsibility to be. The shortage of water on Eyre Peninsula is limiting building, horticulture, agriculture and the expansion of the population across the region, and all this could be easily rectified with the use of desalination of the seawater that surrounds us.

Recently, this region has hosted a great variety of exciting people from all over the world interested in utilising our massive mining potential. In particular, India and China are interested in mining projects that are currently being researched and costed for development on Eyre Peninsula. These include coal, gold, copper, uranium, tungsten, graphite, haematite, world-class magnetite iron, gypsum, salt, kaolin clay, jade, granite, marble, porphyry and mineral sands. The most recent interest has been for mineral sands, graphite and iron ore. Exploration for offshore oil and gas is periodical.

However, a question of great concern for the future remains—how we are going to ship some of these minerals out of the region? Presently the magnificent deep water harbour in Port Lincoln happens to require everything to be transported through the middle of the city! But there are some future solutions! There is the possibility of using the former BHP wharf which would require connecting the railway to bypass the town. Port Neill is another option. Connecting Port Neill to the rail could end up being the most cost effective way of getting the ore to the port.

As these mines are coming closer to production, planning needs to be undertaken now to coincide with work currently being undertaken to upgrade the railway for grain transport.

The waters surrounding Eyre Peninsula are the habitat for about 80 per cent of temperate marine species. The region produces about 65 per cent of the state's fishing and seafood income. The Marine Science Centre at Kirton Point is going from strength to strength and will expand even further to become a world-class centre of excellence in research, education, training and business development.

In-sea aquaculture is booming. Tuna, kingfish, mulloway, oyster and mussel in sea farms are all producing well now. The tuna industry is a major employer, although prices fluctuate and can threaten the viability of the industry.

The onshore abalone farms are evolving as 'what works and what doesn't' is sorted out. Abalone farms across Australia are getting organised with a new marketing group and a new research group being formed to help the industry become more organised and professional.

The wild caught crayfish, prawns, abalone, pilchards and other finfish are still the major seafood commodities produced on Eyre Peninsula. Australia's only remaining tuna cannery is in Port Lincoln and it continues to thrive particularly with the new American free-trade agreement. Staff developed the popular Tuna Tempters line marketed by John West which has been copied by other companies.

Agriculture—including huge potential for viticulture and horticulture: Eyre Peninsula produces 40 per cent of the state's grain, worth about \$350 million however with water from desalination and water recovery we could do so much more.

Four vineyards are now located near Port Lincoln. Since my last report to you we have added the Turvey Family's vineyard 'Lincoln Estate' and Anna Stehr's 'Anna's Vineyard' to Fletcher's 'Delacolline' and the well-known Ford Family's 'Boston Bay' wines.

There are also a number of olive plantations coming on stream with a commercial pressing plant available and another small one located at the Tumby Bay school. Olive groves at Tumby Bay, Elliston and Port Lincoln are now in production. Unfortunately the recent fire burnt a part of some groves and has set the industry back substantially.

More than 10 per cent of South Australia's national parks are on Eyre Peninsula, which covers some of the most magnificent coastal scenery in Australia. The Coffin Bay ponies are a significant attraction for people who have never seen horses running free in the wild. Visitors can also see dolphins, sea lions, whales and colourful native birds, including the distinctive Port Lincoln parrot. At Baird Bay, visitors can do more than just watch the wildlife—they can swim with dolphins and sea lions. Eyre Peninsula's Seafood and Aquaculture Trail has been very successful and the Outback and Nature Trail has been well received by visitors and the first official feedback will soon be available.

Port Lincoln is surrounded by water and islands which provide some of the best recreational diving in Australia, reputedly more diverse than the Barrier Reef. This region has the only mainland seahorse farm in Australia and it is a significant tourist attraction for Port Lincoln.

There is a shortage of accommodation in Port Lincoln and it is often completely booked out at popular times of the year. We are hopeful, a proposal to build a multi-story hotel on the foreshore will go ahead and provide much needed four-star accommodation and function facilities.

I trust this overview of just some of Eyre Peninsula's assets and future challenges will be of interest to you as you visit this wonderful region of South Australia. I am sure that you will be amazed at just how diverse and appealing this area of the state is and hope that you can come back again soon with your families and friends. Yours sincerely. . .