Request for Information
Commercial Opportunities
Leigh Creek and surrounds

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Leigh Creek is a South Australian outback town situated on Adnyamathanha Country in a picturesque part of the northern Flinders Ranges. It is located approximately 576km north of Adelaide and 270km from Port Augusta. The area covers the traditional homeland of the Adnyamathanha people and holds an abundance of heritage and cultural significance for the Adnyamathanha people in the region. The Aboriginal community will be involved in discussions and decisions about the future of the area.

Leigh Creek’s geographic location between Hawker and Marree provides central access to services for the surrounding regional communities of Copley, Lyndhurst, Beltana, Iga Warta, Nepabunna, Arkaroola, Marree, Parachilna, Blinman and Farina, and is the gateway to the Strzelecki and Birdsville tracks.

The township, originally constructed to facilitate mining at the nearby coal mine, boasts long standing residents and multi-generational families, which have for many years contributed to a rich community lifestyle and a valued regional town.

The residents of Leigh Creek and the surrounding communities place great importance on the Leigh Creek township because of the benefits and services it currently provides, including health, education, emergency and essential services. The town is like a modern metropolitan suburb, including sealed roads, curbed footpaths, a library, cinema and theatre complex, tennis, squash and netball courts, swimming pool complex and a gymnasium, as well as access to a landfill and waste management centre. These amenities are highly valued and are socially important to the local residents and the wider community.

Alinta Energy’s recent announcement that it would cease operating its power stations and the Leigh Creek coal mine provides exciting opportunities in Leigh Creek and the surrounding regions.

The Request for Information (RFI) process aims to inform the Government of opportunities to maintain a sustainable town into the future, and will contribute to economic and social plans for the region. The Government has appointed former senior Minister Jane Lomax-Smith to oversee the process.
The Department of State Development (DSD) is seeking concepts and options from prospective individuals, businesses and groups to invest in facilities, products and/or services to support and enhance the region. The amenities may be suitable for sole or multiple users to provide viable business opportunities for interested entrepreneurs willing to be involved in the re-imagining of this well-equipped and remote township.

Interested parties of any commercial size, including industry, small business, community groups and individuals willing to complement and support the region are all welcome to respond to the RFI.

DSD particularly welcomes the participation of Aboriginal businesses and community groups.

The RFI also provides the opportunity for existing businesses and individuals (including previous and current Alinta employees) to express interest in continuing to operate in the town into the future. The Government is keenly interested in hearing from parties who have any ideas or information for current investment in the region.

The township is currently leased to Alinta Energy until July 2018. However, with DSD’s assistance, Alinta Energy may consider proposals for access to land which it currently leases, or to infrastructure on that land. It should be expected that Alinta Energy will require commercial returns in relation to any land and infrastructure that proponents may require. Future business ventures will also need to be formulated in light of Alinta Energy’s closure obligations in relation to the assets under lease.

This RFI process will provide an opportunity for interested parties to present their information, in an equal, transparent and open process. When submitting their ideas, interested parties will need to consider a range of important factors for the township and region, including:

- economic viability
- environmental sustainability
- year-round activity
- building new business and employment opportunities
- local and regional employment opportunities, including support for Aboriginal economic participation
- broad tourism outcomes, including opportunities for cultural tourism ventures
- positive social outcomes for residents and businesses in the region.

The Government has developed a strategic planning framework to achieve its longer term strategic goals for the state. This aligns with the following strategic plans, and respondents should consider these plans in formulating a response:

- South Australia’s Strategic Plan
  www.saplan.org.au
- The Government’s Seven Strategic Priorities
  www.priorities.sa.gov.au
- The Premier’s 10 Economic Priorities
  www.economic.priorities.sa.gov.au
Why a Request for Information?

The South Australian Government, through the Department of State Development (DSD), established the Upper Spencer Gulf and Outback Community Engagement Team following the announcement of Alinta Energy’s closure decision in June 2015.

The engagement team undertook a program of community engagement from June to September to support affected workers and communities and to identify options and opportunities for the future of Leigh Creek and the surrounding region.

As a result of this engagement work, a report reflecting the views of the community has been produced and is available at: usg-outback.statedevelopment.sa.gov.au

This report forms the basis of the State Government’s broader commitment to work closely with the region as mining in Leigh Creek comes to an end and a transition to a post-mining future begins. The future of the township will be determined in close consultation with the Leigh Creek community and regional stakeholders.

This RFI is the first stage of a multi-stage process, which seeks information concerning opportunities to establish new businesses or develop existing businesses in the region.

A response to this RFI will need to describe the nature of the future business activity or use of assets, including to:

• identify viable options for using the land, infrastructure, facilities or other assets
• identify potential areas of investment in new or existing infrastructure, facilities or other assets
• identify parties interested in pursuing the potential opportunities available
• inform the Government as to what may be involved in any potential future activity or use.

The process

The aim of this RFI is to gain sufficient feedback from interested individuals, businesses and groups to inform economic and social plans for the region.

The process may identify unique concepts or opportunities that DSD may pursue directly with the relevant party.

The RFI may also identify opportunities that the Government may wish to pursue through a more detailed Request for Proposal or other procurement process.

No contract will necessarily result from the submission of any proposal.

For any proposal to use existing infrastructure, the proponent will need to undertake a further asset assessment that includes responsible due diligence covering full environmental assessment and details all legal obligations.

At this stage of the process, there will not be an opportunity to engage with Alinta Energy on any proposal.

A proponent’s proposal should specify any further due diligence it will need to undertake.

Proponents are encouraged to visit the township, but no specific site visits to any non-publicly accessible areas will be available at this stage.

Contact person

For further information contact, Dr Jane Lomax-Smith at: LeighCreekRFI@sa.gov.au

Dr Lomax-Smith is the only person authorised by DSD to communicate with a respondent.

The Request for Information is subject to Terms and Conditions which are available from the website.

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Leigh Creek provides potential opportunities in retail, commercial, education, health, recreation, tourism and resource development.

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Existing assets and infrastructure, natural wonders, significant Aboriginal culture and heritage, eco-tourism and accommodation amenities, and a friendly community have the potential to turn Leigh Creek into a sustainable regional service centre.

In considering this RFI and the opportunities it provides, respondents should consider the importance of the Adnyamathanha cultural heritage and the wider community of the region.

Below is a summary of assets and infrastructure in Leigh Creek and its surroundings.

Township

Housing

The township has more than 350 dwellings, with a mix of houses, flats and single persons’ accommodation. The building types include brick veneer, asbestos clad, concrete slab and above ground buildings.

DSD welcomes potential residents providing brief information about their willingness to lease or buy housing in the township.

Town buildings

Tavern:

Located in the town centre and operating for more than 30 years, the tavern includes a bottle shop, bar and bistro with a dining/function room, kids’ room, front bar, Keno, TAB, ATM and accommodation facilities (40 self-contained cabins and 24 motel rooms), which are supported by a nearby commercial laundry. The tavern is currently operated by Alinta Energy.

Todd Mall:

Also located in the town centre, the shopping precinct has extensive retail space potential of varying sizes, some of which are currently leased. In addition, other town buildings and amenities found within the town centre include highly-valued community recreation facilities such as a church, café, visitor centre, recreation centre and cinema, oval, gymnasium, tennis and netball courts, and the swimming pool complex.

Caravan park

The park is attractively maintained and comprises eight cabins (with full amenities), two units (with no amenities), 20 powered sites and unlimited unpowered sites. It also offers BBQ facilities, camp kitchen, TV room, a 24-hour laundromat and a dump site.

The park has bookings for the 2016 peak season. It is in close proximity to the town centre and customers use the town facilities and services on offer.

It is currently operated by the Leigh Creek Progress Association.

Surroundings

Aerodrome

The Leigh Creek Aerodrome consists of two sealed runways and has the capacity for planes to land such as the Fokker 50, Dash 8-300, Saab 340, Metroliner, Beech King Air and small business jets up to Falcon 50. The aerodrome also has a valued refuelling facility that services the region.

The aerodrome is classified as a Registered Aerodrome and operates within the requirements prescribed in the Civil Aviation Safety Authority (CASA) Manual of Standards Part 139.

There are several administration and public access buildings at the airport.

Alinta Energy currently manages the airport.
Aroona Dam
The Aroona Dam is a 27.4 metre high, 198 metre long, concrete gravity structure located on the Aroona Catchment about 4km downstream of the confluence of Windy Creek and Emu Creek (about 250km north of Port Augusta). The reservoir formed by the dam stores a volume of 3478ML from a catchment upstream that covers an area of 64.750ha. Aroona Dam was constructed for water supply to the community that live in Leigh Creek and work in the coal mine.

The dam was designed by the Engineering and Water Supply Department on behalf of ETSA. Construction was completed in 1955.

Water treatment plant
Three pumps send raw water from the Aroona Dam, through a conveyance pipeline about 2km to a 90KL tank located on a hill northwest of the town of Leigh Creek. From there it is conveyed by gravity to the water treatment plant, where it undergoes ultrafiltration, and is then pumped back to a tank located on the same hill. From there treated water is distributed by gravity to Leigh Creek, Copley, and Lyndhurst.

Additional water is obtained from seven production bores that undergo reverse osmosis treatment and water is pumped to the 9ML tank that supplies potable water to the Leigh Creek township, Copley township, Lyndhurst, Myrtle Springs Station and Leigh Creek Station.

Water sewerage plant
The water sewerage plant consists of two Aeration Ponds and three settling ponds. Sewage from the Leigh Creek township and surrounding areas takes about 20 days to work through aeration and settling ponds before being dosed with chlorine and used for irrigation purposes in the Leigh Creek township.

Regional resources
There may be opportunity to use the township to support future resource developments.

The Leigh Creek coalfield is located within the resource rich northern extension of the Adelaide Geosyncline between two of the state’s major mineral producing areas. The Frome Embayment, approximately 140km to the northeast of Leigh Creek, hosts the Beverley and Four Mile ISR uranium mines of Heathgate Resources. The other is the IOCG Olympic Domain, a similar distance to the southwest which hosts the giant Olympic Dam copper-gold-uranium-silver mine and the advanced copper-gold projects of Carapateena and Khamsin.

This highly prospective area has a long mining history dating back to 1890. In 1943, commercial large scale coal mining began with the initial purpose-built township erected adjacent to the mine, and later relocated with the expansion of mining in that area. There is also a retention dam located south of the mine, constructed as a result of coal mining operations.

Alinta Energy currently leases the coal mine from the Government, but ceased its mining operations on 17 November 2015 and is undertaking ongoing site rehabilitation.

The area continues to be explored for a range of commodities, including copper, gold, lead, zinc, uranium, manganese, magnesite and silver.

Perilya's Flinders Zinc Project is located approximately 20km south of Leigh Creek and includes the Beltana Zinc mine, which is currently in care and maintenance. With phase one mining completed, the company is now actively focused on exploration.

Railway line
A 250km rail line links the Leigh Creek mine with the Port Augusta power stations. There is a balloon loop at each end of the line. Coal trains are the only current traffic on the line, which operates at a service level of 20 tonne axle loads at 70km per hour.

Additional information
Based on traffic surveys conducted on the Outback Highway for two weeks in September 2014, the number of long distance vehicles passing the Leigh Creek township varied considerably. The approximate number of vehicles per day was at minimum 230 and at maximum 370. The average over the two weeks was about 290 vehicles per day.

Roads in the region experience significant seasonal fluctuations in traffic (with September generally showing higher-than-average figures). The annual average is about 240 vehicles per day. These surveys also showed that large freight-carrying heavy vehicles (road trains, semi-trailers and B-Doubles) constituted an average of about 40–50 vehicles per day of the total traffic volume.

Existing businesses
The Department of State Development welcomes information from any party interested in the future of Leigh Creek. This includes information from existing independently operated businesses currently holding leases with Alinta.
The response

Information to include about a respondent
• Full legal, and any relevant business, name of respondent.
• ABN/CAN (if applicable).
• Registered office address.
• Postal, email and website addresses.
• Name, title and contact details of the respondent’s contact person.
• Brief summary of respondent’s experience and expertise.
• If a response is a joint submission or that of a consortium or joint venture, then above details of each person participating in the response, or in a proposed consortium or joint venture.

Information to include in a response
• An outline of any proposed new or expanded business venture.
• An outline of concepts/options for private investment and/or product/service development.
• A summary of likely economic or other benefits forecast to arise from the response, including employment opportunities.
• An overview of the respondent’s ability, resources and capacity to deliver the concepts, options and/or products/services.
• Information in relation to any existing business interests and their relationship to the proposal.
• Information that demonstrates the respondent’s understanding of operating in the region, including, in particular, the region’s rich Aboriginal heritage.

• Any training requirements arising as a consequence of a response.
• Expectations concerning public investment. A respondent may supply any additional information or material which may assist the understanding of the response.
As a guide, a response should be a maximum of 10 pages.

Lodging a response
Responses can be lodged electronically, mailed or hand delivered.
Electronic lodgement is to be emailed to LeighCreekRFI@sa.gov.au
Mailed lodgement is to be posted to Attention: Dr Jane Lomax-Smith GPO Box 320, Adelaide SA 5001
Hand delivered lodgement is to be delivered to Attention: Dr Jane Lomax-Smith Level 4, 11 Waymouth Street, Adelaide SA 5000
All responses must be received by 5pm, Monday 1 February 2016.

Consideration of responses
The Government will consider a response by reference to the following criteria.
The criteria are:
• the extent to which a proposal is understood to be economically viable or otherwise feasible
• the extent to which a proposal is able to utilise and enhance the environmental, cultural, heritage and community values associated with the region
• the impact a proposal will have on the local community and broader regional development, including the impact on the region’s economy, job creation, diversification of employment opportunities, and adjacent rural centres
• whether a proposal would be either complementary to or in conflict with any existing or other proposed uses, any existing interests, any applicable restraints, or any applicable policies, plans or strategies, in the chosen locality
• indicative requirements for services and other infrastructure
• alignment with the Government’s higher order economic and planning objectives and strategies
• the nature and extent of the experience of the respondent in the planning, permitting, design, construction, operation and maintenance of projects generally, and in relation to a proposal
• the nature and extent of any commercial or environmental outcomes or effects of a proposal
• the financial capacity of the respondent and its ability to fund a proposal
• native title or Aboriginal heritage matters
• value for money for the Government, including the nature and extent of any government contribution that may be required
• any other matters that the Government may consider relevant given the nature and content of a proposal.

Next steps
Responses received will help inform the Government to determine a way forward for the economic and social sustainability of the region.
This may involve further steps, including:
• the Government formulating a strategy for the future of the region
• discussions and negotiations with selected respondents, and possibly also Alinta Energy, either seeking additional information or seeking to further potential commercial arrangements and implement appropriate proposals
• a subsequent competitive process
• a combination of the above.

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