



Government
of South Australia

TRS19D3162

Hon Stephen Mullighan MP
Member for Lee
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SEMAPHORE SA 5019

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Dear Mr Mullighan

APPLICATION UNDER THE *FREEDOM OF INFORMATION ACT 1991*

I refer to your application made under the *Freedom of Information Act 1991* (the Act), dated 12 November 2019.

Your application seeks access to:

"All minutes, briefings and correspondence titled 'Budget and Performance – SA Water Board Meeting – April 2019' as described on the Objective document management system, between 23 February 2019 and 12 November 2019."

The legislative prescribed timeframe to determine this application has expired and is now deemed to have refused you access to all documents relevant to your application. I refer to my letter dated 19 November 2019 where I sought additional time to make my determination.

The purpose of this letter is to advise you of my determination. An extensive search was conducted within this office. A total of 1 document was identified as answering the terms of your application.

I grant you part access to 1 document; a copy of which is enclosed.

Released in Part

This document is released in part as it contains information on the procurement process to select SA Water's next service partner. Disclosure of the previous contract expenditure at this point in the tender process would likely lead to inflated tender prices which would compromise negotiation processes. It is in the public interest for SA Water to select and negotiate the best service at the lowest price which contributes to SA Water's financial viability and in turn keeps water and wastewater rates as low as possible for SA Water customers. I therefore determine this information exempt pursuant to clause 7(1)(c) to the Act.

The document contains information which, if released, would disclose details concerning a deliberation or decision of Cabinet. I have therefore determined to exempt this information pursuant to clause 1(1)(e).

Exemption

Clause 1 – Cabinet Documents

- (1) *A document is an exempt document—*
- (a) *if it is a document that has been specifically prepared for submission to Cabinet (whether or not it has been so submitted); or*
 - (b) *if it is a preliminary draft of a document referred to in paragraph (a); or*
 - (c) *if it is a document that is a copy of or part of, or contains an extract from, a document referred to in paragraph (a) or (b).*
 - (e) *if it contains matter the disclosure of which would disclose information concerning any deliberation or decision of Cabinet; or*
 - (f) *if it is a briefing paper specifically prepared for the use of a Minister in relation to a matter submitted, or proposed to be submitted to Cabinet.*

Clause 7 – Documents affecting business affairs concerning

- (1) *A document is an exempt document—*
- (b) *if it contains matter—*
 - (i) *consisting of information (other than trade secrets) that has a commercial value to any agency or any other person; and*
 - (ii) *the disclosure of which—*
 - (A) *could reasonably be expected to have an adverse effect on those affairs or to prejudice the future supply of such information to the Government or to an agency; and*
 - (B) *would, on balance, be contrary to the public interest; or*
 - (c) *if it contains matter—*
 - (i) *consisting of information (other than trade secrets or information referred to in paragraph (b)) concerning the business, professional, commercial or financial affairs of any agency or any other person; and*
 - (ii) *the disclosure of which—*
 - (A) *could reasonably be expected to have an adverse effect on those affairs or to prejudice the future supply of such information to the Government or to an agency; and*
 - (B) *would, on balance, be contrary to the public interest.*

Please note, in compliance with Premier and Cabinet Circular PC045 - *Disclosure Logs for Non-Personal Information Released through Freedom of Information* (PC045), the Department of Treasury and Finance is now required to publish a log of all non-personal information released under the Act.

In accordance with this Circular, any non-personal information determined for release as part of this application, may be published on the DTF website. A copy of PC045 can be found at the following address: <https://dpc.sa.gov.au/resources-and-publications/premier-and-cabinet-circulars>. Please visit the website for further information.

As I am determining this application as Principal Officer, section 29(6) of the Act does not provide for an internal review. If you are dissatisfied with my determination you are entitled to exercise your rights of external review with the Ombudsman.

Alternatively, you can apply to the South Australian Civil and Administrative Tribunal. If you wish to seek a review, section 39(3) of the Act states you must do so within 30 calendar days of receiving the determination.

If you require any further information, please contact Vicky Cathro on 8226 9769.

Yours sincerely

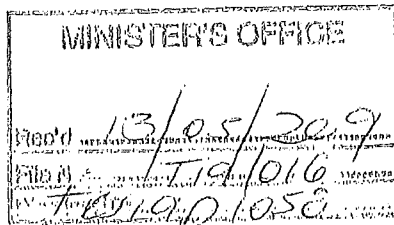
A handwritten signature in blue ink that reads "Rob Lucas".

Hon Rob Lucas MLC
Principal Officer

03 July 2020

RELEASE IN PART

MINUTE



MINUTES forming ENCLOSURE

Doc No: A1146008

To The Treasurer

SA WATER BOARD MEETING – APRIL 2019

Timing: ROUTINE — For information only

Recommendations/Issues: It is recommended that you:

- note the enclosed summary of the SA Water Board meeting held on 29 April 2019;
- note that the summary has been prepared by Treasury and Finance from the Board papers and minutes of the meeting; and
- sign the attached minute to the Minister for Environment and Water should you wish to provide a copy of the summary to the Minister.

Noted

Hon Rob Lucas MLC
Treasurer

19 May 2019

Tammie Pribahic
EXECUTIVE DIRECTOR
BUDGET AND PERFORMANCE

// /05/2019

Contact Officer:	Peter Fitzpatrick
Telephone:	8429 0894
Email address:	peter.fitzpatrick@sa.gov.au





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of South Australia**

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MINUTES *forming* ENCLOSURE to: Physical ID: TRS19D1058

**TO: HON DAVID SPEIRS MP
MINISTER FOR ENVIRONMENT AND WATER**

RE: SA WATER BOARD MEETING — APRIL 2019

Enclosed for your information is a copy of a summary of the SA Water Board meeting held on 29 April 2019.

The summary has been prepared by Treasury and Finance from the Board papers and minutes of the meeting.

A handwritten signature in black ink, appearing to read 'Rob Lucas'.

Hon Rob Lucas MLC
Treasurer

19 May 2019

Att

**TREASURER'S REPRESENTATIVE REPORT
SA WATER BOARD MEETING 29 APRIL 2019
(Board meeting 277)**

FINANCIAL PERFORMANCE			
<ul style="list-style-type: none"> To date, SA Water has allocated a total of \$1.9 billion of capital works, which is 98% of the current regulatory business period's Infrastructure budget of \$1.96 billion for the four years to June 2020 (includes proposed Eyre Peninsula Seawater Desalination Plant subject to Cabinet's approval). 			
	Variance YTD \$m	Variance EoY \$m	Comment
Profit before Tax	27.2	24.0	nil
Revenue	48.6	41.5	YTD position principally due to higher than budgeted water sales (\$31.9 million / 10.8 GL) and the sale of seasonal water allocations (\$13.2 million).
Expenses	21.4	17.5	YTD position principally due to higher electricity costs (\$13.1 million) from increased major pumping into reservoirs and higher electricity prices [REDACTED]
Capital Expenditure	-38.5	-40.2	YTD position principally due to delay of Zero Cost Energy Future project (\$38.5 million), with the projects EOY expenditure forecast to be lower than budget (\$80.25 million) due to timing only.
<ol style="list-style-type: none"> Budget figures reported in the SA Water Board papers reflect original 2018-19 Budget rather than the revised budget. Excludes recoverable project work performed on a cost recovery basis. Totals may not add due to rounding. 			
SIGNIFICANT ITEMS			
[REDACTED]			
<ul style="list-style-type: none"> <u>2019-20 Fees and Charges</u> <ul style="list-style-type: none"> Background was provided on SA Water's approach in past years to achieve cost recovery across the corporation's fees and charges. It was noted that there are 39 charges which have yet to reach cost recovery level. The Board discussed the proposed option to increase under-recovered charges by more than CPI, including whether the proposed addition would achieve cost recovery in a timely way. The Board resolved to proceed with the option of CPI (plus 0.5 percent for under-recovered fees) to continue the movement of fees and charges towards cost-reflective prices. 			
EMERGING ISSUES			
<ul style="list-style-type: none"> <u>Zero Cost Energy Future</u> <ul style="list-style-type: none"> The completion date to install 164 MW of solar generation has been delayed by 6 months to December 2020 due to technical complexity of the project and land accessibility. Management provided background to community concern about the installation of approximately 30,000 solar panels (9MW) in the northern portion of at Happy Valley Reservoir Reserve. 			

clause 7(1)(c)

clause 1(1)(e)

- o The current status of SA Water's community engagement at Happy Valley was noted by the Board, which includes the establishment of a Community Group, public meetings and direct mail-outs.
- Northern Adelaide Infrastructure Scheme (NAIS) Infrastructure Build and Water Allocation Update
 - o Construction of NAIS (stage 1A) commenced in March 2018 with the first water scheduled to customers in November 2019. The total recycled water production capacity of stage 1A will be up to 6.7 GL/year.
 - o The sale of recycled water is forecast to reach 8 GL over five years to 2024-25, in lieu of the original forecast of 12 GL.
 - o The Board considered the merits of progressing to stage 1B now or deferring the build to 2022-23. Stage 1B would increase the capacity of the scheme from 6.7 GL/year to 12 GL/year.
 - o The Board approved the deferral stage 1B to align future investment with recycled water demand.
 - o The deferral could result in milestone payments from the Commonwealth totalling \$8 million being delayed from mid-2021 to mid-2023. The Commonwealth is providing \$45.6 million towards the cost of NAIS, with \$30.6 million received to date.

OTHER MATTERS

- Australian Water Quality Centre
 - o The Board confirmed its out-of-session approval for SA Water's Australian Water Quality Centre (AWQC) laboratory services to submit its tender for the provision of water quality sampling and testing to Coliban Water. Coliban Water services 49 towns in Victoria.
- Regulatory Determination (SAW RD20)
 - o Meetings of the Negotiation Forum have commenced to discuss customer engagement and proposed RD20 operating expenditure and infrastructure investment. Further reviews are planned until the end of May, with negotiations planned until the end of June 2019.
 - o SA Water is preparing a detailed submission to ESCOSA on the corporation's preferred methodology for the calculation of the weighted average cost of capital for the RD20 determination period.
- ESCOSA Customer Services Standards
 - o SA Water meet 15 out of 18 regulated customer service standards during the quarter to 31 March 2019, with 3 service standards consistently below target since November/ December 2018 being field crew attendance (metro and regional), service restoration (regional) and clean-up (regional). Factors for this include the long travel distances (>75 km) and resource availability.
 - o Allwater's performance has continued to meet ESCOSA performance targets at additional cost. There has also been an increased volume of network incidents associated with the dry weather conditions. SA Water forecast that [REDACTED] and is continuing to work with Allwater to contain costs and improve delivery efficiency. clause 7(1)(c)
- Risk management
 - o Management advised that a total of 17 invoices were paid late for a penalty amount of approximately \$900. The key cause have been delays in transferring payment delegations.
- Myponga Reservoir Reserve Opening
 - o Management advised that the opening of the Myponga reservoir on 14 April 2019 ran smoothly, with about 700 visitors over Easter. Warren reservoir will open next (date to be confirmed).
- Contracts
 - o The Board approved the increase in the approval value for the North Le Fevre Waste Water Network upgrade contract with Fulton Hogan Construction Pty Ltd from \$6.8 million to \$7.4 million (GST exclusive).
 - o The Board approved the award of a contract to Fulton Hogan Construction Pty Ltd for the design and construction of a project to replace high voltage switchboards at pumping stations 1, 2 and 3 along the Mannum to Adelaide pipeline at a cost of up to \$8.1 million (GST exclusive).

Next meeting: 31 May 2019