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REGIONAL STATEMENT

BUDGET PAPER 6

Presented by the Honourable Kevin Foley MP
Deputy Premier and Treasurer of South Australia
on the Occasion of the Budget for 2007–08



Government
of South Australia

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REGIONAL STATEMENT 2007-08

Overview

Introduction

This paper provides information about new initiatives in the 2007-08 Budget that have a specific, regional focus. It does not specify existing regional programs and services or new initiatives that have been allocated on a statewide basis.

The prosperity and wellbeing of people and communities in regional South Australia is critical to the sustainability of the entire state. Viable regional economies contribute significantly to our economic growth and this needs to be partnered with strong social networks and environmental measures that conserve our water and other natural resources.

The achievement of *South Australia's Strategic Plan* objectives for regional communities is affected by distance, population and circumstances specific to each region.

Through Community Cabinets, and other community forums conducted by the Regional Communities Consultative Council, the government is open to hearing the concerns and issues of regional people and stakeholders.

Regionalisation of South Australia's Strategic Plan

South Australia's Strategic Plan sets down six objectives for strengthening South Australia economically, socially and environmentally — Growing Prosperity, Improving Wellbeing, Attaining Sustainability, Fostering Creativity, Building Communities and Expanding Opportunity. The plan is for the whole of South Australia and invites collaboration and cooperation between governments, communities and business.

Following an extensive process of community consultation, the government has adopted a comprehensive process of 'regionalising' the plan over the next two years. This will mean developing coordinated regional approaches to pursuing *South Australia's Strategic Plan* targets that reflect priorities specific to each region. The regionalisation of *South Australia's Strategic Plan* will be assisted by the adoption of common regional boundaries across all agencies within two years.

Regional Development Framework

The Minister for Regional Development is advised by the Regional Communities Consultative Council on matters concerning regions. A network of Regional Development Boards (RDBs) is funded by the Department of Trade and Economic Development to offer regionally based support for economic and business development.

The Office of Regional Affairs, in the Department of Trade and Economic Development coordinates a cross-government approach to regional development, working with the RDBs, providing support to the Regional Communities Consultative Council and promoting the interests of regions.

The Regional Development Infrastructure Fund supports regional infrastructure projects that contribute to economic viability and development. During 2007-08 the Office of Regional Affairs will continue to manage the Regional Development Infrastructure Fund to ensure that it targets the priorities that RDBs have set down with their communities.

The government has improved its decision-making processes to ensure that it is better informed about regional interests. As well as requiring that Cabinet submissions include regional impact statements, the government also requires that significant decisions about services include a full regional impact assessment before they are implemented.

Regional Communities Consultative Council

The Regional Communities Consultative Council provides advice on regional matters to the Minister for Regional Development. Members are appointed from across the state to provide insight and expertise on regional issues. The Council has strong links with, and consults directly with, regional South Australian communities through quarterly forums at which local issues for education, transport, infrastructure, environment, and health are identified and considered by the Council.

The Council met in the following locations during 2006-07:

- Port Augusta (meeting and community forum) — August 2006.
- Barossa (meeting and community forum) — November 2006.
- Port Vincent (meeting) — February 2007.
- Kingston SE (meeting and community forum) — May 2007.

Recently, the Council has made major contributions in the areas of drought and native vegetation.

- The Council has focussed largely on the need for counselling and support for mental health in rural communities and schools affected by the drought. The recent Drought Leaders Forum, at which the Council was represented by the chair, also highlighted this need.
- The Council has made a comprehensive submission to the recent review of the *Native Vegetation Act and Regulations*. The submission addresses issues and recommendations in three key areas — policy framework, legislative context and assessment/administrative processes.

In addition, the Council has considered developments in provision of shared services, public liability and training and skills development. Infrastructure continues to be a key issue for regional communities and the Council has been a driving force in the ongoing support for regional infrastructure through the Regional Development Infrastructure Fund, which now receives funding of \$3 million per annum.

The Council also has significant involvement with *South Australia's Strategic Plan*. During the update process members were involved in consultation forums and the Council was represented by the chair on the strategic plan update team. The chair has also been appointed to the Community Engagement Board, which will provide an ongoing mechanism for community involvement with *South Australia's Strategic Plan*.

The term of the current council expires on 31 December 2007 and the Minister has announced that future appointments will be for a three-year term.

Regional Development Boards

The government continues to fund a network of Regional Development Boards (RDBs) jointly with local government. The Department of Trade and Economic Development works closely with the RDBs to achieve *South Australia's Strategic Plan* objectives in regions. RDBs' strategic plans are now aligned with *South Australia's Strategic Plan*. RDBs facilitate and support the development of regional economies through their advice and support to regional business, their support for regional employment and training programs and their capacity to provide a voice on regional issues.

Regional Development Infrastructure Fund

The Regional Development Infrastructure Fund (RDIF) is a key part of the government's regional framework. The Fund is administered by the Office of Regional Affairs to provide grants and leverage further investment in regional infrastructure projects.

The RDIF aims to increase investment in strategic areas of regional infrastructure that supports job creation, investment, exports and economic growth. Since 1999, approximately \$21.5 million of RDIF investment has supported projects that have contributed an estimated \$920 million in total investment, creating an estimated 4000 jobs.

Regional Highlights

In addition to the ongoing budget commitments to regional health, education, justice and transport, this budget allocates significant resources to new regional initiatives.

Demonstrating the strength of the government's commitment to regional South Australia, these initiatives will enable government, in partnership with regional communities and business, to implement *South Australia's Strategic Plan*. Selected regional initiatives are presented below against the relevant objectives of *South Australia's Strategic Plan*.

Growing Prosperity

- \$0.6 million in 2007-08 to assist regional communities undertake projects to progress the implementation of *South Australia's Strategic Plan* targets in regional areas.
- \$8.4 million over four years to extend the Plan for Accelerated Exploration (PACE) program to support mineral discoveries and export earnings.
- \$14.2 million over four years to restore and replace marine infrastructure to improve safety, security and accessibility.
- \$5 million in 2007-08 to improve the freight transport network, including the upgrade of Seppeltsfield Road to accommodate access by heavy vehicles.
- \$3.2 million over four years for a new marketing campaign with a strategic emphasis on promoting South Australian regional holidays.

Improving Wellbeing

- A substantial increase in state support (estimated at \$16.9 million over four years) as part of an estimated \$168.8 million expansion of the joint Commonwealth/State Exceptional Circumstances support program.
- \$18 million in 2007-08 (in addition to the \$5 million in 2006-07) to address the impacts of the drought on regional and rural communities, including an extension of state based concession programs to drought affected families, increased mental health services, Natural Resource Management levy relief and support to develop business plans. These measures are in addition to Exceptional Circumstances drought relief support and other programs announced in November 2006 including increased financial rural counselling services.
- \$10.7 million over four years for the provision of upgraded roadside rest areas.
- \$9 million over two years to update government employee housing to support the recruitment of staff for rural and regional South Australia, including \$6 million for the construction of additional government housing in Roxby Downs to support the Olympic Dam expansion.
- \$5.7 million over four years for investment in road safety projects.
- \$4 million in 2007-08 for the construction of overtaking lanes on the Riddoch Highway and Noarlunga–Victor Harbor Road.
- \$34.7 million over four years for the redevelopment of the Ceduna Health Service.

Attaining Sustainability

- \$4.2 million to facilitate the introduction of Marine Parks in South Australia.

Fostering Creativity

- \$4.3 million over four years to extend the state's data network to regional and rural communities including high speed optical cable connection.

Building Communities

- \$12.4 million over four years to expand the Roxby Downs police station and associated housing to accommodate additional police officers to support the proposed expansion of Olympic Dam.
- \$5 million to construct a new South Australian Metropolitan Fire Service station at Port Lincoln, which will provide improved facilities and enable co-location with the Country Fire Service and State Emergency Service.
- \$1.2 million for a fire fighting appliance for the new Port Lincoln fire station.
- \$4 million over four years (jointly funded by the Commonwealth) for additional aerial fire fighting capacity.
- \$2.5 million over four years to enable an expansion of the rural fire fighting program with five new training programs and a target audience of 10 500 volunteers.

- \$23.5 million in 2007-08 in addition to the \$6 million in 2006-07 to repair flood damaged roads in the Mid to Far-North and West of the state. A further \$5 million will be provided to repair council roads.

Expanding Opportunity

- \$2.7 million to complete the final stage of the electrical distribution system from the new Central Power Station in the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands.
- \$13.6 million to upgrade a number of schools in regional areas, including:
 - \$3.2 million over three years for the redevelopment of Allendale East Area School;
 - \$2.9 million over three years for the upgrade and rationalisation of facilities, including the science laboratories, at Lameroo Area School; and
 - \$3.3 million over three years for improved facilities at Millicent High School.

REGIONAL ECONOMIC CONDITIONS

The Department of Treasury and Finance is expecting an acceleration in South Australian GSP growth from 1 per cent in 2006-07 to 4 per cent in 2007-08. This assumes a return to more normal rainfall patterns, producing a significant increase in farm sector output from the drought affected 2006-07 season. Good rainfall in late April has provided a promising start to the season for broadacre agriculture. Recovery in output and incomes for irrigated agriculture remains dependent on water flows and allocations.

Regional South Australia plays a significant role in South Australian economic activity. This is particularly so for agriculture, wine, energy and mineral production. Despite the significant contribution of these sectors, detailed analysis of the regional South Australian economy is difficult to undertake because of the limited data availability. Nonetheless, some indicators are presented in this regional overview regarding population, unemployment and the value of primary production to provide a flavour of the regional South Australian economy. Data for the value of primary production for each region presented are only available up to the 2005-06 financial year. However, it is estimated that the 2006-07 winter crop production statewide will be 65 per cent lower than in 2005-06.

Population and Unemployment

The estimated resident population of regional South Australia (the balance of the state outside of the Adelaide Statistical Division) was 416 000 persons as at 30 June 2006. It increased by almost 2900 or 0.7 per cent from a year earlier. Regional South Australia's population accounted for 27 per cent of the total population for the state, which was 1.55 million. The estimated resident population of the Adelaide Statistical Division was 1.1 million as at 30 June 2006, just under 9700 or 0.9 per cent higher than a year earlier. Regional South Australia's population growth over the year to 30 June 2006 was marginally higher than its five-year annual average growth rate, while Adelaide's population growth was significantly higher than its five-year annual average growth rate.

In regional South Australia all statistical divisions recorded population growth during 2005-06, with the Outer Adelaide Statistical Division (which covers the Mt Lofty Ranges, Kangaroo Island, Barossa and Fleurieu regions) recording the highest percentage growth of 1.6 per cent. The Eyre Statistical Division recorded the next highest percentage growth over the year to 30 June 2006 at 0.8 per cent, followed by the Yorke and Lower North Statistical Division at 0.5 per cent, the Murray Lands Statistical Division at 0.3 per cent, and both the Northern and South East Statistical Divisions at 0.1 per cent. Population grew in the Northern Statistical Division for the first time in a decade mainly due to increased population in Port Augusta and Roxby Downs.

According to the Federal Department of Employment and Workplace Relations, the regional South Australian unemployment rate averaged 4.4 per cent during 2006, lower than the 5.3 per cent for the Adelaide metropolitan area. During 2006, the average unemployment rate was lowest in the Outer Adelaide Statistical Division (3.5 per cent). The Northern Statistical Division had the highest unemployment rate in South Australia (5.7 per cent).

Table 1: Regional population and labour force data^(a)

	Adelaide	Outer Adelaide	Yorke & Lower North	Murray Lands/Riverland	South East	Eyre	Northern
Estimated resident population ^(b) ('000)	1 138.8	125.9	45.2	69.1	63.6	35.0	77.1
Unemployment ^(c) ('000)	31.3	2.0	0.8	1.8	1.4	0.7	2.3
Unemployment rate ^(c) (%)	5.3	3.5	3.7	5.2	4.1	3.7	5.7

(a) Regional classifications are in accordance with Australian Bureau of Statistics (ABS) Australian Standard Geographical Classification Structure.

(b) Estimated resident population is at the end of June 2006.

(c) Unemployment and unemployment rate estimates are averages for 2006.

Source: ABS Catalogue no. 3218.0; Department of Employment and Workplace Relations, Small Area Labour Markets.

Primary Production

The Department of Primary Industries and Resources estimates that the value of South Australia's primary (agricultural and mineral) production was \$7.4 billion in 2005-06. This represented an increase of 19 per cent from the 2004-05 estimate. Most of the increase was attributable to a higher value of mineral production in the Northern region (due to higher commodity prices for metallic minerals).

The value of forestry production was \$144 million during 2005-06 (estimates for prior years are not available).

The value of field crops produced increased by 30 per cent in 2005-06, with most of the increase in the Yorke & Lower North region. A higher volume of field crops produced contributed the most to the increase in value, while prices remained relatively suppressed.

The value of horticulture production (excluding wine grapes) grew 19 per cent during 2005-06. Most of the growth was in the Murray Lands and Outer Adelaide regions. The value of grapes for wine production fell by 12 per cent in 2005-06, driven by lower average grape prices outweighing a slight increase in the volume of production.

The value of seafood production rose by 21 per cent in 2005-06, which represents a partial recovery from the 27 per cent decline in 2004-05. The Eyre Peninsula recorded the largest increase in the value of seafood production. Similar growth was also recorded in the value of petroleum production, which increased by 22 per cent in 2005-06, with a significant rise in prices and a slightly higher volume of production.

The value of South Australian dairy production increased by 8 per cent in 2005-06, with relatively stable production and slightly higher prices for milk.

There was a fall in the value of livestock production of 8.6 per cent in 2005-06, with production volumes remaining relatively steady.

Table 2: Selected Regional Primary Output (\$ million)^{(a)(b)}

	Adelaide	Outer Adelaide	Yorke & Lower North	Murray Lands/Riverland	South East	Eyre	Northern	Total
2004-05								
Field crops	18	41	296	80	98	227	63	823
Livestock	76	174	151	225	382	95	240	1 343
Dairy	18	49	7	49	75	—	—	198
Horticulture (excl. wine grapes)	125	28	2	261	40	—	15	471
Seafood	47	15	26	1	49	186	1	325
Wine grapes	124	187	38	232	110	2	2	695
Minerals	85	38	36	11	12	4	1 399	1 585
Petroleum	—	—	—	—	21	—	791	812
Total	492	532	556	860	786	514	2 511	6 251
2005-06								
Field crops	1	14	501	128	99	291	40	1 073
Livestock	16	159	247	213	338	80	174	1 228
Dairy	2	68	10	53	81	—	—	214
Horticulture (excl. wine grapes)	93	71	19	305	60	—	14	562
Seafood	2	27	35	2	61	269	—	395
Wine grapes	74	111	128	176	118	—	1	608
Minerals	47	40	49	30	11	4	2 184	2 366
Petroleum	—	—	—	—	16	—	977	993
Sub-total	235	490	989	908	784	643	3 390	7 440
Forestry	—	12	1	—	131	—	—	144
Total	235	501	990	908	915	644	3 390	7 584

(a) Table may not add due to rounding.

(b) Values represent nominal farm gate, mine gate, or petroleum refinery gate levels, which, in turn, may represent different levels of value-add or refining depending on the activities involved. Data in this table is determined at a regional level and based on concordance between Regional Development Boards and Statistical Divisions.

Source: PIRSA

2007-08 BUDGET MEASURES

Growing Prosperity

Portfolio: Trade and Economic Development

Agency: Department of Trade and Economic Development

Expenditure Initiative: South Australia's Strategic Plan — regionalisation

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Operating Expenses	-566	—	—	—

Explanation

This initiative will establish a pilot fund to assist regional communities to undertake projects to progress the implementation of *South Australia's Strategic Plan* targets in regional South Australia.

Initiatives will aim to assist regional communities to become more resilient in the face of structural change or drought. Consideration will also be given to projects aimed at leveraging new economic development opportunities in the regions.

This initiative will complement other measures aimed at delivering on *South Australia's Strategic Plan* targets and strengthening regional communities.

Portfolio: Primary Industries and Resources

Agency: Department of Primary Industries and Resources

Expenditure Initiative: Plan for Accelerating Exploration — extension

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Operating Expenses	-300	-1 000	-3 511	-3 602

Explanation

The Plan for Accelerated Exploration (PACE) program has been extended to maintain an annual expenditure program of \$3.5 million per annum (in real terms). The existing PACE program has been recognised internationally, delivering increased exploration expenditure, direct investment and establishing collaborative research facilities. The PACE program is an important part of implementing

the *Strategic Infrastructure Plan for SA*, and in meeting *South Australia's Strategic Plan* targets in regions, especially those aimed at increasing mineral discoveries and the state's export earnings.

The discovery and successful development of resources will benefit regional and remote areas of the state through increased investment, economic development, employment opportunities and infrastructure provision. The key areas for immediate attention include the Gawler Craton, the Musgrave Block including the APY Lands, the Curnamona Province and the Officer Basin.

Portfolio: Transport, Energy and Infrastructure

Agency: Department for Transport, Energy and Infrastructure

Expenditure Initiative: Marine infrastructure — facilities restoration and replacement

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Operating Expenses	-650	-670	-680	-700
Investing Payments	-1 000	-3 400	-3 500	-3 600

Explanation

Works under this program will address safety, security and accessibility of marine infrastructure through the restoration and replacement of marine facilities including commercial ports, recreational jetties and commercial fishing facilities.

Portfolio: Transport, Energy and Infrastructure

Agency: Department for Transport, Energy and Infrastructure

Expenditure Initiative: Rural freight improvements — upgrade

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Investing Payments	-5 000	—	—	—

Explanation

Improvements will be made to the efficiency of the freight transport network, primarily on rural roads in South Australia.

The program consists of two components:

- heavy vehicle access improvements on gazetted and permit B-Double routes; and
- specific improvements at the intersection of the Barossa Valley Way and Seppeltsfield Road to open a new B-Double route.

Portfolio: Tourism

Agency: South Australian Tourism Commission

Expenditure Initiative: Domestic marketing program — expansion

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Operating Expenses	-750	-775	-800	-830

Explanation

A new marketing campaign with a strategic emphasis on promoting South Australian regional holidays. The campaign will target the key interstate markets of New South Wales, Victoria and South East Queensland and will utilise television, magazine, radio, print, outdoor and internet advertising. It will also incorporate the new state consumer brand '*South Australia - a brilliant blend*' to build awareness of the brand and provide a consistent image of the state as a tourism destination.

The overall aim of the program is to increase South Australia's appeal as a tourism destination and increase visitation to the state. Within this overall aim, a key goal of the initiative is to increase visitors to regional South Australia by promoting greater awareness of the diversity and quality of the state's authentic destinations.

Improving Wellbeing

Portfolio: Justice

Agency: Department for Correctional Services

Expenditure Initiative: Prison infrastructure — additional accommodation and staffing costs

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Operating Expenses	-5 460	-5 076	-5 193	-5 313
Investing Payments	-3 368	—	—	—

Explanation

This initiative increases prison capacity by 125 beds, the majority (104) of which will be in regional prisons, in Port Augusta and Mount Gambier. The additional capacity will generate further employment in the regions concerned, and will source additional supplies and services from local businesses, particularly in the Upper Spencer Gulf region.

Portfolio: Justice

Agency: Department for Correctional Services

Expenditure Initiative: Community corrections centres — upgrade to office accommodation

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Operating Expenses	-100	-155	-163	-172
Investing Payments	-390	-2 030	—	—

Explanation

This initiative includes \$821 000 over four years to provide new accommodation for the Community Corrections Centre at Port Pirie.

This is part of a larger initiative to improve accommodation facilities for Community Corrections Centres. The remaining expenditure is for a new Noarlunga Community Corrections Centre.

Portfolio: Primary Industries and Resources

Agency: Department of Primary Industries and Resources

Expenditure Initiative: Drought — Exceptional Circumstances support

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Operating Expenses	-66 985	-98 102	-200	—

Explanation

Significant new areas of the state have been identified as eligible for Exceptional Circumstances (EC) support and existing EC areas have had their declarations extended. The EC support program is a joint Commonwealth/State initiative to help address the impacts of the drought on regional and remote communities by way of an interest rate subsidy on related business debt with the program funded 90 per cent by the Commonwealth and 10 per cent by the state.

Many regions in South Australia are currently fully EC declared including Central North East and Annexure, Upper North, Far North, Murray Mallee, Upper South East, Lower Eyre Peninsula, Central Eyre Peninsula, Western Eyre Peninsula, River Murray Corridor and Fleurieu Peninsula.

There are also a number of other regions in various stages of progress towards obtaining full EC status.

If all remaining regions are deemed to be eligible it would result in the majority of regional South Australia being able to apply for EC assistance.

Portfolio: Primary Industries and Resources

Agency: Department of Primary Industries and Resources

Initiative: Drought — targeted assistance programs

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Operating Expenses	-15 818	—	—	—
Operating Revenue	-2 152	—	—	—

Explanation

Targeted assistance programs will address the impacts of the drought on regional and rural communities. The programs will cover the key areas of direct response, accelerating recovery and building future preparedness.

A Planning for Recovery program will support landholders to develop and implement high quality business plans to deliver improved production, family and natural resource management outcomes. The program is available to all farmers in Exceptional Circumstances declared areas who are receiving interest rate subsidies through that scheme.

State based concessions will be extended to drought affected families receiving Exceptional Circumstances income support payments. This will bring them into line with concessions available to recipients of Centrelink Newstart allowance.

Other measures include additional personal and family counselling and mental health support services, support to schools and students for excursions and other activities, incentives for businesses to retain apprentices in key skill areas and further research into ways to improve drought tolerance of crops and pastures and to improve drought management strategies for permanent horticulture.

Relief from the Natural Resource Management levy will be provided in 2007-08.

These measures are in addition to Exceptional Circumstances drought relief support and other targeted programs announced in late 2006 which included mental health resources, increased financial rural counselling services, stamp duty relief, financial mediation services, and the community grants program.

Portfolio: Transport, Energy and Infrastructure

Agency: Department for Transport, Energy and Infrastructure

Expenditure Initiative: Road safety — heavy vehicle rest areas

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Operating Expenses	-170	-180	-190	-200
Investing Payments	-2 500	-2 500	-2 500	-2 500

Explanation

The budget includes support for the implementation of the National Heavy Vehicle Fatigue: Roadside Rest Area Strategy for South Australia. The initiative will improve designated heavy vehicle rest areas in line with National Guidelines, enabling the provision of upgraded rest areas on state arterial roads and key unsealed outback roads that have a significant freight transport role. Particular features of the rest areas to be addressed include pavement upgrades, improved facilities and signage.

Portfolio: Transport, Energy and Infrastructure

Agency: Department for Transport, Energy and Infrastructure

Expenditure Initiative: Government employee housing — upgrade and replacement

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Investing Payments	-8 000	-1 000	—	—

Explanation

This initiative will upgrade employee housing to encourage the recruitment of staff to remote and regional South Australia, particularly experienced teachers and police. It aims to replace and upgrade existing government housing and to enable procurement of additional housing in Roxby Downs to support the town's expansion.

Portfolio: Transport, Energy and Infrastructure

Agency: Department for Transport, Energy and Infrastructure

Expenditure Initiative: Rural road safety — increased investment

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Operating Expenses	-32	-33	-34	-35
Investing Payments	-4 368	-377	-386	-395

Explanation

The initiative provides for increased investment in road safety projects. Targeted infrastructure improvements will focus on addressing roadside hazards, along with other treatments on high priority rural corridors.

Portfolio: Transport, Energy and Infrastructure

Agency: Department for Transport, Energy and Infrastructure

Expenditure Initiative: Road safety — overtaking lanes

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Investing Payments	-4 000	—	—	—

Explanation

The initiative will bring the total allocation in 2007-08 for overtaking lanes to \$7.4 million. The 2007-08 program will include the construction of two overtaking lanes on the Riddoch Highway (Nangwarry) and an overtaking lane on the Noarlunga–Victor Harbor Road (Mt Compass).

Portfolio: Health

Agency: Department of Health

Expenditure Initiative: Health reform — Ceduna Health Service redevelopment

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Investing Payments	-930	-2 650	-13 920	-17 220

Explanation

The proposed redevelopment will provide a mix of new and refurbished facilities for acute hospital care and GP Plus Health Care Centre services as well as high level aged care in a single fully integrated building.

Innovative culturally appropriate design will improve access to health services by making the facility welcoming for Aboriginal people.

The redevelopment will also facilitate the delivery of improved quality and coordination of services, improve capacity for the service to recruit and retain clinical staff and increase capacity for delivery of day surgery services which will allow more people to receive care within their community.

Portfolio: Health

Agency: Department of Health

Expenditure Initiative: Health reform — Port Pirie GP Plus Centre

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Investing Payments	—	—	-360	-1 820

Explanation

A purpose built GP Plus Health Care Centre will be established to deliver primary health care services to the community of Port Pirie. This integrated service will provide:

- better coordinated services;
- improved collaborative working relationships with other service providers;
- increased capability to attract and retain health professionals to the Mid-North region;
- service models which have the capacity to respond to and meet the changing health and wellbeing needs of the population; and
- culturally appropriate services for Aboriginal people.

Portfolio: Health

Agency: Department of Health

Expenditure Initiative: Naracoorte Health Service — infrastructure upgrades

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Investing Payments	-1 540	—	—	—

Explanation

A program of infrastructure works will be undertaken at Naracoorte Health Service to ensure the uninterrupted provision of health services. The works include replacement of the hospital's hot water system, a new operating theatre air conditioning system and replacement of the hospital's asbestos roof.

Greenhouse emissions will be reduced by approximately 50 tonnes.

Portfolio: Health

Agency: Department of Health

Expenditure Initiative: Country health — solar hot water service

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Investing Payments	-1 500	—	—	—

Explanation

A program of works will be undertaken at 10 country hospitals to replace aged hot water services with new gas augmented solar hot water systems. The sites include Kangaroo Island, Kapunda, Port Pirie, Wallaroo, Meningie, Maitland, Minlaton, Eudunda, Lameroo and Wudinna. The Gawler Hospital is also included in this initiative.

This initiative will deliver significant energy efficiencies, provide more reliable hot water supply and eliminate a number of systems that are at risk of failure.

Greenhouse emissions will be reduced by approximately 570 tonnes.

Attaining Sustainability

Portfolio: Environment and Conservation and the River Murray

Agency: Department for Environment and Heritage

Expenditure Initiative: Marine parks — planning and creation of marine reserves

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Operating Expenses	-1 000	-1 025	-1 050	-1 077

Explanation

This initiative will facilitate the introduction of 19 marine parks in South Australia, consistent with the *South Australia's Strategic Plan* target.

The support will enable the development of zoning and management plans for parks, development of a scientific basis for zoning arrangements and public consultation.

Fostering Creativity

Portfolio: Transport, Energy and Infrastructure

Agency: Department for Transport, Energy and Infrastructure

Expenditure Initiative: Broadband strategy — extension of data networks

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Operating Expenses	-300	-463	-463	-473
Investing Payments	-2 596	—	—	—

Explanation

This initiative extends the State Government's data network to regional and rural communities, including connection via high-speed optical cable to government sites. This will provide improved connectivity and, on average, double the current bandwidth. It will also improve the efficiency of government service delivery in regional and rural communities, particularly at Port Pirie and Berri.

Building Communities

Portfolio: Treasury and Finance

Agency: Administered Items for the Department of Treasury and Finance

Expenditure Initiative: Local Government Disaster Fund — additional support for flood damaged roads

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Operating Expenses	-5 000	—	—	—

Explanation

The initiative provides \$5 million in 2007-08 to repair council roads damaged during floods in January 2007. Works will include repairs to roads, gutters and culverts through carting rubble, rolling and grading and other repairs to infrastructure damaged in the floods.

Portfolio: Justice

Agency: South Australia Police

Expenditure Initiative: Roxby Downs police station — upgrade

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Operating Expenses	-357	-1 265	-1 369	-1 406
Investing Payments	-750	-7 250	—	—

Explanation

The initiative enables the upgrade of the existing police station and provides housing to accommodate additional police officers to support the proposed expansion of Olympic Dam. The Roxby Downs police station will be expanded to enable additional police officers (funded from the *Recruit 400* initiative) to provide a 24 hour policing service.

Portfolio: Justice

Agency: Attorney-General's Department

Expenditure Initiative: Volunteer resource centres — operational support

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Operating Expenses	-100	-100	—	—

Explanation

This initiative will provide seed funding for up to 13 councils to establish volunteer resource centres. It is likely that the majority of councils that will receive support will be in regional areas. The volunteer resource centres will provide a range of free services to assist local community groups, help groups to locate resources and information, provide information on volunteer management issues, promote volunteering within the local community and establish and manage a volunteer skills and volunteer jobs register.

Portfolio: Justice

Agency: Administered Items for the South Australian Fire and Emergency Services Commission

Expenditure Initiative: Communications — handset replacement

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Investing Payments	-1 897	-1 945	-1 994	-2 044

Explanation

The State Government Radio Network (GRN) is a strategic asset that enhances the public safety of all South Australians. This initiative provides for an ongoing replacement program of radios for the emergency services sector. The program will ensure 'end of life' replacement of GRN radios, which are critical for the coordination and delivery of emergency services across the state.

Portfolio: Justice

Agency: South Australian Metropolitan Fire Service

Expenditure Initiative: Fire station (Port Lincoln) — accelerated construction

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Operating Expenses	—	-16	-16	-17
Investing Payments	-2 500	-2 500	2 500	2 500

Explanation

The initiative will enable the construction of a new South Australian Metropolitan Fire Service (SAMFS) fire station at Port Lincoln commencing in 2007-08, two years earlier than originally scheduled. This will provide Port Lincoln's fire fighters with improved facilities and enables the co-location with the Country Fire Service and State Emergency Services.

Portfolio: Justice

Agency: South Australian Metropolitan Fire Service

Expenditure Initiative: Fire fighting appliance (Port Lincoln) — purchase

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Operating Expenses	—	-5	-5	-6
Investing Payments	-513	-513	-79	-81

Explanation

This initiative will allow the addition of a fire fighting appliance for the new SAMFS Port Lincoln fire station. The appliance will ensure sufficient fire protection resources to accommodate high-rise, commercial and industrial development in Port Lincoln.

Portfolio: Justice

Agency: Country Fire Service

Expenditure Initiative: Aerial fire fighting — increased capacity

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Operating Expenses	-1 000	-1 000	-1 000	-1 000

Explanation

This initiative will provide additional aerial fire fighting capacity. The program is jointly funded by the Commonwealth. Aerial fire fighting is a valuable component of the response to bushfire risk with aircraft being particularly useful for rapid and incipient attack as well as asset protection. Increasing the capacity of the Country Fire Service aerial fire fighting fleet will enable strategic re-positioning of aircraft to identified risks across South Australia and for the high-risk areas of the Mt Lofty Ranges.

Portfolio: Justice

Agency: Country Fire Service

Expenditure Initiative: Fire fighter training

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Operating Expenses	-614	-627	-641	-656

Explanation

Additional resources will enable the expansion of the rural fire fighting program. Five new training programs will be introduced, with a target audience of 10 500 volunteers. The training programs will better equip volunteers with accredited rural fire fighting skills covering bushfire suppression, forestry fire fighting, fire fighting in remote areas, navigation and global positioning techniques and urban interface fire fighting techniques. This initiative will also provide regional employment opportunities with six additional positions being created.

Portfolio: Justice

Agency: Country Fire Service

Expenditure Initiative: Bushfire risk — community awareness campaign

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Operating Expenses	-500	-513	-526	-539

Explanation

The initiative will provide ongoing funding for the expansion of the Country Fire Service community education and awareness programs for bushfire prevention, preparedness and safety. The expanded program will help to minimise the bushfire risk to life, property and the environment through targeted community education and awareness campaigns, information relating to the Bushfire Information and Bushfire Warning System, bushfire preparedness, prevention and safety, and promotion of the 'Prepare to stay and defend or Go Early' message.

Portfolio: Justice

Agency: State Emergency Service

Expenditure Initiative: Rescue vessel (Port Lincoln) — replacement

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Investing Payments	-350	—	—	—

Explanation

This initiative will allow for the replacement of the sea rescue vessel at Port Lincoln to improve the capability in the West Coast region. The existing vessel is to be relocated to Kingston, addressing the immediate risk to the community in the South East region.

Portfolio: Transport, Energy and Infrastructure

Agency: Department for Transport, Energy and Infrastructure

Expenditure Initiative: Rural roads — repair of flood damage

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Investing Payments	-23 500	—	—	—

Explanation

This initiative provides \$23.5 million in 2007-08 to repair flood damaged roads in the Mid to Far-North and West of the state. Many roads over an extensive area of the state are included in the proposed works, including roads around Hawker, the Gawler and Flinders Ranges, the Oodnadatta, Birdsville and Strzelecki Tracks, as well as the Barrier and Lincoln Highways. A further \$6 million was provided in 2006-07.

Portfolio: Transport, Energy and Infrastructure

Agency: Department for Transport, Energy and Infrastructure

Expenditure Initiative: Government Radio Network — enhancement and replacement

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Operating Expenses	-412	-432	-443	-454
Investing Payments	-1 638	-404	-160	—

Explanation

The State Government Radio Network (GRN) is a strategic asset that enhances the public safety of all South Australians. This initiative provides for the replacement of plant and equipment including emergency generators and site cooling systems, and for a range of maintenance activities across the 151 state-owned GRN sites that service 260 000 square kilometres of the state.

Expanding Opportunity

Portfolio: Premier and Cabinet

Agency: Department of the Premier and Cabinet

Expenditure Initiative: APY Lands central power station — additional distribution costs

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Operating Expenses	-2 675	—	—	—

Explanation

Additional resources of \$2.7 million has been allocated to complete stage 3 of the Anangu Pitjantjatjara Yankunytjatjara Lands (APY) central power station project which involves the construction of high voltage power lines (distribution network) from the new power station to connect the Fregon, Mimili, Indulkana and Amata communities.

Portfolio: Premier and Cabinet

Agency: Department of the Premier and Cabinet

Expenditure Initiative: APY Lands swimming pool — operational support

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Operating Expenses	-160	-160	-160	-160

Explanation

Additional support will be provided for the ongoing maintenance and management costs of the new swimming pool to be constructed at the Pipalyatjara community on the APY Lands.

Portfolio: Education and Children's Services

Agency: Department of Education and Children's Services

Expenditure Initiative: Allendale East Area School

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Investing Payments	-500	-1 000	-1 700	—

Explanation

This initiative allows for the redevelopment of senior school specialist accommodation and removal of transportable buildings.

Portfolio: Education and Children's Services

Agency: Department of Education and Children's Services

Expenditure Initiative: Freeling Primary School

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Investing Payments	-250	—	—	—

Explanation

This initiative allows for the replacement of roofs.

Portfolio: Education and Children's Services

Agency: Department of Education and Children's Services

Expenditure Initiative: Kapunda High School

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Investing Payments	-250	-750	-900	—

Explanation

This initiative allows for the upgrade of the school's resource centre and administration.

Portfolio: Education and Children's Services

Agency: Department of Education and Children's Services

Expenditure Initiative: Lameroo Area School

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Investing Payments	-150	-750	-2 000	—

Explanation

This initiative allows for the upgrade and rationalisation of the schools existing facilities including the science laboratories.

Portfolio: Education and Children's Services

Agency: Department of Education and Children's Services

Expenditure Initiative: Millicent High School

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Investing Payments	-100	-700	-2 500	—

Explanation

This initiative allows for the consolidation of the resource centre, art, engineering pathways and drama into solid accommodation.

Portfolio: Education and Children's Services

Agency: Department of Education and Children's Services

Expenditure Initiative: Mount Gambier High School

Budget Implications (\$000s)

	2007-08	2008-09	2009-10	2010-11
Investing Payments	-300	-1 000	-700	—

Explanation

This initiative allows for the provision of a new solid construction visual arts facility.



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of South Australia**