



2006 | 07

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 2006–07



Government
of South Australia

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REGIONAL STATEMENT 2006-07

Overview

Introduction

This paper provides information about new initiatives in the 2006-07 Budget that have a substantial regional focus. It does not provide information about budgets for existing regional programs and services, nor does it provide information about other new initiatives that will benefit regions but are essentially statewide in nature.

South Australia's Strategic Plan

South Australia's Strategic Plan sets down six objectives:

- Growing prosperity
- Improving wellbeing
- Attaining sustainability
- Fostering creativity
- Building communities
- Expanding opportunity

The plan is for the whole of South Australia and invites collaboration and cooperation between governments, communities and business. This statement is structured to align with the plan.

South Australia's Regions

The Government recognises that, for regional communities, achievement of the *South Australia's Strategic Plan* objectives is challenged by distance and population density. 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.

The prosperity and well being 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.

Regional Development Framework

A number of key bodies, policies and programs work together to focus government attention on regional issues, through the 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) offer regionally based support for economic development and regional business. The Office of Regional Affairs, in the Department of

Trade and Economic Development, continues to coordinate a cross-government approach to regional development, working with the RDBs and promoting the interests of regions.

The Regional Development Infrastructure Fund supports regional infrastructure projects that contribute to economic viability and development. During 2006-07 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 fuller regional impact assessment before they are implemented.

Regional Communities Consultative Council

The Regional Communities Consultative Council has continued to provide 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 maintained strong links with regional communities through its membership and has been particularly concerned to hear from people in the regions through its regional community forums. The Regional Communities Consultative Council has convened each quarter to meet with regional communities, make site visits, consider regional issues and prepare advice for the Minister for Regional Development. It has held economic and social community forums in the Outback, Port Lincoln and Bordertown.

The Government appreciates the contribution that the Regional Communities Consultative Council has made to raising regional issues and its responsibility for furthering regional interests.

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 pursue *South Australia's Strategic Plan* objectives in regions. RDBs' strategic plans are now aligned with *South Australia's Strategic Plan*. RDBs facilitate and support regional economies through their advice and support to regional business, their pivotal position in regionally based employment and training programs and their capacity to provide a voice on regional issues.

Regional Development Infrastructure Fund

Government consultations with communities and stakeholders about *South Australia's Strategic Plan* and advice from the Regional Communities Consultative Council forums identified infrastructure developments as a key priority for South Australia's regions.

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

The Fund aims to increase investment in strategic areas of regional infrastructure that support economic growth, job creation, investment and exports. Since 1999, approximately \$18 million of RDIF investment has contributed to an estimated \$700 million in regional investment, creating an estimated 3300 new jobs.

Regional Highlights

In addition to the ongoing budget commitments to regional health, education, justice, transport, etc, this budget allocates more than \$79.8 million to new regional initiatives over the next four years. Additional police resources will also be allocated to regional areas as part of the *Recruit 400* initiative.

Outside of the budget context, the Government has also provided for:

- The establishment of a regional (resident) Magistracy at Berri;
- Up to \$3 million towards investigation, design and construction of Salt Interception Schemes for salinity mitigation in priority areas, including Murtho, Chowilla and Pike; and
- \$2.4 million for the Mill Corner and Bookpurnong Road realignment project, being undertaken in partnership with the Loxton Waikerie Council, scheduled to coincide with the Salt Interception Scheme.

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 2006-07 Budget regional initiatives are presented below under the relevant objectives of *South Australia's Strategic Plan*:

Growing prosperity

- The Olympic Dam Taskforce will be allocated \$1.5 million over three years to support its operations in facilitating and maximising the flow-on benefits of the proposed \$5 billion plus mining expansion.
- A contribution of \$8.3 million over four years will see the establishment of the Mineral Resources and Heavy Engineering Skills Centre, which will supply skilled labour to support the mining industry.
- An allocation of \$2.8 million will be provided over four years for major events, particularly the *Tour Down Under*, which will be expanded with the intention of becoming part of the Union Cycliste Internationale's newly-created "pro tour" by 2009.
- Almost \$1.9 million will be provided in 2006-07 towards drought relief in the Central North East, Far North and Central North regions.
- Additional support of \$900 000 over four years will be used to promote local South Australian produce to the world through the introduction of a biennial food symposium (the Oldways Food Symposium) and an Adelaide Food and Wine Summit, including regional tours for visiting journalists and chefs.

Improving wellbeing

- \$2.6 million has been provided over two years for the upgrading of regional prison facilities.

Attaining sustainability

- An additional \$8.4 million over four years has been provided to the Murray-Darling Basin Commission.
- An additional 20 rangers will be employed in National Parks at a cost of \$7.2 million over four years.
- The budget provides \$5.7 million over four years to establish a River Murray native forest.

Fostering creativity

- An allocation of \$1.8 million over four years has been made to support arts infrastructure and activities in regional arts.

Building communities

- The Regional Development Infrastructure Fund is extended beyond 2006-07, with an ongoing allocation of \$3 million per annum. It will continue to invest in strategic infrastructure projects to leverage substantial investment by other spheres of government and the private sector.
- \$2.1 million in 2006-07 will be provided for increased fuel expenses for the Remote Areas Energy Supply Scheme.
- A new Rural Towns Development program will receive \$2 million over four years.
- A day crew at the Metropolitan Fire Service Fire Station at Mount Gambier will be established costing \$1.9 million over four years.
- The budget provides \$7.6 million over three years for road safety projects in regional areas.
- The Port Augusta Renal Dialysis Unit will be redeveloped with \$1.5 million over two years.
- Additional police officers will be placed in regional areas as part of the *Recruit 400* initiative.

Expanding opportunity

- The Department of Education and Children's Services will spend \$6.8 million upgrading a number of schools in regional areas.
 - \$2 million for landscaping at the Ceduna Area School;
 - \$1.8 million to upgrade the resource centre building and general classroom areas at Kadina Primary School;
 - \$1.8 million to replace transportable buildings and minor upgrade of existing accommodation at Meadows Primary School; and
 - \$0.7 million for the upgrade of the Millicent North Primary School.



Hon Karlene Maywald

MINISTER FOR REGIONAL DEVELOPMENT

REGIONAL ECONOMIC CONDITIONS

The South Australian economy continued to perform solidly during 2005-06, reflecting continued growth in housing construction and business investment in new assets and significantly higher crop production.

The outlook for the South Australian economy is for continued solid economic growth. Expectations are that business investment in new assets will remain strong, supported by a significant backlog of work in non-residential and engineering construction. It is anticipated that housing construction will moderate in 2006-07. A large decline in field crop output from high levels in 2005-06 is in prospect as a result of low winter rainfall.

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 limited data availability. Nonetheless some indicators are presented in this regional overview regarding population, unemployment and primary production to provide a flavour of the regional South Australian economy. Data for primary production indicators for each region presented below are only available up to the 2004-05 financial year. However it is known that the 2005-06 winter crop production statewide was 33 percent higher than in 2004-05. Preliminary South Australian Department of Primary Industries and Resources (PIRSA) estimates indicate a 37 per cent decline in the field crop for 2006-07.

Population and Unemployment

The estimated resident population of South Australians living within the Adelaide metropolitan area increased by 0.5 per cent through the year to June 2005 to 1.1 million persons. The metropolitan area accounts for 73 per cent of the State's population. Population growth of 0.8 per cent in the rest of the State exceeded that of the Adelaide metropolitan area through the year to June 2005. The population in the rest of the State has reached 413 000 persons.

The population of the Outer Adelaide statistical division (which covers the Mt Lofty Ranges, Kangaroo Island, the Barossa and Fleurieu regions) increased by 2.1 per cent through the year to June 2005, the highest growth rate in the State, and reached 124 000 persons (8.0 per cent of the State's population). The South East statistical division experienced the State's second highest rate of growth of 0.8 per cent through the year to June 2005. The other South Australian statistical divisions to experience growth through the year to June 2005 were Yorke and Lower North (up 0.6 per cent), Eyre (up 0.4 per cent), and Murray Lands (up 0.4 per cent). Only the Northern statistical division recorded a decline in population, falling by 0.7 per cent through the year to June 2005.

According to small area labour market data published by the Federal Department of Employment and Workplace Relations, non-metropolitan regions of South Australia have a lower unemployment rate than the Adelaide metropolitan area. Four statistical divisions in South Australia experienced an average unemployment rate below 4 per cent during the first three quarters of 2005-06. The lowest average unemployment rate was recorded for the Outer Adelaide statistical division (2.6 per cent on average for the period) followed by the South East statistical division (3.1 per cent). The Yorke and Lower North and Eyre statistical divisions recorded unemployment rates of 3.4 and 3.6 per cent respectively. The Murray Lands statistical division's unemployment rate averaged 4.1 per cent in the first three quarters of 2005-06. The Northern statistical division experienced the second highest

unemployment rate in the State, averaging 5.4 per cent for the period, with the highest unemployment rate recorded in the Adelaide metropolitan area (5.6 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) | 1 129.3 | 123.9 | 44.9 | 68.8 | 63.5 | 34.7 | 77.0 |
| Unemployment ^(c) ('000) | 32.3 | 1.5 | 0.7 | 1.4 | 1.1 | 0.6 | 2.0 |
| Unemployment rate ^(c) (%) | 5.6 | 2.6 | 3.4 | 4.1 | 3.1 | 3.6 | 5.4 |

(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 2005.

(c) Unemployment and unemployment rate estimates are averages for the first three quarters of 2005-06.

Sources: ABS Catalogue no. 3218.0.55.001; Department of Employment and Workplace Relations, Small Area Labour Markets.

Primary Production

The value of South Australia's primary (agricultural and mineral) production was \$6.25 billion in 2004-05, according to estimates compiled by PIRSA. This represented an increase of 1.8 per cent from PIRSA's 2003-04 estimate.

Mineral production values increased by 56 per cent in 2004-05, with most of the growth in the Northern region principally related to Olympic Dam. The value of field crops declined by 37 per cent in 2004-05, with all cropping areas experiencing declines.

The value of South Australian wine grape production decreased by 15 per cent in 2004-05. The wine grape producing regions of Outer Adelaide, the Murray Lands and the South East all recorded declines in wine grape production values in 2004-05.

Seafood and horticulture were the only other major primary production categories to experience a decline in production values in 2004-05. The value of livestock production increased by 6.0 per cent during 2004-05.

The value of dairy production increased by 3.9 per cent in 2004-05. This was largely attributable to strong growth in the South East region.

The value of petroleum production increased by 24 per cent in 2004-05, reflecting higher prices.

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

| | Adelaide | Outer Adelaide | Yorke & Lower North | Murray Lands/Riverland | South East | Eyre | Northern | Total |
|----------------------------------|--------------|----------------|---------------------|------------------------|--------------|--------------|----------------|----------------|
| 2003-04 | | | | | | | | |
| Field crops | 22.9 | 57.3 | 453.5 | 144.7 | 131.0 | 401.8 | 87.5 | 1 298.7 |
| Livestock | 78.7 | 164.0 | 146.7 | 205.3 | 348.6 | 94.6 | 229.2 | 1 266.9 |
| Dairy | 19.5 | 47.4 | 6.3 | 55.0 | 62.1 | — | 0.2 | 190.4 |
| Horticulture (excl. wine grapes) | 135.4 | 26.6 | 1.4 | 264.2 | 48.7 | 0.2 | 1.7 | 478.2 |
| Seafood | 12.6 | 19.8 | 29.0 | 1.1 | 45.2 | 317.5 | 0.8 | 425.9 |
| Wine grapes | 170.5 | 187.3 | 29.0 | 234.0 | 188.6 | 1.5 | 2.1 | 813.0 |
| Minerals | 66.2 | 22.5 | 37.4 | 9.5 | 11.6 | 4.1 | 863.5 | 1 014.8 |
| Petroleum | — | — | — | — | 20.8 | — | 632.3 | 653.1 |
| Total | 505.8 | 524.9 | 703.2 | 913.8 | 856.6 | 819.6 | 1 817.2 | 6 141.1 |
| 2004-05 | | | | | | | | |
| Field crops | 17.6 | 40.9 | 295.8 | 80.5 | 97.8 | 226.9 | 63.3 | 822.9 |
| Livestock | 76.4 | 174.4 | 150.8 | 224.9 | 382.1 | 94.7 | 239.8 | 1 343.2 |
| Dairy | 17.8 | 49.3 | 6.7 | 49.2 | 74.8 | — | 0.2 | 197.9 |
| Horticulture (excl. wine grapes) | 124.6 | 28.0 | 1.8 | 261.2 | 40.3 | 0.2 | 14.5 | 470.6 |
| Seafood | 46.7 | 15.3 | 26.3 | 1.0 | 48.9 | 186.3 | 0.7 | 325.2 |
| Wine grapes | 123.6 | 186.9 | 38.3 | 232.0 | 110.1 | 1.5 | 2.5 | 694.8 |
| Minerals | 85.5 | 37.6 | 36.3 | 10.8 | 11.6 | 4.3 | 1 398.6 | 1 584.7 |
| Petroleum | — | — | — | — | 20.5 | — | 791.3 | 811.8 |
| Total | 492.2 | 532.3 | 556.1 | 859.6 | 786.2 | 513.9 | 2 510.8 | 6 251.1 |

(a) Table may not add due to rounding.

(b) All figures are estimates.

Source: PIRSA

2006-07 BUDGET MEASURES

Growing prosperity

Portfolio: Trade and Economic Development

Agency: Department of Trade and Economic Development

Expenditure Initiative: Olympic Dam Taskforce — support for operations

Budget Implications (\$000s)

| | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
|--------------------|---------|---------|---------|---------|
| Operating Expenses | -500 | -500 | -500 | — |

Explanation

The initiative establishes a dedicated team to facilitate BHP Billiton's Olympic Dam expansion. The Olympic Dam expansion will generate around 23 000 direct and indirect jobs and involve investment in excess of \$5 billion.

Once established the team will:

- drive government facilitation of the project, to ensure timely delivery;
- facilitate the development of key infrastructure including a major desalination plant;
- work to try to maximise the regional and state benefits to be derived from the project, particularly in terms of skills development, local content, regional development, infrastructure and indigenous economic development; and
- resolve and progress policy, regulatory and legislative issues.

Portfolio: Primary Industries and Resources

Agency: Department of Primary Industries and Resources

Expenditure Initiative: Drought Relief Funding — Central North East, Far North and Central North regions

Budget Implications (\$000s)

| | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
|--------------------|---------|---------|---------|---------|
| Operating Expenses | -1 895 | -73 | — | — |

Explanation

Exceptional Circumstances (EC) assistance has been extended by one year and the level of assistance increased in response to enhanced EC guidelines. The threshold level of the off-farm assets test and interest rate subsidies have been increased.

Portfolio: Tourism

Agency: South Australian Tourism Commission

Expenditure Initiative: Oldways Food Symposium and Adelaide Food and Wine Summit — support for the events

Budget Implications (\$000s)

| | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
|--------------------|---------|---------|---------|---------|
| Operating Expenses | -350 | -100 | -350 | -100 |

Explanation

Additional resources have been provided to hold the biennial food symposium — the Oldways Food Symposium — and an Adelaide Food and Wine Summit in alternate years.

The Oldways Food Symposium will be held during the winter period in alternate years to the Tasting Australia festival and will involve a range of food experts, manufacturers, growers, scientists and chefs discussing and debating food issues. Local producers will also be able to showcase their products and leading chefs will be engaged to prepare South Australian produce in new ways.

The Symposium is designed to enhance South Australia's reputation as a hub for food, as well as associated science and research. There will be a particular focus on increasing overseas and interstate sales of South Australian produce. A key aim of the event will be to receive international media coverage.

In the alternate years to the Oldways Food Symposium, an Adelaide Food and Wine Summit will be held to promote South Australia as a centre for food, wine and beer excellence. The summit will include regional tours organised for visiting journalists and chefs.

Portfolio: Tourism

Agency: South Australian Tourism Commission

Expenditure Initiative: Major events — additional support for securing and staging events

Budget Implications (\$000s)

| | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
|--------------------|---------|---------|---------|---------|
| Operating Expenses | -700 | -700 | -700 | -700 |

Explanation

In line with the Government's objective of developing a full year calendar of events, *Events South Australia* will receive additional ongoing funding of \$700 000 from 2006–07. Part of this funding will be used to grow the Tour Down Under by increasing the number of competing teams from 12 to 14 in 2007. The remaining funding will be used to secure new events for the State, with a focus on the winter period.

Events are a major drawcard for attracting international and interstate visitors to the State. The Tour Down Under is also broadcast internationally into key tourism markets and this is used to promote our regional areas. The visitors that follow each stage also provide a boost to regional economies.

Portfolio: Further Education, Employment, Science and Technology

Agency: Department of Further Education, Employment, Science and Technology

Expenditure Initiative: Mineral Resources and Heavy Engineering Skills Centre — establishment

Budget Implications (\$000s)

| | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
|--------------------|---------|---------|---------|---------|
| Operating Expenses | -1 471 | -2 434 | -2 184 | -2 184 |

Explanation

This initiative includes an integrated suite of workforce development measures associated with the expansion of the mineral resources industry in South Australia, incorporating:

- the establishment and ongoing operation of a Mineral Resources and Heavy Engineering Skills Centre driven by the South Australian resources industry to identify the industry's workforce needs and to develop and execute targeted programs with government to meet these needs;
- expanded learning and work programs in regions, specifically (but not exclusively) in the Upper Spencer Gulf and Outback regions, including improved transitions from schooling to further learning and employment for the young, indigenous people and women; and
- additional support for higher education initiatives in geosciences, mining engineering and metallurgy with the University of Adelaide and University of South Australia.

The expansion of Olympic Dam by BHP Billiton, Project Magnet by One Steel, and developments by Iluka in the Eucla Basin, Oxiana at Prominent Hill and Australian Zircon at Mindarie offer unprecedented opportunities to achieve economic, social inclusion and regional community targets in *South Australia's Strategic Plan*. The projects will create up to 4000 new jobs in the regions and create opportunities for new entrants to the workforce. This can enhance workforce participation of traditionally disengaged groups such as underemployed and unemployed people, young people, indigenous people and women. A Skills Centre will promote these opportunities and broker connections between industry, training providers, other intermediaries and potential workers to meet these workforce needs.

Improving wellbeing

Portfolio: Justice

Agency: Department for Correctional Services

Expenditure Initiative: Prison kitchens — upgrade

Budget Implications (\$000s)

| | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
|-----------------------------------|---------|---------|---------|---------|
| Investing Payments ^(a) | -1 150 | -1 150 | — | — |

(a) The budget provides \$2 million in 2006-07 and \$2 million in 2007-08 for prison kitchens. The remainder will be allocated to metropolitan prisons.

Explanation

Additional support has been provided to upgrade and expand kitchen facilities in the Port Lincoln and Mount Gambier prisons.

Work will include: upgrading kitchen areas to deal with current prisoner numbers and meal volumes; replacing commercial kitchen equipment; implementing new food processing systems and practices; and improving the training of staff and prisoners who work in prison kitchens.

Portfolio: Justice

Agency: Department for Correctional Services

Expenditure Initiative: Prison air treatment systems — replacement and upgrades

Budget Implications (\$000s)

| | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
|-----------------------------------|---------|---------|---------|---------|
| Investing Payments ^(a) | -300 | — | — | — |

(a) The budget provides a total of \$1 million in 2006-07 and \$900 000 in 2007-08 for prison air treatment systems. The remainder will be allocated to metropolitan prisons.

Explanation

Air treatment systems are critical in all areas which, for security reasons, do not have opening windows. The additional support will be used to upgrade air treatment systems in the medium security units at Port Augusta Prison.

Attaining sustainability

Portfolio: Environment and Conservation and the River Murray

Agency: Department of Water, Land and Biodiversity Conservation

Expenditure Initiative: Murray Darling Basin Commission — increased State contribution

Budget Implications (\$000s)

| | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
|--------------------|---------|---------|---------|---------|
| Operating Expenses | -1 821 | -1 998 | -2 173 | -2 359 |

Explanation

Increased State funding to the Murray Darling Basin Commission enables it to maintain its program of developing measures for the equitable, efficient and sustainable use of the Basin's natural resources. The Commission's budget provides for basin wide works and measures including progressing the Living Murray Initiative.

Portfolio: Environment and Conservation and the River Murray

Agency: Department for Environment and Heritage

Expenditure Initiative: River Murray Forest — establishment

Budget Implications (\$000s)

| | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
|--------------------|---------|---------|---------|---------|
| Operating Expenses | -450 | -1 725 | -1 750 | -1 775 |

Explanation

The River Murray forest program will invest \$5.7 million over four years to help create a River Murray native forest through the revegetation of large tracts of South Australia's rural areas.

Investment in the River Murray forest will be sought from the community, private landholders, business and industry. Individuals and groups will also be able to contribute to the project by volunteering their time to help plant trees.

This initiative will accelerate the development of a nature link corridor from the lower lakes to the South Australian border. The first stage of the forest will be located along the Murray between Morgan and Renmark and will plant more than 2.5 million native trees.

Portfolio: Environment and Conservation and the River Murray

Agency: Department for Environment and Heritage

Expenditure Initiative: National Parks — additional 20 rangers

Budget Implications (\$000s)

| | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
|--------------------|---------|---------|---------|---------|
| Operating Expenses | -371 | -1 221 | -1 548 | -2 109 |
| Investing Payments | -700 | -500 | -300 | -500 |

Explanation

The employment of 20 additional park rangers across the State will provide on-ground management, advice, information and interpretation of natural and cultural heritage. The rangers will also contribute to public safety and emergency issues including fire prevention and response and search and rescue.

The 20 park rangers will:

- provide a point of contact for visitors seeking information and help in parks;
- revegetate the land;
- eradicate feral pests;
- provide dedicated support to park volunteers;
- upgrade tourist facilities;
- boost fire fighting resources and protect against fire; and
- work with natural resource management boards on local projects.

Fostering creativity

Portfolio: Premier and Cabinet

Agency: Arts SA

Expenditure Initiative: Regional arts — support for infrastructure and activities

Budget Implications (\$000s)

| | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
|--------------------|---------|---------|---------|---------|
| Operating Expenses | -450 | -350 | -250 | -750 |

Explanation

The budget provides support for the establishment of the new SA Regional Arts Centre for Culture Program, which will increase access to the arts in regional centres.

Every two years, local communities and regions will be invited to bid to be designated as South Australia's Regional Centre for Culture. Following a year of arts infrastructure development in the successful community, there will be a year-long program of arts activity, with all major State-funded companies being required to showcase works in the selected region. This program will be coordinated by Country Arts SA. The first centre will be at Port Augusta.

Building communities

Portfolio: Premier and Cabinet

Agency: Aboriginal Affairs and Reconciliation

Expenditure Initiative: Anangu Pitjantjatjara Yankunytjatjara Lands central power station — stage 3

Budget Implications (\$000s)

| | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
|--------------------|---------|---------|---------|---------|
| Operating Expenses | -5 000 | -2 700 | — | — |

Explanation

Additional resources of \$7.7 million have been allocated to complete stage 3 of the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands central power station and involves the construction of high voltage power lines (distribution network) connecting the Amata, Fregon, Mimili and Indulkana communities and homelands to the new power station, a distance totalling approximately 250 kms. The estimated total cost of this project (stage 3) is \$14.4 million.

Portfolio: Trade and Economic Development

Agency: Department of Trade and Economic Development

Expenditure Initiative: Rural town development — support for projects

Budget Implications (\$000s)

| | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
|--------------------|---------|---------|---------|---------|
| Operating Expenses | -500 | -500 | -500 | -500 |

Explanation

The Government recognises that country towns occupy a unique position in regions as critical economic and community centres. This program furthers the Government's work with local councils, businesses and communities. The projects will encourage pride in communities and improve liveability of key regional centres. Where appropriate, the projects will include options for leveraging economic development opportunities.

Portfolio: Trade and Economic Development

Agency: Department of Trade and Economic Development

Expenditure Initiative: Regional Development Infrastructure Fund — extension

Budget Implications (\$000s)

| | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
|--------------------|---------|---------|---------|---------|
| Operating Expenses | -642 | -3 000 | -3 000 | -3 000 |

Explanation

RDIF has operated successfully since 1999. Since its inception, approximately \$18 million of RDIF investment has contributed to an estimated \$700 million in regional investment, creating an estimated 3300 new jobs.

The RDIF 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 lowering regional unemployment, increasing regional populations, encouraging regional investment and increasing the State's export earnings.

Portfolio: Justice

Agency: South Australia Police

Expenditure Initiative: Police — additional 400 officers

Budget Implications (\$000s)

| | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
|--------------------|---------|---------|---------|---------|
| Operating Expenses | -7 569 | -18 647 | -30 826 | -43 998 |
| Investing Payments | -2 179 | -2 470 | -2 575 | -1 337 |

Explanation

The above expenditure relates to the Government's election commitment to provide an additional 400 police officers. Some of these will be based in the country with a number of centrally based officers also servicing regional areas.

Recruitment of the 400 police officers will occur over a period of four years, with 100 officers being recruited for each of the four years. The recruitment process of the 2006-07 year has already commenced.

Whilst the majority of officers will be metro/city based, there will be additional regional police for rural road safety, the APY Lands and areas of growth and changes in communities such as Roxby Downs.

A number of the Adelaide based officers will be available to assist rural areas in the provision of specialist police assistance, including Task Force Operations, investigation support, drug testing, domestic violence, major crash investigation, Paedophile Task Force, road safety enforcement, subpoena management and criminal investigation support.

Portfolio: Justice

Agency: South Australian Metropolitan Fire Service

Expenditure Initiative: Mount Gambier fire station — establishment of day crew

Budget Implications (\$000s)

| | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
|--------------------|---------|---------|---------|---------|
| Operating Expenses | -312 | -464 | -473 | -483 |
| Investing Payments | -147 | — | — | — |

Explanation

The initiative will enable the introduction of a day crew to the Metropolitan Fire Service Fire Station at Mount Gambier.

Portfolio: Transport, Energy and Infrastructure

Agency: Department of Energy

Expenditure Initiative: Remote Areas Energy Supply Scheme — increased fuel expenses

Budget Implications (\$000s)

| | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
|--------------------|---------|---------|---------|---------|
| Operating Expenses | -2 139 | — | — | — |

Explanation

The Remote Area Energy Supply provides subsidised reticulated electricity to 13 approved remote townships in South Australia. This supports sustainable communities in remote regions by ensuring that electricity supply is available at reasonable prices. The additional funding continues the program in the context of increased costs for diesel and LPG fuels.

The towns are Blinman, Cockburn, Glendambo, Kingoonya, Manna Hill, Marla, Marree, Nundroo, Oodnadatta and Parachilna, as operated by Department for Transport Energy and Infrastructure, and Andamooka, Coober Pedy and Yunta, with independent operators.

Portfolio: Transport, Energy and Infrastructure

Agency: Department for Transport, Energy and Infrastructure

Expenditure Initiative: Road safety — rural roads

Budget Implications (\$000s)

| | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
|--------------------|---------|---------|---------|---------|
| Investing Payments | -600 | -2 000 | -5 000 | — |

Explanation

Investment in a number of roads in the State's outback and rural area will address particular safety, traffic service level and asset preservation concerns. Works under the program include:

- Blinman – Hawker Road, section from Wilpena to Blinman. This road through Flinders Ranges National Park provides access to popular tourist locations and to mining developments. Sealing this road will improve safety and reduce dust;
- Stone Hut Bridge on Main North Road. This bridge will be replaced with a wider, stronger bridge, thus improving safety and freight efficiency;
- Lyndhurst to Marree — this part of the Oodnadatta track will be upgraded by resurfacing and sealing priority sections; and
- Oodnadatta to Hamilton — this outback road will be improved by targeted resurfacing to improve accessibility.

Portfolio: Health

Agency: Department of Health

Expenditure Initiative: Port Augusta Renal Dialysis Unit — redevelopment

Budget Implications (\$000s)

| | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
|--------------------|---------|---------|---------|---------|
| Investing Payments | -1 000 | -500 | — | — |

Explanation

Redeveloping the Port Augusta Renal Dialysis Unit will enable more effective delivery of services to the catchment areas of Port Augusta, Whyalla, Port Pirie, Flinders Ranges and the North and West of South Australia.

The redevelopment will deliver:

- improved access to renal dialysis services that are well coordinated between regional health services and partner hospitals in Adelaide;
- better facilities that result in improved patient safety, and privacy as well as a reduction in staff safety risks;
- an improved capacity to provide renal dialysis to Aboriginal patients in a culturally appropriate manner; and
- the provision of a broader range of primary health care services that meet the ongoing health and welfare needs of its client group.

Expanding opportunity

Portfolio: Education and Children's Services

Agency: Department of Education and Children's Services

Expenditure Initiative: Ceduna Area School — Phases 3 and 4

Budget Implications (\$000s)

| | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
|--------------------|---------|---------|---------|---------|
| Investing Payments | -898 | -1 102 | — | — |

Explanation

Completion of Ceduna Area School redevelopment, involving demolition of surplus buildings and landscaping.

Portfolio: Education and Children's Services

Agency: Department of Education and Children's Services

Expenditure Initiative: Kadina Primary School

Budget Implications (\$000s)

| | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
|--------------------|---------|---------|---------|---------|
| Investing Payments | -500 | -1 000 | -300 | — |

Explanation

Redevelopment of resource centre building and general classroom areas.

Portfolio: Education and Children's Services

Agency: Department of Education and Children's Services

Expenditure Initiative: Meadows Primary School

Budget Implications (\$000s)

| | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
|--------------------|---------|---------|---------|---------|
| Investing Payments | -150 | -1 000 | -620 | — |

Explanation

Replacement of transportable buildings and minor upgrade of existing accommodation.

Portfolio: Education and Children's Services

Agency: Department of Education and Children's Services

Expenditure Initiative: Millicent North Primary School

Budget Implications (\$000s)

| | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
|--------------------|---------|---------|---------|---------|
| Investing Payments | -660 | — | — | — |

Explanation

Redevelopment of general learning areas and relocation of resource centre.