



TRS20D1812

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Hon Stephen Mullighan MP
Member for Lee
Unit 1, 62 Semaphore Road
SEMAPHORE SA 5019

lee@parliament.sa.gov.au


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 29 May 2020.

Your application seeks access to:

“All minutes, briefings and correspondence titled ‘SA Water Board Meeting – March 2020’ as described on the Objective document management system, between 14 November 2019 and 29 May 2020.”

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 12 June 2020 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 release the document in full.

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-circular>.
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



Hon Rob Lucas MLC
Principal Officer

13 November 2020

8/4/2020
File No: T20/014
Physical ID: TRS20 20840

MINUTES forming ENCLOSURE

Doc No A1405784

To The Treasurer

SA WATER BOARD MEETING – MARCH 2020

Timing: ROUTINE — For information only

Recommendations/Issues: It is recommended that you:

- note the enclosed report provided by the Treasury and Finance representative who observed, via phone link-up, the 26 March 2020 meeting of the SA Water Board; and
- sign the attached minute to the Minister for Environment and Water should you wish to provide a copy of the report to the Minister.

Noted

Hon Rob Lucas MLC
Treasurer

11 / 4 / 2020

Tammie Pribanic
EXECUTIVE DIRECTOR
BUDGET AND PERFORMANCE

8 April 2020

Contact Officer:	Peter Fitzpatrick
Telephone:	8429 0694
Email address:	peter.fitzpatrick@sa.gov.au



**Government
of South Australia**

MINUTES *forming* ENCLOSURE to:

Physical ID: TRS20D0840

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

RE: SA WATER BOARD MEETING – MARCH 2020

Please find attached for your information, a copy of the Treasury and Finance observer's report for the SA Water Board meeting held, via conference call, on 26 March 2020 covering the significant issues considered at the meeting.

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

Hon Rob Lucas MLC
Treasurer

11 April 2020

Att: Treasurer's Representative Report: SA Water Board Meeting 26 March 2020 (Board meeting 287)

**TREASURER'S REPRESENTATIVE REPORT
SA WATER BOARD MEETING 26 March 2020
(Board meeting 287)**

FINANCIAL PERFORMANCE

- SA Water's estimated full year profit is forecast to be on budget. Higher than budgeted sales, and lower than budgeted expenditure, are expected to be offset, in full, by revenue adjustments arising from the conclusion of the current regulatory period on 30 June 2020.

	Variance YTD \$m	Variance EoY \$m	<u>EoY Comment</u>
Profit before tax	37.8	-	SA Water forecast that it will meet its budgeted dividend of \$186.1 million in 2019-20.
Revenue	29.3	-17.8	Higher than budgeted water sales revenue (\$28.8 million) to be offset by revenue adjustments (\$43 million) arising from the conclusion of the current RD16 regulatory period on 30 June 2020.
Expenses	8.5	17.8	Principally due to lower interest expense.
Capital Expenditure	-35.7	-30.3	Principally due to timing delay in the Zero Cost Energy Future (ZCEF) project and NAIS.

- Budget figures reported in the SA Water Board papers reflect 2019-20 Budget.
- Excludes recoverable project work performed on a cost recovery basis.
- Totals may not add due to rounding.

SIGNIFICANT ITEMS

- COVID-19
 - SA Water has enacted business plans to ensure the continuity of water and wastewater services.
 - SA Water do not forecast any significant decline in water sales as customers move from commercial and non-residential use to residential use.

OTHER MATTERS

- Adelaide desalination plant (ADP)
 - The ADP has produced 18.8 ML of water to 29 February 2020 to support the Water for Fodder program. Production averages 180 ML per day (60% of full capacity). Production at this level will continue throughout most of March and April, with the target of 40 GL on track to be delivered by mid-June.
 - The marginal cost of producing the 40 GLs from the ADP in 2019-20 is estimated at approximately \$32.5m. Up to a further 60 GL will be produced in 2020-21 at a cost of up to \$49.6 million.
 - SA Water is anticipating full cost recovery of expenditure in accordance with the agreement reached between the Commonwealth and the State that no profit should be made from the costs of producing water from the ADP.
 - The Minister for Environment and Water will shortly request that ESCOSA commence a review of the actual costs of production.
- Reservoirs
 - Mt Bold is to be emptied by mid-May for three weeks for capital works on the lower gates in the inlet structure, after which it will be refilled from the River Murray to typical late autumn levels.
 - For approximately four weeks in May and late June, the ADP will be the primary source of water for the southern metropolitan Adelaide area. Management confirmed that these arrangements will not affect the ADP water production arrangements with the Commonwealth under the Water from Fodder program.
- Metropolitan service delivery
 - Costs for the Metro Alliance contract continue to be over budget with work volumes significantly above the three year average. A number of operational improvements continue to be pursued within Allwater to

Sensitive SA Cabinet

reduce the outstanding backlog to a reasonable level. Management is forecasting a \$5.5 million overrun at year end, including a \$2 million recovery from the Alliance partners.

- Adelaide Service Delivery Project

- As part of the procurement process for the Adelaide Service Delivery Project, SA Water continues to run workshops with short-listed tenderers for the delivery of future production and treatment services and field services from 1 July 2021. The tender period closes on 15 April 2020 with evaluation outcomes to be presented to the Minister around July 2020. Final approval of successful tenderers is expected in late October 2020.

- Development Contribution Framework

- In response to concerns by ESCOSA and the development industry, SA Water is to investigate the implementation of a cost sharing mechanism to address the potential disadvantage to "first mover" developers.
- Currently where a developer requires an extension or upsizing of water, wastewater or recycled water infrastructure to facilitate their development, SA Water requires the first developer to fully fund the works. Industry is concerned that these works potentially benefit other future developers who follow and only pay to connect, with no contribution being required towards the cost of the upgraded infrastructure.
- SA Water currently has no mechanism available to ensure future beneficiaries pay their share of these infrastructure works.
- A proposal will be developed for the consideration of the Board by June 2020. The proposal will be informed by a model used by SA Power Networks which requires beneficiaries to pay for the infrastructure.

- Eyre Peninsula Desalination Plant

- The proposed completion date for the Eyre Peninsula Desalination Plant has shifted from December 2020 to September 2021 due to delays in selecting the location of the seawater intake and outfall structures at Sleaford Bay which would be supported by the local Barngala and Naao Aboriginal communities.
- DEW is currently monitoring groundwater basins in the area and will advise SA Water on what that will mean for the status of groundwater allocations for the next financial year.

Next meeting: 30 April 2020