



**Government
of South Australia**

TRS19D2864

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

Treasurer
Level 8
State Administration Centre
200 Victoria Square
Adelaide SA 5000
GPO Box 2264
Adelaide SA 5001
DX 56203 Victoria Square
Tel 08 8226 1866
treasurer.dtf@sa.gov.au

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 15 October 2019.

Your application seeks access to:

"All minutes, briefings and correspondence titled 'Budget and Performance – SA Water Board Meeting – February 2019' as described on the Objective document management system, between 23 February 2019 and 15 October 2019."

The legislative prescribed timeframe to determine this application has expired and is now deemed to have refused you access to all documents relevant to your application. I refer to my letter dated 3 November 2019 where I sought additional time to make my determination.

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

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

Released in Part

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

I have determined to release the briefing in part as information is contained which is commercially sensitive and involve third party interests. Disclosure of this information could adversely impact the financial and project outcomes for SA Water and/or the public should these initiatives proceed. I have determined to exempt this information pursuant to clause 7(1)(c) to the Act.

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

Exemption

Clause 1 – Cabinet Documents

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

Clause 7 – Documents affecting business affairs concerning

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

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

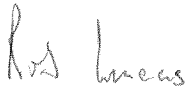
In accordance with this Circular, any non-personal information determined for release as part of this application, may be published on the DTF website. A copy of PC045 can be found at the following address: <https://dpc.sa.gov.au/resources-and-publications/premier-and-cabinet-circulars>. Please visit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

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

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

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

Yours sincerely



Hon Rob Lucas MLC
Principal Officer

23 July 2020

RELEASE IN PART

MINUTE SHEET
28/2/19
T19/016
TR514D0482



MINUTES forming ENCLOSURE

Doc No A1056877

To The Treasurer

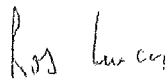
SA WATER BOARD MEETING – FEBRUARY 2019

Timing: ROUTINE — For information only

Recommendations/Issues: It is recommended that you:

- note the enclosed report provided by the Treasury and Finance observer who attended the 22 February 2019 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

3/3/2019



Tammie Pribanic
EXECUTIVE DIRECTOR
BUDGET AND PERFORMANCE

27/2/2019

Contact Officer:	Peter Fitzpatrick
Telephone:	0429 0694
Email address:	peter.fitzpatrick@sa.gov.au





Government
of South Australia

Office of the Treasurer
Level 8
State Administration Centre
200 Victoria Square
Adelaide SA 5000
GPO Box 2264
Adelaide SA 5001
Tel 08 8226 1866

MINUTES *forming* ENCLOSURE to:

Physical ID: TRS19D0482

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

RE: SA WATER BOARD MEETING — FEBRUARY 2019

Enclosed for your information is a copy of the Treasury and Finance observer's report for the SA Water Board meeting held on 22 February 2019, covering the significant issues considered at the meeting.

A handwritten signature in black ink that reads 'Rob Lucas'.

Hon Rob Lucas MLC
Treasurer

3 March 2019

Att:

TREASURER'S REPRESENTATIVE REPORT
SA WATER BOARD MEETING 22 FEBRUARY 2019
(Board meeting 275)

FINANCIAL PERFORMANCE			
<ul style="list-style-type: none"> To date, SA Water has allocated a total of \$1.827 billion of capital works, which is 98% of the current regulatory business period's infrastructure budget of \$1.873 billion for the four years to June 2020. 			
	Variance YTD \$m	Variance EoY \$m	Comment
Profit before Tax	16.4	13.3	nil
Revenue	35.7	14.5	YTD position principally due to higher than budgeted water sales (\$16.5 million/ 5.4 GL) due to dry conditions, recognition of 2017-18 unbilled water sales (\$6.5 million), sale of seasonal water allocations (\$5.4 million), recognition of Renewable Energy Certificates (\$3.8 million), higher recycled water sales (\$1.5 million) and revenue from DPTI for recoverable works (\$1.5 million).
Expenses	-20.1	-1.1	YTD position principally due to higher electricity costs (\$13.1 million) from increased major pumping into reservoirs [REDACTED] [REDACTED] SA Water forecast additional EoY expenditure savings across its business operations. clause 7(1)(c)
Capital Expenditure	-11.9	2.5	Timing of various projects (including NAIS) ahead of schedule principally due to favourable weather and construction conditions, with exception of Zero Cost Energy Future project with the project's EOY expenditure forecast to be lower than budget due to timing only (\$55 million).
<ol style="list-style-type: none"> Budget figures reported in the SA Water Board papers reflect original 2018-19 Budget rather than the revised budget. Excludes recoverable project work performed on a cost recovery basis. Totals may not add due to rounding. 			
SIGNIFICANT ITEMS			
<ul style="list-style-type: none"> No significant items 			
EMERGING ISSUES			
<ul style="list-style-type: none"> No emerging issues 			
OTHER MATTERS			
<ul style="list-style-type: none"> <u>Meetings with the Minister</u> <ul style="list-style-type: none"> The Chair and Chief Executive briefed Directors on two recent meetings with the Minister for Environment and Water. Discussions included the proposed Eyre Peninsula Desalination Plant, SA Water's Regulatory Proposal "Our Plan 2020-24" (including tariff reform) and the 2019-20 Budget process. <u>Water Price Inquiry</u> <ul style="list-style-type: none"> Management advised that SA Water will attend the Inquiry's stakeholder workshop on 4 March 2019. Attendees from SA Water will be the Chief Executive, General Manager (Business Services) and Senior Manager (Pricing). Management also advised that the Water Services Association of Australia (WSAA) have confirmed their attendance at the workshop with a view to add a national perspective. 			

- SAW RD20 Regulatory Determination

- Management presented the Corporation's operating and investing expenditure and revenue proposal for the net regulatory period (Our Plan 2020). The Board endorsed the proposal to be taken to the Negotiation Forum.

- ESCOSA Customer Services Standards

- SA Water met 13 out of 18 regulated customer service standards in January 2019 and year-to-date. There has been an increase in water events (i.e. water main breaks) across all categories associated with the drier conditions experienced in December and January. Regional performance for water network service restorations and network breaks do not currently meet required timeframes and continue to be challenging (particularly due to travel distances to attend repairs).

- Heatwave impact upon electricity volatility

- Extreme electricity pricing occurred on 24 January 2019 with >38 degree ambient temperatures across South Australia, Victoria and New South Wales.
- Activation of the Reliability and Emergency Reserve Trader process was issued by the Australian Energy Market Operator (AEMO) on the prior day which meant that SA Water reduced its energy consumption during the peak pricing period.

- Opening Reservoirs for Recreational Access

- Management provided an update on the opening of reservoir reserves for recreational access. The initial opening of part of Myponga Reservoir reserve for bushwalking, cycling and picnicking is planned by Easter 2019. It is also proposed to expand existing recreational access to Warren and potentially Bundaleer reservoirs from Easter, and provide access to the South Para Reservoir by December 2019.

-

clause 1(1)(e)

-

clause 7(1)(c)

- Eyre Peninsula Desalination

- Management advised that SA Water presented to the District Council Lower Eyre Peninsula to provide an update on the proposed desalination plant. Property owners were granted permission to begin onsite investigations to determine the suitability for associated infrastructure along the proposed electrical alignment.
- Management advised that an Aboriginal community member has raised concerns about the environmental management of the proposed site. SA Water has provided a response addressing the concerns raised. Consultation is underway with Aboriginal communities on the Eyre Peninsula regarding the proposed plant.

-

clause 1(1)
(e)

clause 7(1)
(c)

- Contracts

- The Board approved an increase in the value of an existing contract with Adam Internet for the provision of data centre hosting services by \$0.7 million to \$4.7 million and extended the term to 31 March 2021.