



**COMMONWEALTH GRANTS COMMISSION
2010 REVIEW OF STATE REVENUE
SHARING RELATIVITIES**

VISIT TO SOUTH AUSTRALIA

JULY 2008

**DEPARTMENT OF TREASURY AND FINANCE,
SOUTH AUSTRALIA**

ITINERARY – COMMONWEALTH GRANTS COMMISSION VISIT TO SOUTH AUSTRALIA

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| MONDAY 7 JULY 2008 | ADELAIDE - State Administration Centre, 200 Victoria Square, 8th floor conference room |
| 9:00am | Overview of visit and key themes for week <i>Jim Wright, Under Treasurer</i> |
| 9:30am | The SA economy <i>Stuart Hocking, Director, Economics, DTF</i> |
| 10:15am | Socio-economic status in SA <i>David Waterford, Executive Director, Social Inclusion Unit, Department of Premier and Cabinet</i> |
| 11:00am | Morning tea |
| 11:30am | Indigeneity – provision of services to remote Aboriginals <i>Lynda Forrest, Director, Community Development, Policy and Strategic Intervention Projects, Department of the Premier and Cabinet</i> |
| 12:30pm | Lunch, 8 th floor conference room |
| 1:30pm | Ageing <i>Anne Gale, Director, Office for the Ageing</i> |
| 2:30pm | Housing and welfare <i>Phil Fagan-Schmidt, General Manager, Affordable Housing and Sector Development Division, Housing SA</i> <i>Beth Dunning, Executive Director, Families SA</i> |
| 3:30pm | Afternoon tea |
| 4:00pm | Water supply issues <i>John Ringham, Head of SA Water Services</i> |
| 4:45pm | Water – issues to be raised during trip to SA Riverland <i>Paul Harvey, Program Leader, Murray-Darling Initiative, Department of Water, Land and Biodiversity Conservation</i> <i>Judy Goode, River Murray Environmental Manager, DWLBC</i> <i>Ben Bruce, Director, Sustainable Systems, Primary Industries and Resources</i> |
| 5:15pm | Informal drinks |

| TUESDAY 8 JULY 2008 | RIVERLAND |
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| 8:00am | Pick-up from hotel, drive to Adelaide Airport |
| 9:00am | <p>Charter flight to Renmark <i>Flight will include a brief discussion on water issues and will travel via the Lower Lakes and Mt Lofty to view water issues from the air.</i> <i>Paul Harvey, Program Leader, Murray-Darling Initiative, Department of Water, Land and Biodiversity Conservation</i></p> <p>Fly over: Mt Lofty Ranges catchments, Mount Bold reservoir, Langhorne Creek, Murray Mouth, Mundoo Barrage, Raukkan, Narrung Peninsula, Meningie, Lower Murray irrigation areas, Murray Bridge Pump Station, Lock 1, Stockyard Plain disposal basin, Banrock, Lake Bonney, Chowilla, Lake Victoria</p> |
| 11:00am | <p>Arrive in Renmark Drive by bus to Loxton Research Centre</p> |
| 11:45am | <p>Primary industries – impact of drought <i>Ben Bruce, Director, Sustainable Systems, Primary Industries and Resources</i> <i>David Pocock, Horticultural Consultant, PIRSA</i></p> |
| 12:45pm | Lunch – Loxton Research Centre |
| 1:15pm | Travel by bus to Loxton Floodplain, Yatco, Loveday Lagoon, Banrock, Woolpunda SIS bore, Waikerie |
| 4:30pm | Charter flight – Waikerie to Adelaide |
| 5:30pm | Arrive in Adelaide - finish |

Note: Casual clothing is recommended for this day's program.

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| WEDNESDAY 9 JULY 2008 | ADELAIDE – State Administration Centre, 200 Victoria Square, 8th floor conference room |
| 9:00am | Education <i>Gino DeGennaro, Deputy Chief Executive, Resources, Department of Education and Childrens Services</i> <i>Peter Popp, Assistant Director, Resource Allocation, DECS</i> |
| 10:30am | Morning tea |
| 10:45am | Criminal courts administration <i>Gary Thompson, State Courts Administrator, Courts Administration Authority</i> <i>Michael Harrison, Manager, Business and Financial Resources, CAA</i> <i>Marc Marshall, Principal Business Performance Analyst, CAA</i> |
| 11:30am | Agriculture <i>Geoff Knight, Chief Executive, Primary Industries and Resources (PIRSA)</i> |
| 12:30pm | Lunch |
| 1:30pm | Capital – drivers of capital expenditure in SA and current projects <i>Jim Wright, Under Treasurer</i> <i>Brett Rowse, Deputy Under Treasurer</i> <i>Trudi Meakins, Executive Director, Policy and Planning, Department of Transport, Energy and Infrastructure</i> <i>Mark Elford, Director, Road Transport Planning, DTEI</i> <i>Rob Richards, Director, DTEI</i> |
| 3:30pm | Afternoon tea |
| 4:00pm | Law and order <i>Assistant Commissioner Bryan Fahy, SA Police</i> <i>Cynthia Manners, Manager, Planning and Reporting, SA Police</i> |
| 5:00pm | Revenue issues <i>John Henderson, Director, Commonwealth-State Relations</i> |
| 5:30pm | Finish |

| THURSDAY 10 JULY 2008 | ADELAIDE – HEALTH ISSUES |
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| 9:00am | Collect from hotel – drive to the Queen Elizabeth Hospital |
| 9:30am | Context and overview <i>Diana Hetzel, Senior Researcher, Public Health Information Development Unit</i> |
| 10:00am | Setting the scene: socioeconomic factors <i>John Glover, Director, Public Health Information Development Unit</i> |
| 10:45pm | Questions – open discussion |
| 11:00am | Morning tea |
| 11:30am | Service planning/health investment decisions <i>David Panter, Executive Director, Statewide Service Strategy</i> |
| 12:30pm | Lunch at QEH |
| 1:30pm | Chronic disease and impacts on services <i>Adair Garrett, Chief Executive Officer, Northern Metro Community Health Service</i> <i>Rachel Ambagtsheer, Senior Project Officer, Ambulatory and Primary Health Care Services</i> |
| 2:30pm | Questions/open discussion over afternoon tea around the table |
| 3:15pm | Travel to SAC |
| 3:45pm-4.15pm | Closing session and summary – State Administration Centre <i>Jim Wright, Under Treasurer</i> <i>Brett Rowse, Deputy Under Treasurer</i> |

Outline of session themes

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| MONDAY 7 JULY 2008 | ADELAIDE - State Administration Centre, 200 Victoria Square, 8th floor conference room |
| 9:00am | Overview of visit and key themes for week <i>Jim Wright, Under Treasurer</i> |

The key themes for the week are:

- The influence of low socioeconomic status on the demand for and cost of State government services
- The influence of the aged on the demand for and cost State government services
- The costs imposed on SA by the physical environment in water supply and environmental protection
- The added costs incurred by the relative size of the agricultural sector in SA
- The key drivers of capital expenditures

In addition, sessions will be held as requested by the CGC on education, criminal courts administration, and police. We will also cover services provided to Indigenous people in SA and revenue assessment issues.

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| 9:30am | The SA economy <i>Stuart Hocking, Director, Economics, DTF</i> |
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The session will cover the main features of SA's economic structure, the challenges and opportunities looming and effects on the State budget.

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| 10:15am | Socio-economic status in SA <i>David Waterford, Executive Director, Social Inclusion Unit, Department of Premier and Cabinet</i> |
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The Social Inclusion Initiative was established in 2002 by Premier Mike Rann. The focus of the Initiative is on providing the South Australian Government with advice on innovative ways to address some of the most difficult social problems.

The Initiative has a strong emphasis on providing opportunities for the most vulnerable members of our society to participate in the social and economic life of the community. This includes the unemployed, homeless, mentally ill and those who are disadvantaged as a result of a physical or intellectual disability.

The Social Inclusion Unit is located in the Department of the Premier and Cabinet. The Unit supports the Social Inclusion Board (made up of ten community leaders) by undertaking research, analysing data and systems, convening cross-agency working groups, and leading community engagement and consultation processes.

The session will cover socioeconomic status in SA with particular emphasis on the incidence of low income and low SES.

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| 11:30am | Indigeneity – provision of services to remote Aboriginals <i>Lynda Forrest, Director, Community Development, Policy and Strategic Intervention Projects, Aboriginal Affairs and Reconciliation Division, Department of the Premier and Cabinet</i> |
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The Aboriginal Affairs and Reconciliation Division (AARD) is the South Australian Government's lead agency on Aboriginal affairs matters. Situated in the Department of the Premier and Cabinet, AARD supports the Hon Jay Weatherill MP, Minister for Aboriginal Affairs and Reconciliation. It:

- provides leadership in Aboriginal policy and program development
- develops, coordinates and implements policies for Aboriginal affairs
- monitors the impact of government services on the wellbeing of Aboriginal families and communities in South Australia
- protects and preserves Aboriginal heritage and culture
- facilitates community development initiatives
- provides and maintains essential services and infrastructure on Aboriginal Land Holding communities
- supports the State's Aboriginal Landholding Authorities
- leads and contributes to special government and strategic intervention projects.

The session will provide an overview of services provided in SA, including in the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands. The extra costs incurred on services for Indigenous people leading a more traditional lifestyle will be highlighted.

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| 1:30pm | Ageing <i>Anne Gale, Director, Office for the Ageing</i> |
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The Office for the Ageing (OFTA) is part of the Department for Families and Communities. OFTA provides policy advice on all aspects of ageing and is responsible for the Home and Community Care, Grants for Seniors and Positive Ageing funding and grants programs and also administers and promotes the Seniors Card program and the Aged Care Assessment Program.

South Australia has the greatest proportion of people aged over 65 years in Australia. This is expected to increase over time. The session will cover the impact on SA services and costs of this demographic factor.

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| 2:30pm | Housing and welfare <i>Phil Fagan-Schmidt, General Manager, Affordable Housing and Sector Development Division, Housing SA</i> <i>Beth Dunning, Executive Director, Families SA</i> |
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This session will cover the issues nominated by the Commission on service delivery models and means testing.

The impact of sociodemographic composition on housing and other welfare services will also be covered in this session.

Housing SA aims to create a range of accommodation solutions across the housing continuum. It also partners with other agencies to maximise affordable housing outcomes for South Australians and provide an efficient and effective regulatory service of organisations providing housing services on behalf of government.

Families SA is a division of the Department for Families and Communities. It aims to:

- Protect children from abuse and harm
- Support families to reduce risk to children
- Provide alternative care for children and young people when home is no longer an option
- Work with young people who break the law
- Manage adoption processes
- Care for refugee children at risk
- Deliver services to address poverty
- Help communities affected by disaster to rebuild.

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| 4:00pm | <p>Water supply issues <i>John Ringham, Head of SA Water Services</i></p> |
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SA Water is a water utility wholly owned by the Government of South Australia. It delivers water and wastewater services to almost 1.4 million people across the State and has an annual turnover of about \$750 million per annum, assets of more than \$6 billion and more than 1300 staff.

South Australia faces a significant added cost burden because of the lack of local water sources. The reliance on the River Murray for water supply to communities as far away as the Eyre Peninsula and the Spencer Gulf results in substantial pipeline, pumping and water treatment costs. The River's high salinity also adds to costs of maintenance and treatment.

It is essential that this added cost continues to be recognised in the Commission's Services to Communities assessment.

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| 4:45pm | <p>Water – issues to be raised during trip to SA Riverland <i>Paul Harvey, Program Leader, Murray-Darling Initiative, Department of Water, Land and Biodiversity Conservation</i> <i>Judy Goode, River Murray Environmental Manager, DWLBC</i> <i>Ben Bruce, Director, Sustainable Systems, Primary Industries and Resources</i></p> |
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The Department of Water, Land and Biodiversity Conservation (DWLBC) was established in 2002 with an objective to improve sustainability through the integration and management of all of the State's natural resources and to achieve improved health and productivity of our biodiversity, water, land and marine resources.

The Department manages a number of functions associated with the management of the State's natural resources including, but not limited to, the following:

- provision of natural resource management policy advice to Government;
- issuing of water licenses and permits and managing the allocation of the State's water resources;
- providing advice on development;
- supporting land managers with technical advice on sustainable land management practices;
- community capacity building;
- working with the community in the management of pest animals and pest plants;

- assessments in response to native vegetation clearance applications;
- salinity management advice;
- coordination of joint State/Federal initiatives; and
- management of infrastructure assets.

Today the Department lies within the portfolios of two Ministers: the Minister for Environment and Conservation and the Minister for the River Murray.

This session provides an outline of the visit to the Riverland to be undertaken tomorrow. It is designed to demonstrate the impact of the drought and climate change more generally on SA's expenditures on water services and protection of the environment. This is considered to be both a current and an emerging issue for the future.

Note: Casual clothing is recommended for this day's program.

| TUESDAY 8 JULY 2008 | | RIVERLAND |
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| 9.00am | Charter flight to Renmark - fly over | |
| | <i>Mt Lofty Ranges catchments</i> | Fully developed local catchments – increased costs for urban supplies |
| | <i>Mount Bold reservoir</i> | Severe limitation on additional storage sites |
| | <i>Langhorne Creek</i> | Major wine growing area now without water supply – pipeline? |
| | <i>Murray Mouth</i> | Ongoing need for dredging to keep mouth open |
| | <i>Mundoo Barrage</i> | Sediment blowing across agricultural land – need to exclude stock? |
| | <i>Raukkan</i> | 250 person Indigenous settlement – no potable water supply |
| | <i>Narrung Peninsula</i> | Major dairy area now without water supply – restructuring? |
| | <i>Meningie</i> | No access for domestic and stock water supplies – pipeline? |
| | <i>Lower Murray irrigation areas</i> | Extensive damage to pasture and assets after rehabilitation program |
| | <i>Murray Bridge Pump Station</i> | Low water level – extension of major pumps |
| | <i>Lock 1</i> | Limited tourism access through lock – new infrastructure? |
| | <i>Stockyard Plain disposal basin</i> | Temporary disposal of salt |
| | <i>Banrock</i> | Costs of restoring river health – partnerships |
| | <i>Lake Bonney</i> | Community cost of drought – irrigation, tourism and social costs |
| | <i>Chowilla</i> | Long term environmental costs translating to social and economic costs |
| | <i>Lake Victoria</i> (Return to Renmark airport) | Salinity costs to SA compared to other States – extreme low gradient making river management more difficult and expensive; more variable river management required because of reduced floods from upstream |

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| 11:45am | <p>Primary industries – impact of drought <i>Ben Bruce, Director, Sustainable Systems, Primary Industries and Resources</i> <i>David Pocock, Horticultural Consultant, PIRSA</i></p> |
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This session will provide an overview of the drought assistance programs provided in the State, with particular emphasis on assistance to horticulture in the Riverland.

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| 1.15pm | Depart for Loxton Floodplain | Impacts of salinisation on floodplain, challenges in managing this both in terms of environment and water quality |
| 1.30pm | Loxton Floodplain | Salt interception and groundwater control systems – costs specific to SA because of local geology compounded by upstream salinity and reduced flooding frequency |
| 1.50pm | Yatco – inspection of regulator | Cost of improving management of wetlands and removing pumps to enable weir pool fluctuation to mimic natural flooding |
| 2.45pm | Loveday lagoon | Community costs of ASS; legacy of past practice now faced with large rehabilitation costs with improved irrigation practice; reduced flooding preventing discharge from basins leading to build-up of salt |
| 3.25pm | Banrock (including afternoon tea) | Example of what can be achieved through investment in wetland infrastructure, relocation of pumping infrastructure, sound environmental management, industry/govt partnerships |
| 4.00pm | Depart for Waikerie airport via Woolpunda SIS bore | Woolpunda scheme – required to manage natural salt inputs to river system; conjunctive benefits of scheme; limitation on development because of high groundwater salinity |
| 4.30pm | Arrive Waikerie airport – board planes for Adelaide | 5.30pm - Arrive Adelaide airport – return to hotel |

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| WEDNESDAY 9 JULY 2008 | ADELAIDE – State Administration Centre, 200 Victoria Square, 8th floor conference room |
| 9:00am | Education <i>Gino DeGennaro, Deputy Chief Executive, Resources, Department of Education and Childrens Services</i> <i>Peter Popp, Assistant Director, Resource Allocation, DECS</i> |

This session will cover the issues nominated by the Commission on resource allocation and policies affecting a student's decision between government and non-government schools and whether to stay at school after the age of 14.

It will also cover early childhood initiatives in the State, capital expenditure issues and the treatment of part-time students in the CGC's assessment.

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| 10:45am | Criminal courts administration <i>Gary Thompson, State Courts Administrator, Courts Administration Authority</i> <i>Michael Harrison, Manager, Business and Financial Resources, CAA</i> <i>Marc Marshall, Principal Business Performance Analyst, CAA</i> |
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The Courts Administration Authority is constituted by the *Courts Administration Act 1993*. The Authority is independent of Government and is a means for the judiciary to control the provision of the administrative facilities and services required by State courts to carry out their judicial functions.

Participating courts of the Authority are: the Supreme Court; District Court; Magistrates Court; Youth Court; Environment, Resources and Development Court; Coroner's Court; and Industrial Relations Court.

This session will cover the issues nominated by the Commission on the services provided, workload measures and resource allocation decisions.

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| 11:30am | Agriculture <i>Geoff Knight, Chief Executive, Primary Industries and Resources (PIRSA)</i> |
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Primary Industries and Resources SA (PIRSA) is a key economic development agency within the South Australian Government. PIRSA plays a key role in

contributing to the sustainable planning and development of South Australia’s natural, industrial and community assets.

The efforts of the Agency are directed towards:

- reducing barriers to industry investment and exports
- facilitating priorities for the use of land and planning optimal community development
- facilitating the application of new technologies, services, products and knowledge through its strong partnerships with industry sectors, market intelligence and regional communities.

PIRSA’s activities are provided throughout South Australia and include:

- Agricultural and horticultural industry and policy development
- Fisheries and aquaculture management and industry development
- Minerals and petroleum exploration and development
- Sustainable resources management including soil, landcare and productive use of water
- Development planning
- Rural and remote community support services.

PIRSA also plays a leading role in research and development through the South Australian Research and Development Institute.

This session concentrates on PIRSA’s expenditures on Agriculture. The relative importance of agriculture in SA calls forth additional government resources which should continue to be assessed by the Commission. This entails a separate weighting for Agriculture within the Services to Industry assessment.

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| 1:30pm | <p>Capital – drivers of capital expenditure in SA and current projects</p> <p><i>Jim Wright, Under Treasurer</i></p> <p><i>Brett Rowse, Deputy Under Treasurer</i></p> <p><i>Trudi Meakins, Executive Director, Policy and Planning, Department of Transport, Energy and Infrastructure</i></p> <p><i>Mark Elford, Director, Road Transport Planning, DTEI</i></p> <p><i>Rob Richards, Director, DTEI</i></p> |
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This session will start with a general presentation on the way the SA capital budget is drawn up and the key drivers of capital spending in SA.

The DTEI representatives will then provide more information on the Transport initiatives in the recent State budget, again with reference to what is driving the substantial expenditures involved.

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| 4:00pm | Law and order <i>Assistant Commissioner Bryan Fahy, SA Police</i> <i>Cynthia Manners, Manager, Planning and Reporting, SA Police</i> |
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This session will cover the issues nominated by the Commission on what police do and how much time is spent on different policing activities, how the level of policing is determined in small remote locations and how additional funding is determined for particular locations.

It will also provide evidence for the SA contention that low income of offenders is a key driver of crime and of police resources.

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| 5:00pm | Revenue issues <i>John Henderson, Director, Commonwealth-State Relations</i> |
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In general, SA is comfortable with the Commission's latest proposals regarding the revenue assessments. This session will cover outstanding issues, including the assessment of conveyances duty.

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| THURSDAY 10 JULY 2008 | ADELAIDE – HEALTH ISSUES |
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The social determinants of health care costs are in SA’s view fundamental to the Commission’s assessments of both hospital costs and other health services. The impact of the aged on demand for, and cost of, health services is also of central importance. Today’s program reflects these concerns.

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| 9:30am | <p>Context and overview <i>Diana Hetzel, Senior Researcher, Public Health Information Development Unit</i></p> |
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This session will provide a general context and overview of the provision of health services in SA, the factors that determine health and wellbeing, including an Indigenous perspective, notions of inequality, the impact of social and economic inequalities on the health of the population in SA, demographic change with a focus on SA’s ageing population, associated chronic disease and likely impact on health expenditure.

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| 10:00am | <p>Setting the scene: socioeconomic factors <i>John Glover, Director, Public Health Information Development Unit</i></p> |
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This session will cover:

- disadvantage as measured by the ABS Index of Relative Socio-economic Disadvantage: national comparisons and areas of SA disadvantage
- socioeconomic status
- health status and outcomes
- geographical distribution of population by demographics (including ageing), SES, health status and health outcomes, highlighting health inequalities
- relationship between SES and health expenditure for services – hospitals, primary health care services including community health/mental health, screening services – with a focus on SA’s ageing population, associated chronic disease and impact on health expenditure and how SA is disadvantaged relative to other States

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| 11:30am | <p>Service planning/health investment decisions <i>David Panter, Executive Director, Statewide Service Strategy</i></p> |
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This session will cover service response to population needs, the SA Health Plan, the SA GP Plus Health Care Strategy, clinical service planning, how decisions are made about health service locations.

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| 1:30pm | <p>Chronic disease and impacts on services <i>Adair Garrett, Chief Executive Officer, Northern Metro Community Health Service</i> <i>Rachel Ambagtsheer, Senior Project Officer, Ambulatory and Primary Health Care Services</i></p> |
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This session will cover:

- The development of a health improvement data and planning toolkit for local service planning using advanced spatial information systems for decision support – framework and implementation
- Demonstration of the toolkit including a case study of older people in the northern suburbs of Adelaide: what services are needed and where?
- Link between socio-economic status and health service usage (hospitals, community health, emergency department admissions) at the local level and implications for planning decisions
- Reorienting services to areas of changing service need: community health strategies and service planning decisions
- Implications of a migratory Aboriginal interstate population

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| 3:45pm-4:15pm | <p>Closing session and summary – State Administration Centre <i>Jim Wright, Under Treasurer</i> <i>Brett Rowse, Deputy Under Treasurer</i></p> |
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Summary of the week's discussions.

