

Primary Industries and Resources South Australia



ANNUAL REPORT **1999 – 2000**



**PRIMARY INDUSTRIES
AND RESOURCES SA**



**Government
of South Australia**

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Hon Rob Kerin MP
Deputy Premier
Minister for Primary Industries
and Resources
Minister for Regional
Development



Hon Wayne Matthew MP
Minister for Minerals and
Energy
Minister Assisting the Deputy
Premier

Dear Ministers,

I am pleased to present to you the PIRSA annual report for the year ended 30 June 2000. The report has been prepared under section 66 of the *Public Sector Management Act 1995* and is in accordance with the Act's accompanying regulations as well as the financial reporting requirements of the *Public Finance and Audit Act 1987*.

Dennis Mutton
Chief Executive
Primary Industries and Resources South Australia

30 September 2000



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The services provided by PIRSA cover many different industries and, consequently, the agency's Executive has undertaken significant work and review during 1999–2000 to ensure that all aspects of South Australia's primary industry and resources sectors are managed with appropriate Government representation and services, and within the framework of sustainable development. This has resulted in a realignment of reporting responsibilities to provide distinct areas of focus for PIRSA, including Food and Fibre (Agricultural Industries, Fisheries, Aquaculture) to meet the Premier's Food for the Future initiatives, and Office of Minerals and Energy Resources (Mineral Resources, Petroleum) in response to the Resources Task Force recommendations. The Food for the Future initiative has continued to take a high profile, with successful market awareness programs for both growers and buyers of fresh and processed food, and development of a scorecard reflecting up-to-date information to measure our achievements in growing the food industry in South Australia.

In the past financial year there have also been changes in ministerial responsibility which have subsequently affected the agency, including the decision to create a separate department for water resources and the creation of a separate portfolio for minerals and energy. Responsibility for the Pastoral Board and associated legislation has been committed to the Deputy Premier under his new title of Minister for Primary Industries and Resources and Minister for Regional Development.

PIRSA staff have continued to play an important role as innovators, and generators and disseminators of knowledge. This was admirably demonstrated by events such as the outcomes of research in the birth of Australia's first cloned lamb, Matilda, and PIRSA's strong leadership in initiatives associated with salinity management and the broader issues of natural resource management at a national level.

In the policy area, some of the agency's achievements include the development of an energy policy document, new approaches to integrated natural resource management, finalisation of new petroleum legislation which will become a model for other States, and major reforms in the area of food safety (particularly meat hygiene) and animal health. The agency has continued to work collaboratively

with other State and federal agencies in policy development, and worked closely with industry and the community in South Australia.

I would like to pay tribute to those staff who have been involved in what seems to be an ongoing program to combat incursions of pests and diseases. The control of branched broomrape has been, and will continue to be, a major exercise and last year's grasshopper campaign has been followed this year by a potentially far more devastating locust infestation. The successful implementation of broad-scale surveillance of ovine Johne's disease through abattoir monitoring has provided encouraging results, and South Australia has contributed to the evolution of a national program for controlling the spread of bovine Johne's disease.

Our ability to effectively communicate through web sites, displays and presentations is critical and is an area which we have concentrated on in the past 12 months through our involvement in events such as the regional field days, Royal Show, Farm Expo, Tasting Australia and World Environment Day.

As part of its service, PIRSA now assembles a wide variety of high-quality information into packages for immediate use by industry in decision-making and training. These are being continually released, with a recent example being Devguide, a tool to help industry with development approvals.

Work on establishing a farmer information service commenced during the year to support collaborative arrangements between PIRSA, TAFE and the Adelaide University in livestock research, training and information to the farming community. PIRSA Rural Solutions has continued to provide new directions for the delivery of services to the farming and business community with about 200 consultants based at 26 service centres throughout the State.

A new sea urchin fishery has been established, and aquaculture continues to grow at a rapid rate with major improvements in success rates for development applications and the implementation of research outcomes. The Fisheries Compliance function has been innovative in refocusing its operations and future directions, and the challenging task of restructuring the Marine Scalefish Fishery is now well advanced with a high level of support and input from industry.

The acquisition of 200 000 square kilometres of aerial survey data over some of the most under-explored country in Australia as part of the Targeted Exploration Initiative South Australia (TEISA) has provided exciting aeromagnetic and related images, which highlight the mineral potential of the far northwest of the State and will assist industry in its hunt for further mineral discoveries. Also great strides have been made in building the necessary relationships with the traditional owners to enhance access to Anangu Pitjantjatjara lands for mineral exploration.

The number of petroleum exploration licences and licence applications in South Australia are at high levels, with approximately 70% of the State's prospective areas covered. National and international companies are keenly focusing on South Australia's phased Cooper Basin acreage releases, with a total of \$165 million of exploration expenditure committed by the winning round one and two bidders. This is a credit to the international marketing efforts and professional bidding process conducted by the Petroleum Group. Oil and gas exploration in the Otway Basin in the South-East of the State is also likely to intensify following the recent release of seven areas for petroleum exploration licences.

Rehabilitation of old mineral exploration sites has been undertaken in the Yellabinna Regional Reserve on the far west Eyre Peninsula, and significant progress continues to be made in working with the Brukunga Community Board towards appropriate and equitable means of reducing the pollution arising from the abandoned pyrite mine.

In its first year of operation the Office of Regional Development has overseen the implementation of over 60% of the recommendations of the Regional Development Task Force.

We have put a lot of energy into improving our leadership capability and assessing how we are

performing both internally and externally. A series of management forums initiated in 2000 are aimed at increasing the capability of staff while also helping us to look critically at our directions, priorities and roles.

Training is critical for our clients and it has been pleasing to see that the FarmBis and Property Management Planning initiatives of the Federal and State Governments are expanding and through a recent federal budget outcome, such training will now be available to operators in the wild fishery.

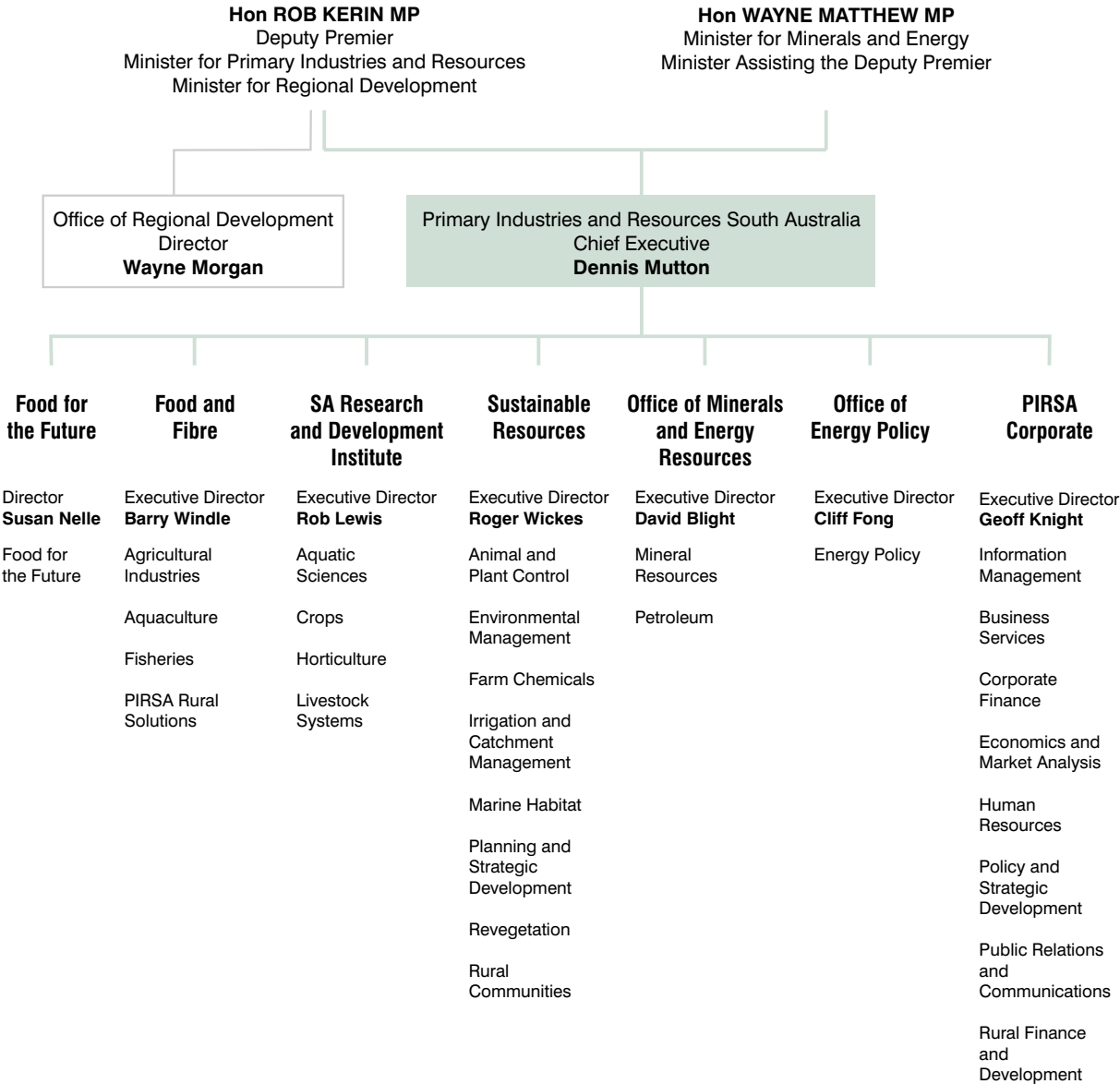
In conclusion, PIRSA's activities and achievements are a clear indication of the Government's commitment to regional and rural communities throughout South Australia. Much work is still to be done and we will continue to strive for improvement, which is essential in the ever-changing environment in which we live.



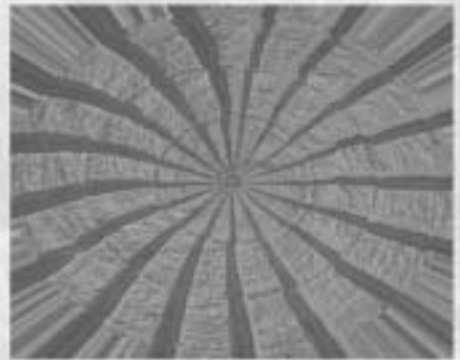
A handwritten signature in dark ink, which appears to read "D Mutton". The signature is fluid and cursive.

Dennis Mutton
Chief Executive
Primary Industries and Resources South Australia

Organisation Chart



Part One



**Primary Industries and
Resources South Australia**



PIRSA highlights for 1999–2000 are provided below, together with a page reference to their further discussion.

Food for the Future

- The Premier’s Food for the Future Issues Group addressed key industry issues regarding food safety regulation, and impacts of the State Water Plan and Rural Planning Guide. (p. 15)
- An international buyers program was implemented, linking buyers in targeted export markets to South Australian food producers. (p. 15)

Food and fibre

- The Food and Fibre Group was created to align agricultural, fisheries and aquacultural services to meet Food for the Future objectives. (pp. 11, 17)

Agricultural industries

- The Meat Hygiene Program was formally extended to the retail and wholesale sector, completing an all-inclusive approach to food safety. (pp. 18, 19)
- Ovine Johne’s disease has been contained and surveillance activity initiated. (p. 21)
- A greenhouse modernisation project was initiated to strengthen the South Australian glasshouse industry. (p. 23)
- Challenge 2020, a farm business management skills development program, was launched. (p. 24)
- The Sheep Industries Development Centre was established. (p. 26)
- A major five-year project to support the development of economically and ecologically sustainable industries in the Rangelands commenced. (p. 26)

Fisheries

- Recommendations have been implemented following a review of the River Fishery. (p. 27)

- The Offshore Constitutional Settlement Agreement for the Southern Shark Fishery was finalised. (p. 27)
- Service level agreements were developed with industry through fisheries management committees. (p. 29)
- Strategic alliances were strengthened between FishwatchSA, the Federal Government and local industry bodies. (p. 29)

Aquaculture

- Best-practice aquaculture production and quality assurance workshops were organised. (p. 31)
- The total number of aquaculture licences and permits increased by 15%. (p. 31)
- An Aquaculture Bill was initiated. (p. 31)

Research and development

- The Root Disease Testing Service is to be commercialised. (p. 34)
- Guidelines for growing and handling citrus were published. (p. 34)
- Funding from research and development corporations and commercial receipts both increased. (p. 35)
- Five licensing agreements were signed for commercialisation of new field crop (3) and pasture (2) varieties. (pp. 36, 38)
- Viticultural research and development was expanded. (p. 37)
- Australia’s first cloned sheep was produced. (p. 37)

Sustainable resources

- Regional planning frameworks were progressed. (p. 41)
- A containment program for the serious parasitic weed branched broomrape was implemented. (p. 42)
- PIRSA facilitated establishment of the State Salinity Committee. (p. 43)
- Integrated natural resource committees were established. (pp. 43–44)

- Rural partnership programs continued; a rural plan was initiated for the Murray Mallee. (p. 44)
- The Rural Industry Research and Development Corporation initiated the Rural Women's Award. (p. 44)
- Natural Heritage Trust natural resource management priorities were identified. (p. 45)
- Drain construction continued under the Upper South-East Dryland Salinity and Flood Mitigation Plan. (p. 46)
- Stage 1 of the rehabilitation of the Loxton irrigation district was commissioned. (p. 46)

Minerals and energy resources

Minerals

- Year two of TEISA, a \$23.2 million, four-year exploration initiative delivered a range of geotechnical information, in particular from airborne surveys including one over Pitjantjatjara lands. The initiative has produced excellent results, helping to increase the area under company exploration in targeted regions. (pp. 47, 48)
- A mineral exploration licence was granted in Yumbarra Conservation Park, north of Ceduna, following re-proclamation to allow for exploration and mining. (p. 51)
- The Offshore Minerals Bill and two Mining Amendment Bills were passed by Parliament. (p. 52)
- PIRSA responded to all mineral and petroleum related issues raised in the Resources Task Force report. Identified processes are being implemented, including the establishment of a new Office of Minerals and Energy Resources. (p. 52)

Petroleum

- A total of 58 petroleum exploration licence applications were received for 13 Cooper Basin blocks, representing an investment of \$140 million over the next five years in addition to that invested by the Santos joint venture. (p. 54)
- A total of \$89 million will be invested by industry in three exploration permits in the Bight Basin over the next six years. (p. 54)
- A major study on gas supply and demand issues for South Australia was completed. (p. 58)

Energy policy

- Gas and electricity regulatory regimes were established. (p. 60)
- South Australia's ability to manage shortfalls of gas in emergencies was significantly improved. (pp. 60–61)
- Security and reliability of gas supplies were enhanced. (p. 61)
- The Photovoltaic Rebate Program was commenced. (p. 62)

Agency support

- The agency is well prepared for implementation of the goods and services tax. (p. 67)
- New online business applications are being delivered via PIRSA's intranet and include financial reporting and the new project management system. (p. 70)
- The transition to Year 2000 occurred smoothly. (p. 71)



Food for the Future

- SA Food Online will be expanded to include the capacity to conduct e-commerce through this site.
- The Food for the Future Issues Group will be assisted in updating the State Food Plan, addressing food safety services, and establishing policy frameworks for export facilitation and enterprise improvement services.
- To facilitate the development of 'demand-chain' alliances for targeted export markets, a quality management model covering each stage of the food chain will be completed. The Food for The Future scorecard will continue to evolve, with additional regional scorecards being developed.

Food and fibre

- A farmer information service will be established, providing a range of information products through a network of regional outlets.
- Recommendations of the Animal Health Review will be fully implemented, including improvements to surveillance, data analysis and reporting, and response capability. Compliance of the South Australian meat industry's hygiene standards with national standards will be verified. Ovine Johne's disease surveillance will continue and a management strategy will be developed in partnership with industry. Protection will be given from tuberculosis and fruit fly. An extensive program will be run for control of plague locusts.
- The dairy industry will continue to be helped with assessment of its needs for assistance and adjustment to the new deregulated market environment, and a \$127 million deregulation package will be delivered.
- The Southern Australian Meat Alliance will be developed from its current pilot basis. SA Lamb will be assisted with a new project aimed at meeting customer requirements.
- Formal fisheries management arrangements will be established for Giant Crab and Pilchard Fisheries and the restructure of the Marine Scalefish Fishery will be completed. In addition, sustainable development criteria and performance

targets will be developed and implemented for all major fisheries. Public comment on a review of recreational fishing in South Australia will be completed and specific action plans drafted. A green paper on the review of the Fisheries Act will be released.

- A two-year review of all aquaculture management plans will commence and a more integrated approach will be used for handling new aquaculture development inquiries.
- A targeted market strategy, in partnership with industry, to expand South Australian seafood exports to new and existing markets will be prepared. Assistance will be given in developing quality and safety standards for all sectors of the seafood industry. A Buyer Aware Scheme will be implemented so that new entrants to commercial fisheries are made aware of obligations relating to fisheries management plans and sources of information and support.

Research and development

- New commercial research agreements will be established with private companies, primarily in field crops and livestock industries, with regard to bio innovation and gene technology. Research and development priorities will be reformed to concentrate on those areas that will benefit industry in South Australia.
- The knowledge from the wild fisheries, aquaculture, and environmental programs will be integrated to improve understanding of the way in which major ecological processes interact and thereby enhance the effectiveness of fisheries and aquaculture management.
- The structure and functions of the wheat breeding program in southern Australia will be revamped through collaborative effort. An apricot and plum breeding program will commence with China.
- Collaborative programs on sustainable integrated pest management for Diamond Back Moth control, disinfestation and wastage control of citrus, and best practice soil irrigation management strategies for viticulture will occur.
- A joint venture will be established to develop a critical mass of scientists in key industry priority

areas (e.g. wool quality, beef and sheep meat eating quality) which are part of national programs.

- The animal biotechnology initiative will focus on transgenics, cloning and the production of embryos from eggs collected from juvenile lambs and calves. Efforts to evaluate germplasm for saline tolerance will continue. The development of low-cost (soft seeded) pasture establishment techniques for low rainfall areas will be evaluated.
- New projects will be initiated in food safety will include minimising salmonella contamination of pigs immediately before slaughter and identifying pathways of water catchment contamination from dairy farms.
- An experimental stock feed extrusion centre will be installed to enable the evaluation of extended diets for livestock and emerging aquaculture industries.

Sustainable resources

- The State-wide assessment on condition of agricultural lands will be completed. Detailed soil and landscape information covering the whole of the State's agricultural areas will be released on hardcopy and CD.
- Hardcopy material and an interactive CD will be produced to assist irrigation developers and water resource managers determine water needs for proposed plantings in any region of the State. Action plans will be developed for salinity management for Murray River irrigators. The State dryland salinity strategy and action plan will be submitted to Government for consideration.
- The control program for branched broomrape will be a major priority. A South Australian marine pest response strategy will be developed based on the national protocol. Policies on the entry, movement and keeping of exotic vertebrate animals, and control of wild rabbits, dingoes and foxes, will be reviewed.
- Integrated natural resource management legislation will be progressed and a contribution to the new federal policy on managing natural resources will be completed. The Agricultural and Veterinary Chemicals (South Australia) Act will be amended.
- Regional integrated natural resource management committees will be established for the Mid-North, Mount Lofty Ranges and Murray Mallee regions. Performance measures against regional natural resource management priorities for South-East Committee and Riverland Local Action Planning Group will also be established. Regional revegetation strategies will be completed for Eyre Peninsula and Northern Agricultural Districts.

The future direction for rehabilitation of the Lower Murray Swamps will be determined. The Natural Resources Environmental Management System business case will be completed and a pilot established in the South-East.

- The Eyre Peninsula Rural Partnership Program and regional planning frameworks for the Upper South-East and Murray Mallee will be completed. The Southern Rangelands Rural Plan will be developed.
- FarmBis training will be promoted with the aim of achieving 22 500 enrolments.
- The Northern Outlet Drain of the Upper South-East Dryland Salinity and Flood Management Plan will be constructed. Borefield construction, pipelines, water reuse and commissioning for the Qualco-Sunlands project will be completed. Stage 2 rehabilitation of the Loxton irrigation district project will be advanced, including replacement of the South Rising Main, final design and capital purchases for the new pumping station.

Minerals and energy resources

- Industry access to mineral resources and petroleum geoscientific and tenement information will be improved through electronic means, including Web access.
- A marketing and incentives plan to promote the State's mineral prospectivity will be reviewed and implemented. A minerals industry services directory will be published to facilitate business opportunities for this sector.
- Promotion of petroleum acreage in the Cooper, Eromanga and Otway Basins will continue. The federal release of petroleum acreage in the Duntroon Basin (scheduled for April 2001) will be supported.
- All TEISA airborne surveys, bedrock drilling and geoscientific mapping programs will be completed. Innovative and cost-effective geoscientific mapping and geochemical programs will be implemented to better identify areas of high mineral prospectivity.
- Two volumes of *The petroleum geology of South Australia* series (Bight and Duntroon Basins; Otway Basin 2nd ed.) will be published and volume 6, Cambrian Basins, initiated.
- Tenders for hot dry rock opportunities in the Cooper Basin will be called and a scoping study of coal seam methane initiated.
- The Mining Act will be reviewed and amended to ensure minimal duplication, better public consultation, enhanced transparency and greater accountability; Regulations will be drafted for the Offshore Minerals Bill. The review of the Opal Mining Act will be completed. Detailed

procedures and guidelines for administration of the Petroleum Act 2000 and Regulations will be developed and implemented.

- The Right to Negotiate process under the *Native Title Act 1993* for Cooper Basin petroleum exploration acreage release, as well as for other relevant applications in the Eromanga and Arrowie Basins, will be progressively initiated and facilitated so that new licences can be granted. Changes to improve the State's Native title and Aboriginal heritage legislation to ensure efficiency of progress and increase certainty and security for all parties will continue to be recommended. Negotiations for establishing Indigenous Land Use Agreements will continue to be progressed.
- A digital online register will be developed for mineral and petroleum tenements and for petroleum-related environmental submissions and approvals.
- Recommendations from Cabinet's review of gas supply and demand will be implemented.
- Mineral Resources Group's programs (including the remainder of the TEISA program) will be re-focused to more directly support the Government's response to the Resources Task Force. In addition, the Resources Industry Development Board will be established and the strategic framework for the minerals and petroleum industries implemented.

Energy policy

- Web access will be provided to the South Australian Gas Pipelines Access Code Registrar's document database.

- Regulatory regimes for third-party access and competitive energy markets will be implemented, along with an effective regulatory framework for electricity in South Australia.
- A framework will be provided to manage the progression from the current energy supply mix to one that contains a significantly higher contribution from renewable energy sources.
- National Greenhouse Strategy measures will be implemented and, as part of this, State Government agencies are to achieve greenhouse reduction targets.

Agency support

- The PIRSAFE system will be evaluated and refined.
- An online capabilities dictionary will be developed and implemented for use in recruitment and selection, and performance development and management processes. Performance development will be supported and conducted through PIRSA's online learning package.
- PIRSA's records and document business requirements will be identified.
- The National Competition Policy review process will be completed.
- PIRSA's strategic plan for 2001–03 will be finalised. A 'balanced scorecard' performance measurement framework and the agency's second Australian Quality Council self assessment process will be completed.
- Electronic transaction services will be provided in line with the Government's Information Economy 2002 Vision.



ORGANISATION

Significant organisational change occurred during 1999–2000. The Office of Regional Development was established, incorporating PIRSA's former Rural Communities Office and its Ruralink programs. The Industry Development Group within PIRSA disbanded in February following the transfer of relevant investment attraction activities from PIRSA to the Department of Industry and Trade and the completion of the work of the Premier's Resources Task Force; remaining staff and functions were transferred to other PIRSA groups. Also in February, staff of the Sustainable Resources Groundwater Program were transferred to the new Department for Water Resources. For the purpose of this annual report, all activities for the year relating to the transferred functions are recorded in the Departments of Industry and Trade, and Water Resources annual reports.

Major realignment of reporting responsibilities occurred to provide distinct areas of focus for PIRSA. Food for the Future, formerly within Industry Development, has been recognised as an entity and its Director joined PIRSA's Executive team. The Food and Fibre Group was created to draw together Agricultural Industries, Fisheries and Aquaculture Groups in recognition that the industry development and resource protection functions across the three groups had much in common; an Executive Director was appointed. The Office of Minerals and Energy Resources was established in response to the Resources Task Force report, linking Mineral Resources and Petroleum Groups, and a new position of Executive Director created. Other changes include the formation of PIRSA Corporate to include former corporate services functions, Information Management, and Public Relations and Communications; departure of the Deputy Chief Executive and abolishment of the position; and appointment of a General Manager, Aquaculture SA.

STRATEGIC CONTEXT

Vision

PIRSA, a key agency for economic development, is focused on delivering services that increase the prosperity of South Australians, improve their quality of life and ensure the sustainable development of the State's resource base for future generations — 'PIRSA delivering prosperity for South Australians by accelerating responsible and sustainable growth'.

Business

In undertaking business, the focus is on influencing and, where required, ensuring that the management and development decisions of key stakeholders consider the needs of the community and future generations. PIRSA works in partnership with people, industry and Government to provide integrated services in industry development, natural resources management, and policy advice and support to make the right sustainable economic development decisions for the benefit of the South Australian community.

Values

PIRSA is an organisation that values people, commitment, integrity, empowerment and accountability, innovation, collaboration, customer service and achievement; these values drive the culture and style of the agency.

Outcomes

PIRSA's Strategic Plan 1999–2001 identifies outcomes and priority objectives. The plan affirms the direction of the Primary Industries and Resources portfolio and it continues to aim to deliver the following outcomes for South Australia:

- improved return from our existing industry profile
- increased investment and expanded industry base with a wider variety of markets and products for the primary industry and resource sectors

- responsible and sustainable development and resource management
- rural communities' prosperity and adaptability
- effective and efficient use of public funds

Outputs

Output class 1: information services

The focus is on services for generation, synthesis and dissemination of information and technology. Outputs are:

- 1.1 *Data and information products and services* — the provision of information services including publications and electronic information and products, training and consulting services, and services based on data held and synthesised into information products.
- 1.2 *Research and scientific services* — the generation of new technologies through research and development, review and synthesis of information, dissemination of research results and provision of diagnostic and geoscientific services.

Output class 2: State resource regulation planning

This includes services that are required to regulate the use of, and protect, the State's natural and productive resources. These services are the responsibility of PIRSA through either legislative responsibilities or Cabinet policy. Outputs are:

- 2.1 *Resource regulation planning services* — the provision of planning assistance and advice to customers, and coordination of the development of plans and strategies to meet statutory and other policy requirements.
- 2.2 *Licensing services* — services related to the issuing of licences.
- 2.3 *Compliance services* — product inspection, certification, investigation and surveillance, and enforcement and prosecution services.
- 2.4 *Incident response services* — detection and response to adverse events and emergencies.

Output class 3: coordination and advice

This includes all coordination of whole-of-government initiatives or services as well as policy advice and development for, and on behalf of, the Minister. Outputs are:

- 3.1 *Policy, advice and support services* — all policy advice and development for, and on behalf of, the Government, responses to Government questions, briefings, speech notes, decision support, and other support as determined. Also included is representation of the Government on State and national groups.
- 3.2 *Legislation development and review services* — development, monitoring and review of legislation, and legal advice.

Output class 4: facilitation services

This includes services that establish strategic alliances and strategies in the areas of wealth, health, welfare, safety, sustainability or self-reliance of industries, enterprises or communities. Outputs are:

- 4.1 *Facilitation planning services* — the provision of planning assistance and advice, development of strategic plans and long-term strategies including infrastructure, industry development, and planning for rural community access to services.
- 4.2 *Trade and market services* — services that develop, maintain or improve access for industries to interstate and international markets through business and trade alliances.
- 4.3 *Training and education services* — services related to working with communities and groups to develop their human capital and self reliance.
- 4.4 *Portfolio program management services* — the management of programs within the Minister's portfolio by PIRSA where it is a lead agency for Government.
- 4.5 *Infrastructure project services* — project management of infrastructure projects within the Minister's portfolio by PIRSA where it is a lead agency for Government.

Links to outcomes

Table 1 links PIRSA's outputs and outcomes.

Table 1 Relationship between PIRSA's outputs and outcomes			
Output class 1: information services	Output class 2: State resource regulation planning	Output class 3: coordination and advice	Output class 4: facilitation services
<i>Outcome 1: improved return from our existing industry profile</i>			
<ul style="list-style-type: none"> • data and information products and services • research and scientific services 	<ul style="list-style-type: none"> • resource regulation planning services • licensing services • compliance services • incident response services 	<ul style="list-style-type: none"> • policy, advice and support services • legislation development and review services 	<ul style="list-style-type: none"> • facilitation planning services • trade and market services • training and education services • portfolio program management services • infrastructure project services
<i>Outcome 2: increased investment and expanded industry base</i>			
<ul style="list-style-type: none"> • data and information products and services • research and scientific services 	<ul style="list-style-type: none"> • resource regulation planning services • licensing services 	<ul style="list-style-type: none"> • policy, advice and support services • legislation development and review services 	<ul style="list-style-type: none"> • facilitation planning services • trade and market services • training and education services • portfolio program management services • infrastructure project services
<i>Outcome 3: responsible and sustainable development and resource management</i>			
<ul style="list-style-type: none"> • data and information products and services • research and scientific services 	<ul style="list-style-type: none"> • licensing services • compliance services • incident response services 	<ul style="list-style-type: none"> • policy, advice and support services • legislation development and review services 	<ul style="list-style-type: none"> • facilitation planning services • training and education services • portfolio program management services • infrastructure project services
<i>Outcome 4: rural communities' prosperity and adaptability</i>			
<ul style="list-style-type: none"> • data and information products and services 		<ul style="list-style-type: none"> • policy, advice and support services 	<ul style="list-style-type: none"> • facilitation planning services • training and education services • portfolio program management services
<i>Outcome 5: effective and efficient use of public funds</i>			
applies to all outputs			

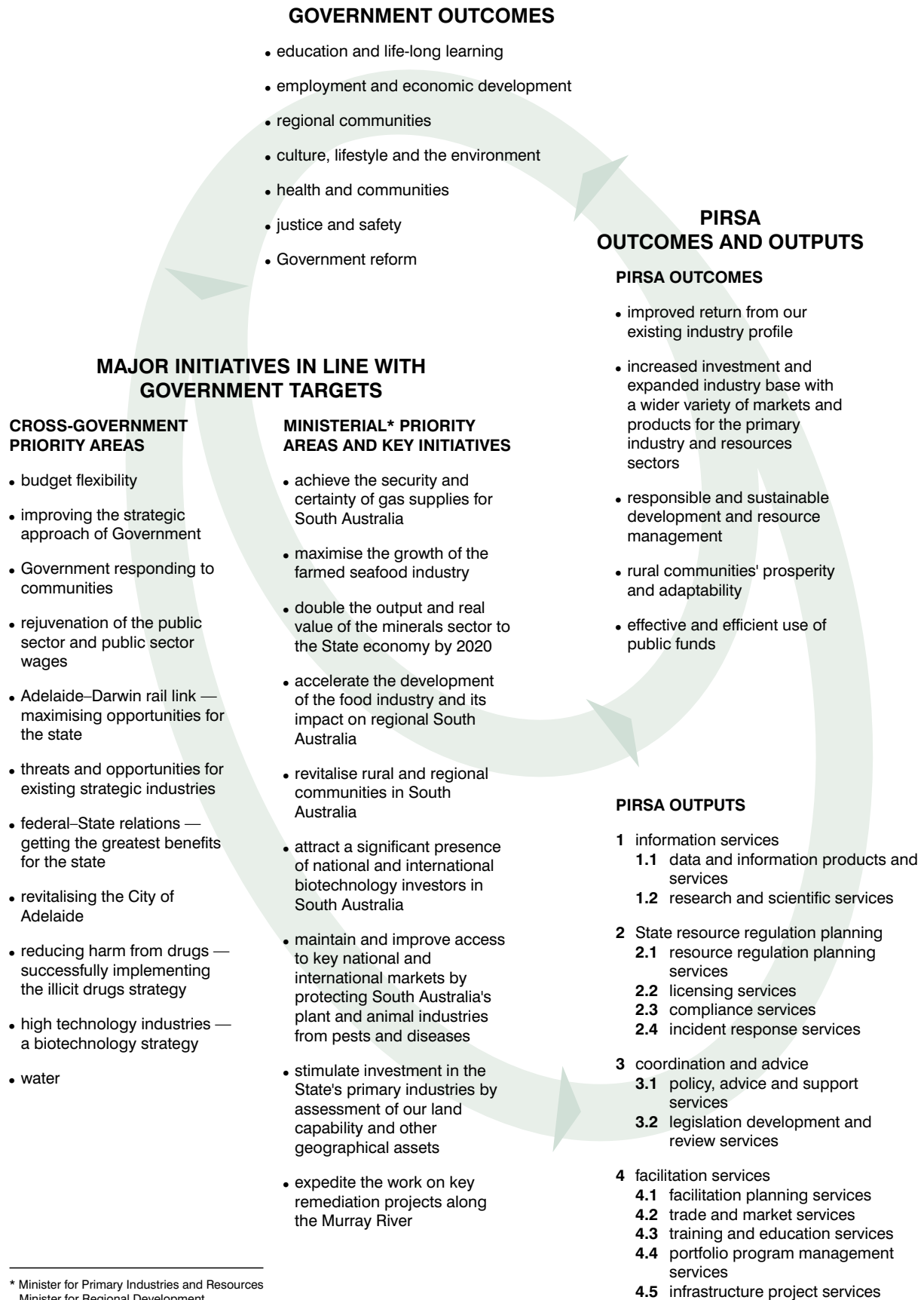
Links to Government objectives

PIRSA's strategic and operational planning processes ensure that the agency's outcomes and outputs align with Government objectives. Whole-of-government ministerial outcomes define PIRSA's strategic plan and in turn group strategic plans. These define the programs and corresponding projects or services planned and executed by PIRSA groups. This is achieved through the key business

focus which identifies the agency's service types and business emphasis, and guides the definition of outputs as seen from an external customer perspective.

The relationships between Government objectives, priority areas and initiatives, and PIRSA outcomes and outputs are illustrated in Figure 1. In addition, PIRSA collaborates extensively with other Government agencies as projects are increasingly cross-Government (e.g. Food for the Future).

Fig. 1 PIRSA's links to Government objectives





In this year's annual report, performance is reviewed against outputs and major groups are discussed separately.

FOOD FOR THE FUTURE

The South Australian Government's Food for the Future project is aimed at achieving a globally competitive and sustainable food industry in South Australia valued at \$15 billion by 2010. The Premier's Food for the Future Council is chaired by the Premier, and includes the Deputy Premier, Minister for Industry and Trade, and 22 industry leaders. The work of the Council is carried out through five working committees focused on —facilitating projects that demonstrate the benefits of working together along the food chain to deliver quality products to customer specifications; encouraging innovation; recommending government policy and systems improvements; coordinating an export development program; and profiling the South Australian food industry. In addition, the Convenor of the Council, the Hon Caroline Schaefer, chairs a whole-of-government Issues Group that addresses issues affecting development of the food industry; food safety regulation, and impacts of the State Water Plan and Rural Planning Guide were considered.

The working committees are supported by teams with specialists primarily from PIRSA and the Department of Industry and Trade. PIRSA provides linkages to specialist staff, Industry Development Boards (Horticulture, Seafood, Meat and Field Crops) and industry bodies such as the South Australian Farmers Federation. The Department of Industry and Trade provides specialist services to the food industry through Invest SA, International SA, South Australian Centre for Manufacturing and The Business Centre.

FACILITATION SERVICES

(output class 4)

Facilitation planning services

(output 4.1)

Quality food

A series of commercially driven projects were established which demonstrate the capabilities required by each stage of the food chain to successfully compete in a global marketplace.

Regional workshops on food quality and regional branding by internationally renowned quality expert Bernard Lassaut were organised.

The first quality case study was produced and focused on Springs Smoked Seafood.

Innovation and technology

Development of SA Food Online, a Web-based site showcasing South Australia's food industry, continued.

Strategic investment

The 'Field crops demonstration project' has produced a number of potential investment

opportunities from Japan, Taiwan and Singapore which are being pursued.

The 'South-East sustainable development study' was concluded and is being considered for further action.

A draft investment strategy identifying opportunities for investment in value-adding activities for pursuit in 2000–01 was prepared.

Trade and market services (output 4.2)

Export facilitation

A target export strategy and a two-year export promotion plan were developed with industry; principal markets are Japan, Taiwan, Hong Kong, Singapore, Malaysia and the United Arab Emirates. Food Adelaide appointed representatives in Osaka (Japan) and Taipei (Taiwan). The Department of Industry and Trade were assisted with implementing an international buyers program linking buyers in targeted export markets to South Australian food producers.

The South Australian food industry participated in major food exhibits in Tokyo (Foodex), Singapore (Food and Hotel Asia) and Taipei (Taipei



The South Australian Food and Beverage Exporters Association display at Foodex Japan 2000, Tokyo.

International Food Show) with assistance from International SA. New export opportunities were negotiated for over 20 South Australian firms.

The project to match South Australian food companies with Olympics catering contractors continued.

Industry culture and promotion

The second Premier's Food and Fibre Awards and Gala Dinner was held.

PIRSA worked closely with Tasting Australia organisers to maximise South Australian food industry representation in this event which attracts international attention.

The *Future food* newsletter was initiated to promote industry achievements and provide targeted information to industry participants.

Economic analysis

A value analysis for each food area has been developed to keep track of advances in the South Australian food industry. Industry sectors are benchmarked against economic status and potential

for future growth, and the information used to create a scorecard measuring commercial value. Each stage of the food chain is considered from production to processing and through to consumption. This kind of economic analysis can estimate the direct value of production, exports, imports, interstate trade, retail sales, and the contribution made by the food services (hospitality and tourism) sector.

Targets for 2000–01

- Expand SA Food Online to include the capacity to conduct e-commerce through this site. (output class 1)
- Support the Food for the Future Issues Group to update the State Food Plan, address food safety services, and establish policy frameworks for export facilitation and enterprise improvement services. (output class 4)
- Complete a quality management model covering each stage of the food chain to facilitate the development of 'demand-chain' alliances for targeted export markets. (output class 4)

FOOD AND FIBRE

Early in 2000, the PIRSA Agricultural Industries, Fisheries and Aquaculture Groups came together as the Food and Fibre Group. The principal driver of this move was a recognition that the industry development and resource protection functions across the three groups had much in common, and that significant synergies and efficiencies could be realised by working together. A priority task is to develop a strategic plan for the group; that process commenced with an environmental scan of the social, technical, environmental, economic and political influences on the food and fibre industries. The scan confirmed that the three industry sectors share remarkably similar drivers of change. The partnership ethic evident during the scanning workshop augurs well for the creation of exciting and innovative industry development and resource protection strategies.

Cultural change is central to the Government's Food for the Future strategy. The focus of PIRSA's programs for the agriculture, fishing and aquaculture industries is on enhancing the knowledge, skills and confidence of those industries so that they are better able to compete in the global market place.

AGRICULTURAL INDUSTRIES

The Agricultural Industries programs provide the government resources and services that support development of agriculture in South Australia. This is achieved through policy development and advice to industry and Government, industry planning, and resource protection services and projects that demonstrate how industry can improve its competitiveness, self-reliance and profitability. The programs are Grape Industries; Horticulture Industries; Field Crop Industries and Seed Services; Plant Health; Sheep Industries; Cattle and Intensive Animal Industries; and Animal Health and Meat Hygiene. These programs aim to develop and enhance the agricultural resource base and protect the productive and natural resources from pests, diseases and other threats.

Many of the services funded under these Agricultural Industries programs are delivered by PIRSA Rural Solutions, a business unit of about 200 people operating out of 26 centres across the State. While PIRSA Rural Solutions' principal customers are the agency's Agricultural Industries and Sustainable Resources program managers, other customers include farmers, agribusiness, industry funding bodies, other State government agencies and the Federal Government.

Performance measure highlights

Customer satisfaction surveys are being used to measure how the Agricultural Industries programs are perceived by their beneficiaries. An independent survey yielded an 82% satisfaction rating for services provided by Agricultural Industries Group.

INFORMATION SERVICES

(output class 1)

Data and information products and services (output 1.1)

Grape industries

Cropwatch

Cropwatch SA, a joint initiative of PIRSA and the Riverland Grape Industry Committee, produced 33 messages in the lead up to the 2000 vintage to assist Riverland grape growers manage their pest and disease risks. Nine were special downy mildew updates following weather events that suited development of the disease.

Horticulture industries

Publications

An export horticulture newsletter was launched and three editions distributed, a report promoting opportunities for lemon production in the South-East was published, and an information package to encourage the use of reclaimed water from the Bolivar plant on the Northern Adelaide Plains was produced.

Field crop industries and seed services

Publications

The *Ute guide — Canola* was released. New information packages for cereal and pulse growers were made available with the release of tool kits for wheat quality, malting barley and pulses. Around 1500 copies of the *1999–2000 Crop Harvest Report* were distributed.

Cropping systems

The second South Australian Cropping Systems Update brought together 250 of the State's leading advisers and consultants providing services to grain



growers. The two-day conference, a partnership with the Grains Research and Development Corporation, provided the latest technical information on broad acre crop research and production.

Cattle and intensive animal industries

Dairy workshop

PIRSA staff combined with a group of private consultants to deliver a three-day Dairy Business Focus workshop series to South Australian dairy farmers. A total of 344 dairy farmers received training in strategic business planning and communication, and were introduced to benchmarking and credit management. These skills are considered vital for dairy farmers to succeed and prosper in the deregulated market environment.

Beef feedlotting

PIRSA provides consultancy and information services to the beef feedlot industry with the aim of increasing the capacity of accredited feedlots. Environmental issues have impacted heavily on some feedlots. Renovation to comply with environment protection orders has seen the combined capacity of two major feedlots reduced from 8500 head to 1800 head, while another two feedlots with a combined capacity of 20 000 head have ceased operating.

Development guidelines

A project to streamline licensing and approval processes for the intensive pig and commercial forest industries resulted in the launch of 'The Developer's Guide' on the Web. It is now widely used across the State to help developers understand and lodge development applications for new primary industries. Establishment guidelines for irrigated horticulture have been added and guidelines for other primary industries will follow progressively.

Animal health and meat hygiene

Food safety within the meat industry

PIRSA's Meat Hygiene Program formally extended to the retail and wholesale sector in January. This completed an all-inclusive approach to food safety within the meat industry. Information packages were issued to all of the State's retail butchers (about 400) advising of the legal obligation to be accredited and to implement food safety programs where meat is supplied to other businesses.

A series of nine workshops in metropolitan and rural South Australia, co-sponsored by PIRSA and Meat and

Livestock Australia, were held to facilitate the uptake of food safety plans by small businesses which wholesale red meat, poultry and game. Over 130 people from industry and local government attended.

PIRSA, in consultation with industry, produced the *South Australian kangaroo field processor's handbook* and has issued it to all field processors as a basis for their food safety programs.

Research and scientific services

(output 1.2)

Grape industries

Quality wine grapes

A collaborative project to define, measure and manage the quality of wine grapes was commenced by PIRSA, the Grape and Wine Research and Development Corporation, Victorian Department of Natural Resources and Environment, CSIRO, New South Wales Agriculture, and Murrumbidgee Irrigation Area Wine Grape Marketing Board.

Horticulture industries

Pyrethrum and mint oils

Trialing of pyrethrum, in conjunction with Botanical Resources of Australia, and spearmint and peppermint, in conjunction with Essential Oils of Tasmania, continued in the South-East. The initial findings give confidence that these are viable options for the area.

Apples

A five-year apple system development project at Lenswood has been funded by the Horticultural Research and Development Corporation.

Field crop industries and seed services

PIRSA Seed Services

New arrangements for the inspection of certified lucerne seed crops were piloted. PIRSA Seed Services trained and accredited employees of three major lucerne management consultancy services based in the Keith district. These arrangements proved highly successful and cost-effective for growers, with approximately 75% of the total certified lucerne area in the Upper South-East region inspected by accredited inspectors. Further expansion of these arrangements are being investigated.

In March, the PIRSA Agriculture webpage was upgraded with the addition of Seed Services, containing technical information about growing certified seed, seed testing and training services, price lists, production statistics and seed labelling information.

Targets for 2000–01 (output class 1)

- Establish a farmer information service to provide specialist expertise in development and packaging of information; deliver a range of information products to South Australia's primary industries through a network of regional outlets; and network information providers servicing the State's primary industries to create a directory that assists customers to quickly and easily find information they need.
- Develop a manual on producing quality wine grapes.
- Establish commercial pyrethrum sites in the South-East.

STATE RESOURCE REGULATION PLANNING

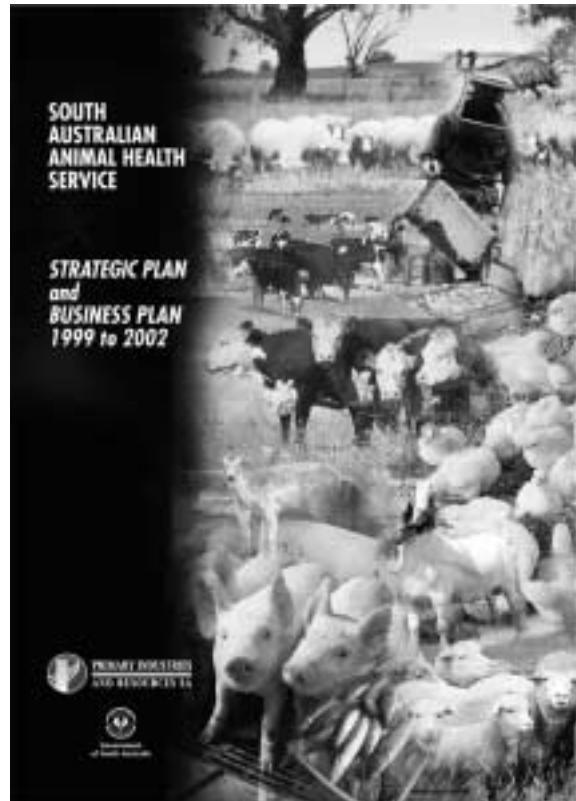
(output class 2)

Resource regulation planning services (output 2.1)

Animal health and meat hygiene

Animal Health Service Review

Following on from the Animal Health Service Review, a three-year Strategic Plan and Business Plan were developed and implemented, and four new management support positions were established. Functional requirements were developed for an information management system, and consultation is under way with Agriculture Western Australia to form a key partnership in the development of an animal industries (including animal health) information management system. In addition, financial incentives were introduced to assist veterinary practitioners in an improved disease surveillance system and preliminary steps have been taken to form an umbrella body of industry groups to determine animal health policy in South Australia.



Licensing services (output 2.2)

Animal health and meat hygiene

Accredited meat processors

The number of meat processors accredited under PIRSA's Meat Hygiene Program rose to 633 by the end of 1999–2000, an increase of around 200% since 1995, and up 191 from the previous year. The inclusion of retail butchers trading in the wholesale market completes the all-inclusive approach to food safety in the meat industry. Over 800 meat transport vehicles were licensed under the program.

Compliance services (output 2.3)

Plant health

Fruit fly control

Over 700 000 vehicles were inspected at PIRSA's four roadblocks during the year and in excess of 92 tonnes of produce intercepted. Fruit fly infestations were detected in 41 instances.

The Adelaide metropolitan fruit fly trapping grid was revised, with identified savings contributing to the establishment of trapping grids in the horticultural production areas of both the Adelaide Hills and Northern Adelaide Plains. PIRSA inspection staff assisted horticultural producers in both areas to become accredited under an Interstate Certification Assurance arrangement for export of fruit fly host produce to Victoria.



PIRSA roadblock, Yamba.

Animal health and meat hygiene

Food safety within the meat industry

The success of PIRSA's Meat Hygiene Program is demonstrated by the fact that all of South Australia's existing animal processing, poultry, smallgoods, wholesale, boning, and game meat businesses have implemented approved food safety programs and 10% have progressed to international certification.

South Australia continues to manage primary surveillance of accredited meat processing facilities through an approved third-party inspection/audit agency. Over 500 audits of meat processing operations and 100 inspections of accredited field processing operations were completed during the year, verifying compliance with industry standards. An additional 130 penalty audits of industry poor performers were conducted where noncompliance was identified. These audits, at the operator's expense, are additional to surveillance audits.

PIRSA has been diligent in pursuing companies and individuals that choose to operate outside the *Meat Hygiene Act 1994*. Of the 70 complaints received and investigated, two resulted in prosecution. A further 70 accreditations of meat processing businesses were realised from over 400 compliance program surveillance inspections undertaken during the year.

Bovine Johne's disease

Four new cattle herds were found to have bovine Johne's disease during the year, bringing the South Australian total to 35 infected herds. There were 63 cattle Market Assurance Program herds by the end of December 1999. An enhanced management program commenced, aimed at reducing the effects of bovine Johne's disease in herds and the risk of its spread in the cattle population within South Australia and nationally.

Enzootic bovine leucosis

South Australia has now eradicated all known enzootic bovine leucosis from its dairy herds. This disease was first identified in the State in 1993 and

an industry partnership between dairy farmers, milk manufacturers and PIRSA to control the disease commenced in 1995. Ten herds need final tests to be completed before the State can declare an official disease free status. Surveys and investigations have shown that this disease is not known to exist in the State's beef cattle.

American Foulbrood

A mandatory disease control program has been designed to reduce the prevalence of the bee disease American Foulbrood within the State's registered apiary operations. Key components include the introduction of annual registration (previously triennial), testing of honey by honey packers, and targeted regulatory surveillance and enforcement. The first 12 months of the program has involved the introduction of the new registration cycle and honey packer testing of over 70 operations. There has been a 2% reduction in the total number of registered operations and a 4% reduction in registered hives; these figures include 145 cancelled registrations. Increased media awareness about the requirement to register hives resulted in 153 new registrations.

National Livestock Identification Scheme

Regulations under the *Livestock Act 1997* have been changed to allow South Australian cattle producers to use radio frequency identification devices, effective from 1 July 2000. The National Livestock Identification Scheme endorses use of these devices for the permanent identification of cattle enabling disease and residue trace back. Use of the device is mandatory for participants to a new property accreditation scheme to underpin the production of hormonal growth promotant free beef for export to the European Union (introduced on 1 December 1999).

Other National Livestock Identification Scheme developments include a policy discussion paper 2000-05; a business plan seeking funding to develop the scheme in South Australia from the Sheep and Cattle Advisory Groups; and a national sheep identification system.

Incident response services (output 2.4)

Plant health

Fruit fly, onion smut and bacterial wilt

Five fruit fly outbreaks (three Mediterranean and two Queensland fruit fly) were detected during the year and all were successfully eradicated, enabling the State's fruit fly area freedom status to be maintained. Two outbreaks of onion smut were detected during routine annual inspections of onion plantings across the State and eradication measures implemented. Three outbreaks of bacterial wilt were confirmed in potato crops in the Mallee region, and containment and eradication measures instituted.

Small-plague grasshoppers

A major small-plague grasshopper control program that mirrored the 1998 program was undertaken in the Upper North agricultural and pastoral areas from September to November. Together, the 1998 and 1999 programs substantially removed the threat of a grasshopper plague for the near future.

Locusts

An unprecedented migration and subsequent multiplication of a summer generation of locusts in pastoral land east of Lake Torrens occurred in late summer and autumn. Despite an autumn control program that sprayed 50 000 hectares in pastoral districts, widespread locust migrations occurred into farming districts across South Australia. The control program extended into local government areas, with councils undertaking spraying and aerial target delineation until the program closed in mid-June. Substantial egg laying in pastoral and agricultural areas has set the scene for the largest control program ever in South Australia in the spring of 2000.

Lupin anthracnose

Disease management strategies to stop the spread of anthracnose continued with 8900 hectares of lupins surveyed across the State. Eradication procedures were instigated on two Lower Eyre Peninsula paddocks where new disease outbreaks were found, and maintained on a further 46 infected paddocks covering 980 hectares. Legislative restrictions on the movement of lupins into South Australia from Western Australia were tightened to reduce the risk of disease introduction as a consequence of anthracnose being widespread in Western Australia.

Animal health and meat hygiene

Ovine Johne's disease

Intensive investigation and surveillance has detected no further evidence of ovine Johne's disease in South Australia since spring 1999, after 29 flocks on Kangaroo Island and one flock at Burra were diagnosed with the infection in 1998–99. There are presently 23 flocks in quarantine for the disease; with six flocks on Kangaroo Island and the flock at Burra having been released from restrictions following de-stocking and intensive follow-up. Surveillance activity has switched to abattoir monitoring since October 1999 and over 1700 lines of sheep have been inspected for the disease; infection was confirmed on four Kangaroo Island properties. At this stage there has been no indication of infection on mainland South Australia.

South Australian studs are still actively supporting the sheep Market Assurance Program with over 214 participants; 30 of these having progressed to Monitored Negative 2 status. This program



Participants in PIRSA's small-plague grasshopper control program and agricultural plane used for spraying. From left, John Fitzgerald and Richard Hastings, Aerotech and Dennis Hopkins, PIRSA Program Manager.

continues to provide a high level of assurance for stockowners and purchasers of sheep about the disease risk in sheep flocks. With the passage of time and the encouraging data from surveillance, the industry is becoming more confident and optimistic about the prospect of ultimate ovine Johne's disease freedom in South Australia's sheep population.

Targets for 2000–01 (output class 2)

- Fully implement recommendations of the Animal Health Review, including improvements to surveillance, data analysis and reporting, and response capability.
- Verify compliance of the South Australian meat industry's hygiene standards with national standards.
- Continue ovine Johne's disease surveillance and develop a management strategy in partnership with industry.
- Maintain South Australia's tuberculosis-free and fruit fly area free status.
- Undertake an extensive locust control program.

COORDINATION AND ADVICE

(output class 3)

Policy, advice and support services

(output 3.1)

Agricultural Industries and Sustainable Resources Groups represented the State on the Standing Committee on Agriculture and Resource Management, and the Agricultural and Resource Management Council of Australia and New Zealand.

Food safety

PIRSA is involved in determining how the State's proposed new Food Safety Act and Standards will apply to primary production in South Australia. This Act closely mirrors the national model intended for inclusion in the Australian Food Standards Code.

Crop forecasts

Conditions influencing the growth and productivity of crops and pastures across the agricultural districts, and field crop production forecasts, were reported to Government and industry on a monthly basis.

Pig industry

South Australia's pig production and processing industries contributed \$290 million to the State economy in 1999–2000, a significant increase since the price crisis following the relaxation of pig meat imports in early 1998. PIRSA estimates that local processing of all South Australian pigs will add an extra \$50 million, taking the present value to \$340 million per year. Projections indicate that South Australia has the potential to be the fastest growth State for the pig and pig meat industries in the next five to 10 years.

Effluent

The sustainable spreading of nutrient-rich effluent on agricultural land, turning a waste product into a valuable input resource, is being investigated through a two-year project involving the Environment Protection Agency and industry. Guidelines are to be produced.

National animal health policy and programs

Major contributions were made to the Australian Animal Health Council (now Animal Health Australia) policy and programs including Animal Health Services, Animal Disease Surveillance and the Emergency Animal Disease Program; national policy on key disease control programs (e.g. ovine Johne's disease, bovine Johne's disease), emergency animal disease programs (e.g. Newcastle disease) and the new national emergency animal disease cost-sharing agreement; and animal welfare policies of the Standing Committee on Agriculture and Resource Management.

Beef grading system

The planned implementation of a national consumer-oriented beef grading system was deferred.

Legislation development and review services (output 3.2)

Reviews of legislation

All legislation must be reviewed from a competition perspective (a National Competition Policy review) as a consequence of the Competition Principles Agreement between the Federal and State Governments. A review of the *Phylloxera and Grape Industry Act 1995* determined the competition aspects as trivial.

A National Competition Policy review of the *Wine Grapes Industry Act 1991* in 1998 concluded that the Act is not presently operating to restrict competition in the market for the supply of wine grapes. Never-

theless, the consultant engaged to conduct the review recommended that the Act be repealed because it is not achieving its apparent objectives. Rather than implement this recommendation in isolation, PIRSA has been working with industry stakeholders, particularly wine grape producers and processors, to explore alternative mechanisms for achieving desired outcomes. A green paper was released for industry consideration and responses were due by 30 June 2000.

A National Competition Policy review of the *Dried Fruits Act 1993* is under way, and a white paper is being formulated. The Dried Fruits Board was re-appointed pending the outcome of the review.

A consultation paper prepared to encourage discussion on the *Citrus Industry Act 1991* and to assist public input to the review process will be made available to industry for consideration early in 2000–01.

PIRSA conducted a National Competition Policy review of the *Dairy Industry Act 1992* during the year which identified the need to remove farm gate price controls and equalisation arrangements to deregulate the industry.

The Meat Hygiene Act was reviewed under the National Competition Policy and final recommendations are to be considered by the Minister for Primary Industries and Resources in late 2000.

Amended legislation

The Dairy Industry Act was amended to remove farm gate price fixing and milk price equalisation arrangements, effective from 1 July 2000.

Acts repealed

Following a Bill drafted in 1998–99, nine moribund Acts were repealed — *The Agricultural Holdings Act 1891*, *Dairy Industry Assistance (Special Provisions) Act 1978*, *Fruit and Vegetable (Grading) Act 1934*, *Garden Produce (Regulation of Delivery) Act 1967*, *Margarine Act 1939*, *Marginal Dairy Farms (Agreement) Act 1971*, *Rural Industry Adjustment (Ratification of Agreement) Act 1990*, *Rural Industry Assistance Act 1985*, and *Rural Industry Assistance (Ratification of Agreement) Act 1985*.

Preparations were made to repeal the *Cattle Compensation Act 1939* which is scheduled to occur in July 2000.

Administered items

PIRSA assisted with the initiation of four funds, placing the State's livestock industries in an excellent position with regard to future industry development. The Sheep Advisory Group has overseen the introduction of legislation under the *Primary Industries Funding Schemes Act 1998* establishing a fund, administered by the Minister for Primary Industries and Resources, for the sheep industry. Similarly, the Cattle Advisory Group was integral in development of regulations establishing

an industry fund and compensation scheme to replace the fund and scheme under the Cattle Compensation Act which is scheduled for repeal.

The Deer Advisory Group and Apiaries Advisory Group have both worked on development of regulations establishing funds for their respective industries and it is expected that the funds will be established in the first half of 2000–01. These groups have also been developing regulations under the Livestock Act to replace provisions under the *Deer Keepers Act 1987* and *Apiaries Act 1931*. These Acts will be repealed at the same time as the new regulations and funds are established.

Targets for 2000–01 (output class 3)

- Finalise a management model for spreading nutrient-rich effluent on agricultural land.
- Continue to make substantial contributions to national animal health and animal welfare policy through the Standing Committee on Agriculture and Resource Management and its working groups.
- Conclude the National Competition Policy review process for all legislation which impacts on agricultural industries.
- Continue to work with the dairy industry to assess the industry's needs for assistance and adjustment to the new deregulated market environment.

FACILITATION SERVICES

(output class 4)

Facilitation planning services

(output 4.1)

Industry Development Boards

The Horticulture, Meat, Wool and Field Crops Industry Development Boards each completed and published a strategic framework for their respective industries.

Grape industries

International competitiveness

A discussion paper on the international competitiveness of South Australia's wine grape and wine industries was drafted as a contribution to the strategic planning processes of both PIRSA and industry. The paper is a living document that will continue to evolve as circumstances change.

Horticulture industries

Citrus

There has been a major investment in lemon production in the South-East as a consequence of a project which demonstrated the opportunity for a very late market to replace imported product.

Aspects of citrus production that impact on exports are being benchmarked to enable better practice. Phase 1, collation of data, was completed.



Appropriate quality assurance systems to meet market specifications for every citrus packer and processor in South Australia were identified. Training packages will be delivered through the Citrus Board SA to ensure that all packers and processors have appropriate systems in place by May 2001.

Greenhouse modernisation project

A greenhouse modernisation project designed for the Northern Adelaide Plains will strengthen the State's glasshouse industry over the next four years through the adoption of the latest technology. The project is a direct result of PIRSA's ongoing work to develop opportunities for investment and alliances with suppliers, growers and Government. Initial funding has been approved and industry support committed to the establishment of a Centre of Excellence.

Field crop industries and seed services

Wheat breeding

Negotiations occurred with the Adelaide University and the grains industry have commenced to provide opportunities to improve wheat breeding benefits to South Australia following a review of 26 wheat breeding programs around the world.

Plant biotechnology centre

South Australia is to be developed as the national centre for plant biotechnology commercialisation, adding to the State's internationally regarded capability and encouraging the development of a new local plant biotechnology industry sector. An agreement with the Adelaide University, and appropriate funding and personnel, have been put into place.

Grains processing strategy

The South Australian Grains Processing Strategy, a major initiative of the Field Crops Industry Development Board, was completed and is aimed at increasing domestic and export sales of processed South Australian grain products. It provides a set of recommendations to progress development and growth of value adding activity in the field crops sector.

Trade and market services (output 4.2)

Horticulture industries

Trade delegations

A number of trade delegations were given technical support during the year including Tasting Australia, FOODEX, Food Asia and HOFEX. Seven overseas delegations were assisted in looking at temperate fruit and citrus production, quality systems and opportunities for export; trade has commenced as a result of these.

Value adding

An opportunity for value adding to export products in the form of ready-made desserts is being investigated with the cherry industry. Other dessert products are being piloted for future development.

Improving access

PIRSA was able to link a South Australian processor with the Supermarket to Asia program, enabling the local business to access \$200 000 of federal funding to further develop supply and marketing networks; the business is now providing new product to the United Kingdom.

Sheep industries

Wool Marketing 2000

The Wool Industry Development Board continued to support Wool Marketing 2000 which aims to increase efficiency and cost-effectiveness of wool marketing through better communications between producers and processors. Negotiations between a pilot group of South-East wool producers and a major early stage wool processor have explored prospective benefits which could be achieved for both parties working in an alliance arrangement.

Southern Australian Meat Alliance

The Southern Australian Meat Alliance has developed to the point where a management committee is operating and a consistent grain-finished lamb product is being traded from selected retail outlets.

Training and education services

(output 4.3)

Grape industries

Wine grape production

A group-based action learning initiative to assist South Australian wine grape producers in gaining more skills, knowledge and confidence in running their business continued to evolve. Achievements during the year included refinement of the learning process; formation of pilot groups comprising wine grape producers, viticulturists and winemakers in the

McLaren Vale, Riverland and Robe – Mount Benson areas; development of an extensive quantitative evaluation methodology in conjunction with the Adelaide University; and preparation of a manual, *Better practice wine grape production*.

Horticulture industries

The strawberry industry was provided with FarmBis funding for training to combat Western Flower Thrips. Preliminary planning and group development work commenced in the vegetable and pome fruit industry. A variety of workshops and seminars were organised and included quality assurance, reclaimed water use, sustainability issues for horticulture, and native food production.

Field crop industries and seed services

Challenge 2020

Challenge 2020, a farm business management skills development program providing farmer groups with ready access to a comprehensive range of workshop and training activities, was launched. Training is being delivered by both private and PIRSA Rural Solution consultants. As part of the program, 60 TOPACTIVE training modules are being developed in consultation with industry, researchers and consultants. In 1999–2000, TOPCROP and Challenge 2020 group-based training programs serviced 560 farmers in 60 groups across South Australia, involving 200 individual group meetings and paddock walks.

Pulses

The pulse industry development project is realising market opportunities to expand the production of specialised food pulses targeting premium export markets. Skills training over the past three years is assisting growers to implement best practice management, particularly in disease control to grow lentils and beans. Plantings of red lentils have tripled, and faba and broad beans doubled.

The agency collaborated with Pulse Australia and the pulse industry to develop strategies to reduce the significant threat to the lentil industry and the credibility of the pulse industry posed by substitution of vetch for red lentils. PIRSA produced a discussion paper which fully explored the issues and provided direction for industry.

Durum wheat

The substantial premium paid for durum wheat has provided incentive to growers to increase plantings; the area planted in South Australia doubled in 1999–2000. PIRSA's wheat quality training program has assisted growers in gaining the confidence and skills to meet the high protein specifications demanded.

Raised seedbed technology

In the South-East and on Kangaroo Island, raised seedbed technology is enabling cropping of high yield potential land previously considered unsuitable due to the risk of waterlogging. PIRSA is providing training to grower groups in a research and technology transfer program supported financially by the Grains Research and Development Corporation and the Natural Heritage Trust. Over the past three years the cropped area has increased by 68% in the South-East and by 55% on Kangaroo Island.

Grazing management

PROGRAZE grazing management courses continued to provide training in the principles of pasture production and utilisation to improve farm productivity. There are 150 participants from the South-East, Fleurieu Peninsula and Kangaroo Island.

Sheep industries

Better Breeding

Better Breeding continued to stimulate commercial producers to seek more information on advanced breeding technology, to buy rams with a view to the performance of their progeny, and to run progeny comparisons on their farms to evaluate their selection decisions. The project, run in partnership with the Advisory Board of Agriculture and the Woolmark Company, has involved 650 producers in

workshops and 42 on-farm ram comparison evaluations across the State, 12 more than the projection of 30. The project is now entering a major education and awareness stage based on results being obtained.

Lamb Consistency Program

The Lamb Consistency Program, managed by the South Australian Lamb Development Team (producer, industry service providers and government members), aims to achieve more consistent supply and quality of South Australian lamb. The proportion of lamb traded over-the-hook has grown beyond the target 25% achieved in 1998–99 to 45%. The target of 25% of lamb carcasses to weigh greater than 22 kilograms was also exceeded, the final result being 36%. The project has fostered the lamb industry network through regular quarterly newsletters, support for 15 lamb producer groups across the State, and the initial development of Southern Australian Meat Alliance.

Wool grower business skills

A series of eight workshops to develop wool grower business skills were attended by 320 producers. Elders and the South Australian Farmers' Federation were co-sponsors with PIRSA. A further six Cost of Production workshops enabled 60 farm businesses to establish their cost of production, to benchmark themselves and to establish courses of action to reduce their costs.



Preparing raised beds in the South-East.

Sheep Industries Development Centre

PIRSA assisted in establishment of the Sheep Industries Development Centre, at the Roseworthy Campus of the Adelaide University, to promote improvement of productivity and profitability in the sheep industries through the development of a culture of life-long learning.

Rangelands project

A major project, 'Supporting sustainable industries in the Rangelands', was developed in consultation with pastoral industry stakeholders to support improvement of existing, and development of new, industries that are economically and ecologically sustainable. The emphasis will be on development of business skills to improve objective planning and decision making.

Cattle and intensive animal industries

Dairy deregulation

PIRSA has negotiated a transition package for the State's 800 dairy farms in response to the scheduled deregulation of the industry from 1 July 2000. This package, the Dairy Industry Adjustment Program, will be funded by the Federal Government. Significant changes in the price for milk, returns to farmers, milk output and milk flows from State to State are anticipated. However, the overall outlook for the South Australian industry is positive; all major processors sourcing milk from South Australia see the State as an attractive supply source on the basis of cost, milk quality and seasonality of supply.

Targets for 2000–01 (output class 4)

- Commence planting for demonstration crops in the Northern Adelaide Plains greenhouse modernisation project.
- Develop sustainability indicators for the horticulture industries.
- Develop the Southern Australian Meat Alliance from its current pilot basis.
- Develop a program to train industry personnel as facilitators of the better practice wine grape production process.
- Implement recommendations of the South Australian Grains Processing Strategy.
- Continue to assist with the growth of lamb exports through SA Lamb, a new project aiming to meet customer requirements.
- Deliver a dairy deregulation package of \$127 million to the industry.

FISHERIES

The Fisheries Group is responsible for providing policy, management, monitoring and extension advice services to Government, industry and the community to maintain and develop the State's wild aquatic resources for the benefit of current and future generations. The group achieves this through four key functions — development of management arrangements for wild aquatic resources in consultation with stakeholders; development of appropriate legislation to reflect these management arrangements; education of stakeholders and the general community about wild aquatic resource management issues; and monitoring and promoting community compliance with legislation and regulations.

The group is strongly supported by SARDI Aquatic Sciences, in particular through its mandatory annual stock and economic assessments of fisheries to guide the sustainable development of the State's fisheries resources.

Performance measure highlights

Economic indicators of commercial fisheries show that, despite year to year fluctuations in individual fisheries, there has been an upward trend in total catch of approximately 20% from 1990–91 to 1998–99. During the same period, gross value of production increased just over 42% in real terms due to increase in both total catch and average landed price.

An independent customer survey was carried out during the year to gauge the level of satisfaction with Fisheries Group's compliance services. Customers were surveyed in relation to quality of services, level of compliance resources, compliance with legislation, and fisheries knowledge and understanding. Over 500 replies were received representing a 38% response. Overall, 75% rated the level of service as satisfactory or highly satisfactory. A number of initiatives have subsequently been implemented, and a further survey including other services areas of Fisheries Group is planned.



INFORMATION SERVICES

(output class 1)

Data and information products and services (output 1.1)

Fishery management plans

PIRSA provides fishery management plans, development plans and economic assessment reports for major fisheries to industry and potential clients to assist in development and management planning. A new management plan was implemented for marine plant resources.

International support

PIRSA facilitated a workshop on compliance issues at an international abalone symposium in Capetown, South Africa, and led a workshop on a review of fisheries compliance processes for the South African Department of Marine and Coastal Management.

Research and scientific services

(output 1.2)

Economic assessment

An independent consultant was commissioned to carry out an economic assessment of the seven major commercial fisheries, summarising the results of economic surveys of each fishery. Economic performance indicators and a consistent time series of economic information were presented for each fishery.

SARDI Aquatic Sciences

An independent benchmarking study of how SARDI Aquatic Sciences costs are allocated and categorised was undertaken to ensure that, as a mandatory research provider, SARDI Aquatic Sciences provides value for money to industry. Outcomes showed SARDI Aquatic Sciences to be competitive and identified areas for improvement in cost allocation.

Targets for 2000–01 (output class 1)

- Conduct a customer satisfaction survey addressing the remaining major service areas of Fisheries Group.
- Develop a framework and strategies for implementation of electronic capture of fisheries data in line with the Government's Information Economy 2002 Vision.

STATE RESOURCE REGULATION PLANNING

(output class 2)

Resource regulation planning services (output 2.1)

Management plans

A management plan was completed for the Blue Crab Fishery following extensive consultation with industry and other stakeholders. A management plan for beach-cast seagrass was also completed following the same process and has received the support of the Federal Minister for the Environment. Access arrangements were completed for Pilchard and King Crab Fisheries and management plans are being finalised.

River Fishery

The 1998–99 review of the River Fishery was finalised with the implementation of recommended regulations. Taking of native species from backwaters is now prohibited and commercial fishing reaches have been redefined.

Marine Scalefish Fishery

Review of the Marine Scalefish Fishery continued with research requirements and allocation amongst sectors being examined, leading to the development of a management plan. Public consultation on recommendations has been deferred to 2000–01.

Southern Shark Fishery

The Offshore Constitutional Settlement Agreement for the Southern Shark Fishery was finalised, transferring jurisdiction for the fishery to the federal Australian Fisheries Management Authority.

Licensing services (output 2.2)

The issuing of fishery licences, ministerial exemptions and permits is carried out to facilitate equitable resource allocation amongst the community and industry sectors, and ensure that activities are undertaken in a manner acceptable to the community. Government policy, fisheries management committee and community input to decisions on sustainable allocation of the fisheries resources are taken into consideration. A total of 4265 new licences and registrations, and 7037 renewals were issued for both commercial and recreational sectors; 926 comprised commercial fishing licences (including 42 transfers). The value of licence fees and registrations received from all sectors was \$8.143 million.

Compliance services (output 2.3)

PIRSA provides compliance services to the fishing industry to ensure the protection of aquatic habitat resource, that resource-sharing arrangements can be

complied with, and production by both commercial and recreational fishers is within prescribed limits to meet sustainability objectives. Activities include monitoring of commercial catches and quotas, recreational daily bag and boat limits, compliance with fish size limits, restrictions on the use of gear by recreational and commercial fishers, and compliance by all resource users with restrictions on access to marine protected areas and aquatic reserves. Regular monitoring during the year indicated an encouraging compliance rate; 364 offences were recorded from approximately 7900 compliance checks. Offences resulted in 141 expiations, 163 cautions and 60 briefs. There were 46 prosecutions heard of which 41 resulted in a guilty finding.

In addition, PIRSA carried out compliance monitoring functions under authority of the *Fisheries Management Act 1991* (Cwlth) through a service contract arrangement with the Australian Fisheries Management Authority.

Vessel monitoring technology

Vessel monitoring technology has been introduced into the Fisheries Group as a compliance and communications tool following a successful trial initiated in 1998–99. The Giant Crab Fishery has implemented it and negotiations are occurring with other fisheries.

Incident response services (output 2.4)

Pilchard kill

Investigations into the origin of the virus and trigger event that initiated a large pilchard kill in southern Australia in late 1998 continued through a nationally coordinated research program.

Targets for 2000–01 (output class 2)

- Implement formal fisheries management arrangements for Giant Crab and Pilchard Fisheries.
- Complete the restructure of the Marine Scalefish Fishery.
- Develop and implement ecologically sustainable development criteria and performance targets for all major fisheries.

COORDINATION AND ADVICE

(output class 3)

Policy, advice and support services

(output 3.1)

The Minister for Primary Industries and Resources was briefed on outcomes of fisheries management committees and represented on several national fisheries advisory committees. PIRSA provided the Chair for the National Fisheries Compliance Committee (subcommittee to the Standing Committee on Fisheries and Aquaculture). The agency participated in an Australasian Law Enforcement Conference in New Zealand in May.

Seafood docketing

A docketing system requiring all seafood product to be documented when caught, processed, sold or purchased was initiated by the National Fisheries Compliance Committee and has been adopted nationally.

Legislation development and review services (output 3.2)

Reviews of legislation

A National Competition Policy review of the *Fisheries Act 1982* is continuing and will feed into a review of the Fisheries Act which is occurring in parallel. Reviews of subordinate legislation, contingent on the Fisheries Act review, remain on hold.

Amended legislation

The *Fisheries (Gulf St Vincent Prawn Fishery Rationalisation) Act 1987* was amended to facilitate resolution of debt relating to the fishery. Subordinate regulations were also drafted for Pilchard, Giant Crab and River Fisheries.

Targets for 2000–01 (output class 3)

- Complete the National Competition Policy review of the Fisheries Act and subordinate legislation.
- Release a green paper on the review of the Fisheries Act.

FACILITATION SERVICES

(output class 4)

Facilitation planning services

(output 4.1)

Seafood Industry Development Board

The Seafood Industry Development Board completed a strategic framework.

Trade and market services (output 4.2)

Improving access

The forging of links between potential export buyers and South Australian seafood processors and suppliers was continued in cooperation with International SA.

Service level agreements

Service level agreements were developed with industry through fisheries management committees. These agreements specify services required on a fishery-by-fishery basis and are charged under the Government's full cost recovery process through licence fees.

Strategic alliances

Strategic alliances were strengthened between FishwatchSA, the Federal Government and local industry bodies. Compliance services were provided to the Australian Fisheries Management Authority under service level agreements. The Fishcare volunteer program was expanded with local communities.

Training and education services

(output 4.3)

Signage

A State-wide collaborative project to erect signs indicating size, bag and boat limits, and providing information about the marine environment at popular shore-based fishing spots and boat ramps, was completed.

Community events

A PIRSA Fisheries stand was set up at the Boating and Fishing Show, various community events and field days. Presentations relevant to fisheries management were made to community groups and schools. The 'Let it go and watch it grow™' campaign continued to target primary schools State-wide.

Sponsorships

PIRSA was a corporate sponsor of the successful *Fishing and Boating SA* television program (averaging 120 000 viewers), which provided a significant opportunity for informing and educating

the community about responsible fishing and the role of PIRSA Fisheries and SARDI in managing fishery resources.

Education centre

PIRSA is both a major sponsor and development facilitator to the Middle Beach Education and Recreation Centre, an outdoor camp-style facility incorporating curriculum-based education material and an environmental trail.

Fishcare

The Fishcare Volunteer Program, which aims to help fishers understand fisheries rules and regulations, was expanded with the launch of the Fishcare Cadet initiative in November.



Craig Curtis, Fishcare volunteer.

Industry training package

A Fishing Industry Training Package, endorsed by the Australian National Training Authority in February, includes fisheries compliance standards developed by PIRSA and will progress a national approach to the training of fisheries compliance officers. Learning material is being developed for certificate courses which will be offered through the Australian Fisheries Academy.

Trainees

Ten fisheries compliance trainees, recruited under the State Government Youth Training Scheme, completed a 12-month placement with PIRSA.

Portfolio program management services (output 4.4)

Sustainable fisheries

PIRSA assesses selected performance measures for exploited stocks to ensure the sustainability of the State's aquatic resources. There are no sustainability concerns with any major fishery controlled under management plans, but evidence indicates that the giant crab species was overfished during the year. Several small fisheries have potential for greater exploitation rates.

Review of recreational fishery

A review of recreational fishing was initiated with the dissemination of a discussion document to key stakeholders and the public.

Targets for 2000–01 (output class 4)

- Undertake an export market demonstration project of a currently under-utilised marine species.
- Develop a targeted market strategy, in partnership with industry, to expand South Australian seafood exports to new and existing markets.
- Develop a marketing brand for South Australian seafood which is underpinned by strict quality and handling protocols.
- Assist in development of quality and safety standards for all sectors of the seafood industry.
- Implement the Buyer Aware Scheme, an induction for new entrants to commercial fisheries highlighting obligations relating to fisheries management plans and sources of information and support.
- Facilitate access by the wild catch commercial fishing industry to FarmBis funds.
- Assist in development of a seafood industry leadership program.
- Public comment on a review of recreational fishing in South Australia will be completed and specific action plans drafted.

AQUACULTURE

Aquaculture SA is responsible for providing services to Government, industry and the community to support and develop the State's aquaculture industry in a sustainable manner for the benefit of current and future generations. The group achieves this through four key functions — industry management including leasing, licensing and compliance services; policy and regulatory services; production related advice and extension services including farm management, quality assurance and research; and industry development. A General Manager was appointed during the year to lead the group.

Performance measure highlights

The production value of aquaculture has risen substantially following establishment of the Farmed Seafood Initiative. In 1998–99, production was valued at \$181 million, 94% higher than in 1996–97. In addition, the gross value of aquaculture production exceeded the gross value of production in the fisheries sector (\$170 million) for the first time. For the same period, economic flow-on effects are estimated to have increased by 36% to \$156 million, and the number of people employed nearly doubled to close to 1000. Indirect job creation from flow-on effects was 1240 in 1998–99. Both the value of production and the number of people employed are predicted to be even higher for 1999–2000.

An independent customer satisfaction survey was carried out during the year to ascertain the level of satisfaction with data and information (land-based aquaculture, finfish and marine molluscs) and industry development services run by Aquaculture SA. Overall, more than 75% of respondents agreed, or strongly agreed, that they were satisfied with the service.

INFORMATION SERVICES

(output class 1)

Data and information products and services (output 1.1)

Promotion

The number of aquaculture related inquiries is increasing (over 1000 in 1999–2000) in response to growing community and business interest. In excess of 1500 information sheets were distributed on topics covering shellfish, marine finfish, and fresh and saline inland water.

Production of the quarterly newsletter, *Seafood farmer*, continued with over 6000 copies distributed.

The PIRSA Aquaculture webpage was upgraded to include up-to-date information on a range of topics.

Financial models

Financial analysis models were developed for the abalone, oyster and finfish aquaculture industries to assist businesses and potential investors to develop their own business plans.

Workshops

Ten best-practice aquaculture production and quality assurance workshops were organised for most industry sectors on a range of topics including water quality, production systems and methods for inland aquaculture, Murray Cod marketing prospects, production systems and nutrition.



200088

Murray Cod.

Target for 2000–01 (output class 1)

- Update 15 aquaculture fact sheets and produce one new one.

STATE RESOURCE REGULATION PLANNING

(output class 2)

Resource regulation planning services (output 2.1)

Industry development

PIRSA's program to identify new sites for ecologically sustainable aquaculture development continued. Several sectors continued to develop, including scallop and mussel. Commercial production of Atlantic salmon commenced in South Australia for the first time.

Strategic policy and planning framework

A strategic policy and planning framework for sustainable development of the aquaculture industry has been initiated. As part of the process, South-East and Lower Eyre Peninsula Development Plans and Aquaculture Management Plans are being reviewed in collaboration with Planning SA.

Streamlining the approval process

A continuing project to streamline assessment procedures for aquaculture development applications has reduced outstanding applications by a further 30%.

Licensing services (output 2.2)

There were 461 land-based aquaculture permits and 241 marine-based aquaculture licences in South Australia in 1999–2000. Ninety of these were new, representing a 15% increase from the previous year.

Compliance services (output 2.3)

Shellfish monitoring

The shellfish biotoxin monitoring program established last year continued, ensuring the safety and quality of the product for both domestic consumption and export. The number of harvesting areas included in the program increased by nine to 22 as a result of the expanding industry.

Targets for 2000–01 (output class 2)

- Commence a two-year review of all aquaculture management plans.
- Develop industry standards for each aquaculture sector, with the emphasis on sustainable farm management practices and environmental standards.
- Complete a strategic policy framework for the aquaculture industry.
- Ensure a more integrated approach to handling new aquaculture development inquiries.



200101

Salmon farmer, Doug Peel holding an Atlantic salmon.

COORDINATION AND ADVICE

(output class 3)

Legislation development and review services (output 3.2)

Reviews of legislation

In late 1999 the Government decided that, given the maturity of the aquaculture industry, an Aquaculture Act is merited; regulation of aquaculture currently occurs under sections of the Fisheries Act, *Environmental Protection Act 1993*, *Development Act 1993*, and *Harbours and Navigation Act 1993*. Consequently, a review of aquaculture legislation was initiated with a view to establishing specific legislation to manage the industry.

Target for 2000–01 (output class 3)

- Submit the Aquaculture Bill to Cabinet for consideration.

FACILITATION SERVICES

(output class 4)

Trade and market services (output 4.2)

Several visits were facilitated for overseas delegations seeking to familiarise themselves with aquaculture in South Australia and to hold discussions with interested parties regarding potential investment in the State.

Two investment attraction packages are in preparation.

Target for 2000–01 (output class 4)

- Release two investment attraction packages.

RESEARCH AND DEVELOPMENT

The South Australian Research and Development Institute (SARDI) is the South Australian Government's principle resource for primary industries and related research and development, and is a primary source of advice on State science and research policy. It was established to provide a better focus and direction for the State's research capacity; to ensure that research outcomes are relevant and available to industry; ensure that research and its management operate within commercial and industry standards; and increase South Australia's national research and development profile and influence.

SARDI operates in four strategic research areas — Aquatic Sciences, Crops, Horticulture and Livestock Systems. These operational research units are supported and complemented by corporate services and communications units. Research and development services are provided to agribusiness, commercial enterprise, manufacturing and processing industries, natural resource conservation agencies, primary industries (agriculture, fishing and aquaculture), rural industry development corporations and State Government agencies.

Performance measure highlights

SARDI routinely undertakes cost-benefit analyses of its research and development programs, and analyses the value of these to the State. For larger industries, medium to longer term programs can provide very good returns in terms of net present value. In general, programs for smaller industries do not provide such good net present value, although cost-benefit ratios can be favourable. A recent analysis of the South Australian wheat breeding program showed a cost-benefit ratio of 1:16 and a net present value of \$1420 million dollars.

In late 1998, SARDI undertook a customer satisfaction survey of research and development corporations as part of the second self audit cycle of the Improving SARDI program. The majority of the 7 research and development corporations polled, indicated that SARDI performed better than other States in the following areas: collaboration, innovation, professionalism and service delivery. In a separate benchmark study of the Aquatic Sciences area, it was found that the quality of research provided is highly regarded by the fishing industry.

SARDI is also involved in a wide range of technology delivery activities and exit surveys are routinely conducted to access customer satisfaction and opportunities for improvement. The Root Disease Testing Services is supported by an annual training and accreditation program, which is delivered to around 400 agronomists nationally. In all categories, the program was assessed as good or excellent with generally 80–90% of the respondents rating the course in these two categories. Similar results are achieved for most training or technology delivery courses.

INFORMATION SERVICES

(output class 1)

Data and information products and services (output 1.1)

National Science Week

The three-day National Science Week attracted more than 300 South Australian secondary students to the Waite Research Precinct during May. 'Science for the Senses' included six sessions, each focusing around a different area of agricultural and natural resource sciences. Activities were conducted by PIRSA, Adelaide University, The Australian Wine Research Institute and the Cooperative Research Centres for Weed Management Systems and Molecular Plant Breeding.

Aquatic sciences

Educational programs

The South Australian Aquatic Sciences Centre Open Day in April attracted more than 3000 people. A joint aquaculture display, by SARDI, Aquaculture SA and industry, was a major feature of Farm Expo



Visitors at the South Australian Aquatic Sciences Centre Open Day.

at the 1999 Royal Adelaide Show, attracting more than 200 000 visitors over nine days.

The Aquatic Sciences Strategic Research Area is trialing a new secondary work experience program, FishCamp 2000, giving students the opportunity to spend four days carrying out experiments with researchers. Four students have participated to date.

Workshops and conferences

SARDI hosted a workshop on wastewater treatment and integrated aquaculture production, giving farmers and aquaculturists the opportunity to interact with international and national experts. The workshop was well attended and proceedings have been published for broader distribution.

The tuna aquaculture industry held a strategic planning workshop for southern bluefin tuna research in Australia in association with SARDI, Fisheries Research and Development Corporation and the Cooperative Research Centre for Aquaculture; proceedings will be published.

SARDI and Aquaculture SA hosted a well attended conference in Port Lincoln to disseminate the results of in-house scallop research in South Australia, as well as the outcomes of research interstate.

A sea urchin aquaculture workshop, organised by SARDI and Aquaculture SA, attracted industry people and scientists from South Australia, New South Wales and Victoria. A working group will facilitate coordination of this developing industry direction and identify future research needs.

Post-settlement processes affecting the southern rock lobster in southern Australia were the focus of a workshop held at the South Australian Aquatic Sciences Centre which included attendees from interstate and New Zealand. The proceedings were published in a final report to the Fisheries Research and Development Corporation.

Spencer Gulf Fishery

A report identifying the extent and cause of a major seagrass dieback in Spencer Gulf, and detailing the susceptibility of different seagrass species to temperature, desiccation and elevated levels of ultraviolet light was published.

A report on sea turtle capture in the Spencer Gulf Fishery was provided to the United States Government in support of an application for exemption to the United States shrimp import embargo. Given the excellent analysis and the compelling case, the United States has provided Australia with an exemption for Spencer Gulf prawns, the only exemption provided anywhere in the world.

Crops

Evaluation and agronomy

Varietal sowing guides for field crops and new crop variety information brochures were widely

distributed to growers throughout South Australia. Annual and post-harvest reports for 1999 detailing research results from the South Australian Field Crop Evaluation Program were distributed to industry. The *Oat Harvest Newsletter* was also published and distributed to cooperatives, agronomists and industry.

Managing climate variability

A Climate Risk Management training kit was developed to improve farmers, advisers and agribusiness' understanding of climate variability and how it affects different agricultural industries in various regions of southern Australia, and their ability to manage the impacts of this variability. The kit includes a manual and a series of four workshops, designed in Property Management Planning and TOPCROP formats.

Root Disease Testing Service

The Root Disease Testing Service carried out national accreditation on sampling, interpretation and biology of cereal root diseases. SARDI staff, assisted by private consultants, delivered 20 Root Disease National Accreditation and update courses throughout Australia, resulting in the training and accreditation of 400 commercial agronomists. The course was also presented to an elite group of women being trained under a University of Ballarat Women in Agriculture project funded by the Grains Research and Development Corporation.

An agreement to commercialise the Root Disease Testing Service is in development with a major multinational company and CSIRO. SARDI is using this commercial arrangement to better deliver its research outcomes and technologies to both national and international industries.

Horticulture

Citrus

A *Citrus handling guide* and *Citrus growing manual* were published providing the industry with guidelines, for growing and packing quality fresh citrus, essential to the industry's quality assurance programs.

Riverlink rated SARDI's horticulture webpage as one of the best sources of regularly updated information for citrus growers and packers. The site is dynamic, easy to access and provides direct links to other useful web sites.

Livestock systems

Livestock feed database

The Australasian Livestock Feed Ingredient database links chemical composition of feed ingredients to the nutritive value of ingredients for individual animal species (currently pigs, poultry and fish), and delivers a comprehensive profile of samples. A

testing of the database was completed during the year and it is being prepared for distribution on CD or through database applications such as AUSPIG and the Internet.

Sustainable farming systems

Two extension bulletins were released summarising results from five long-term cropping experiments in the State (spanning more than 70 seasons in total). Produced jointly with the Cooperative Research Centre for Soil and Land Management, data include the long-term impacts of management options such as direct drilling, continuous cropping and stubble retention, and demonstrates that intensive cropping can be profitable and sustainable providing that best practice is employed.



King George whiting.

Research and scientific services

(output 1.2)

PIRSA attracted \$14.14 million worth of funding from research and development corporations and non-government industry bodies in 1999–2000, an increase of 5.2% over 1998–99. Commercial receipts increased by 44.6%.

Aquatic sciences

Sustainable fisheries

A range of outputs critical to the needs for sustainable development of South Australia's fisheries resources were again produced. Measures against performance indicators for each of the State's fisheries, useful information on catch histories and relevant biological information were published in the South Australian Fisheries Assessment Series.

PIRSA carries out a large amount of research funded through the Fisheries Research and Development Corporation, supplementing the core work of stock assessment which underpins the management of South Australia's fisheries. Final reports to the corporation were completed on the development of a sophisticated spatial, dynamic fishery model for King George whiting; yield value and egg-per-recruit of giant crabs; and survey sampling design and length-frequency data analysis for ongoing monitoring and model parameter evaluation in the South Australian rock lobster fishery. New models have been developed to assist management of fisheries including snapper, giant crabs, King George whiting, prawns and abalone.

SARDI participated in the National Recreational and Indigenous Fishing Survey funded by the Natural Heritage Trust to assess national recreational fishing activity and expenditure.

A number of projects focusing on the importance of fisheries habitat were continued this year; these studies improve the understanding of the level of impact fishing has on the marine ecosystem, and ultimately lead to improved management of the State's aquatic resources. Projects included the effects of habitat modification on prawn and crab stocks and the relationship of this to ecosystem function; investigation of the fates and consequence of discards on ecosystem function in Spencer Gulf; and a collaborative three-year Natural Heritage Trust funded study with Flinders University aimed at assessing the interaction between seagrasses and prawn and crab populations in Spencer Gulf.

Postgraduate studies

A strong focus on inclusion of national postgraduate students within PIRSA's fisheries programs continued to boost research effort.

Export markets

SARDI's sea urchin research is focused on enhancing gonad condition for the export market through the use of manufactured feed. Other export enhancing projects include improving techniques for handling and freighting live blue swimmer crabs, and developing them for western king prawns. The potential for live export of native freshwater finfish is being investigated and research and development was undertaken with the Goolwa cockle fishers to target the interstate higher priced human consumption market, as compared to the traditional bait market.

Aquaculture

Advances were made in a number of key aquaculture areas aimed at improving the efficiency of the industry. A project to enhance roe in sea urchins was initiated. Development of environmentally friendly food for tuna aquaculture, continued refinement of abalone diet, and evaluation

of diets for long-term holding of rock lobster continued. Spawning and larval rearing protocols are being established for blue swimmer crabs, and work continued on King George whiting and scallop protocols. Methodology of scallop grow-out was examined at pilot scale, while optimum seawater temperatures are being assessed for juvenile King George whiting. SARDI has successfully developed the technology for cryopreserving molluscan sperm; this will be of benefit in cross-breeding populations, or species that spawn asynchronously, in controlling disease translocation (if cryopreserved cells can replace whole animals) and in gene pool protection. A project to propagate King George whiting under controlled conditions and optimise larval survival and growth is nearing completion. Approximately 10 000 juvenile King George whiting were reared as part of the Premier's Farmed Seafood Initiative to be on-grown by collaborating aquaculturalists for performance evaluation under pilot-scale commercial conditions. South Australian abalone species is also being investigated. Negotiations continued with Flinders University and industry representatives for initiation of a six-year project to develop hybrid oysters from double haploids.

A large number of site assessments were made for aquaculture planning approvals processes, and environmental monitoring of oyster and tuna farming operations was carried out. A large-scale investment in scallop culture has been proposed by an international company, which has commissioned SARDI to characterise the environment at various sites off Wallaroo. The proposal is a consequence of SARDI's scallop project, part of the Farmed Seafood Initiative.

Broodstock hatchery

Construction of a research and development broodstock hatchery facility at the SA Aquatic Sciences Centre, to consolidate coastal finfish aquaculture research, commenced as part of the Farmed Seafood Initiative. This facility, now nearing completion, has capacity for out of season egg production, live feed production and larval rearing, and will be used to provide juvenile finfish for pilot-scale evaluation of new species.

Fisheries sustainability accreditation

The inland waters team continued its work with the Southern Fishermen's Association in achieving independent certification to international fisheries sustainability accreditation. This will lead to ISO 14000 accreditation for the fishery, one of the first fisheries in Australia to achieve it. The Fisheries Research and Development Corporation provided funding for SARDI and industry representatives to visit fishing communities throughout Australia promoting the role and value of stewardship, sustainability and strategic planning within communities.

Crops

Wheat

Three new wheat varieties were commercialised in conjunction with the Adelaide University. These are Yitpi, a hard wheat with cereal cyst nematode resistance; Anlace, a higher yielding, rust resistant soft wheat; and Kukri, a prime hard wheat with excellent grain quality and yields, good resistance to stem and leaf rusts, and adequate stripe rust resistance.

The first recorded molecular marker for resistance to the root lesion nematode *Pratylenchus neglectus* has been confirmed and was derived from Excalibur wheat.

Barley

New variants of barley scald able to overcome previously effective resistance genes were identified, and a collection of scald isolates capable of distinguishing specific resistances to scald in barley was established. Further research will identify specific resistance genes in varieties and breeding lines, and is part of a new service to the barley breeding programs across southern and western Australia.

Oats

For the first time in Australia, haploid oat plants were produced using a system of oat by maize crosses. This technology, in conjunction with molecular markers, provides a new method for speeding the release of disease resistant plants.

Pulses

The four pea varieties released in 1998–99, Parafield, Mukta, Santi and Soupa, all performed well in State-wide trials. It is estimated that Parafield, a dun variety, now constitutes 25% of Australian pea plantings.

In 1998–99, the chickpea industry was devastated by the fungal disease *Ascochyta* blight. New chickpea lines with resistance to the disease were identified. Overseas germplasm from Syria's International Centre for Agriculture Research in Dry Areas and Turkey were screened; of 200 lines, 37% were classified as resistance tolerant, and 16% as resistant.

Oilseed

The 10th International Rapeseed Congress was held in Canberra in September, the first time it has been held out of the Northern Hemisphere. SARDI's contribution included presentation of papers, organising an excursion, and publication of a book, *Canola in Australia — the first thirty years*.

Fertilisers

Plant nutrition research at the Minnipa Agricultural Centre is leading to new technology providing cheaper, more efficient fertilisation systems for calcareous soils, and possibly for the range of alkaline soils on which most of southern Australia's

low rainfall cereal growing areas exist. In grain yield experiments, a multi-nutrient fluid fertiliser placed below the seed increased the yield of Frame wheat by 49% compared to standard practice.

Flowering applications of nitrogen fertiliser have been shown to increase protein content of durum wheat (and possibly hard wheats). This technique had always been regarded as too risky for South Australian cropping conditions, but with improved agronomy is now considered a useful tool to improve product quality.

Biological control

A moth released for the control of dock weed has established well on Kangaroo Island and lower Eyre Peninsula. The first releases of a flea beetle for the control of Paterson's curse have also been successful with establishment at a number of sites.

A parasitic fly for the control of the pointed snail was released for trial following extensive testing in quarantine. Effective snail control will minimise the problems encountered by grain growers at harvest and reduce the chance of losing any export grain markets, saving the industry millions of dollars.

European wasp

A new bait for the control of European wasp was widely tested in the field during the 1999–2000 summer and excellent control was achieved. Negotiations with a range of potential partners have commenced with the aim of producing a commercial product over the next two to three years.

Horticulture

Produce handling guidelines

Produce handling guidelines were developed for the South Australian AirFreight Export Council. Wall charts list ideal storage temperatures for quality maintenance of fruit and vegetables and will be distributed to growers, packers, wholesalers, retailers and transport companies to help raise awareness. In addition, trials have demonstrated the value of thermal blankets in keeping perishable produce cool while stockpiled on airport tarmacs.

Viticulture

SARDI continued to expand its viticulture research and development program with a significant role in the Cooperative Research Centre for Viticulture and increased funding from the Grape and Wine Research and Development Corporation. A pocket book for growers, *Australian and New Zealand guide to disease, pests and disorders of grapes*, was released. A technique for improving spray application efficiency and reducing

chemical residues was developed; spray volumes are calculated based on the size of the tree or vine rather than a rate per hectare of crop. Other significant projects related to growing wine grapes to specifications and sustainable production.

Citrus

SARDI is to lead a national program coordinating research and development projects on post-harvest handling of citrus. Projects include sanitation and disinfestation treatments for citrus exported to the United States and producing the *Packer's Newsletter* for communicating research outcomes to industry.

Thrips

An integrated management strategy for control of western flower thrips pest in nurseries was developed.

Livestock systems

Cloning

The birth of Matilda, the first cloned Merino sheep in Australia, represents a milestone for South Australian scientists. The research project was a collaborative effort between SARDI and the Adelaide University, with funding from the Cooperative Research Centre for Premium Quality Wool. On-going research will aim to improve the efficiency of producing cloned animals of high genetic merit for the wool industry. Improvements in wool fineness and strength, traits favoured by international markets, will benefit the nations wool industry.



Matilda, Australia's first cloned Merino sheep, with SARDI scientists Teija Peura and Simon Walker.

Pastures

A multipurpose lucerne cultivar, Super 7, was released commercially in 2000. It is suitable for grazing under both irrigation and rain-fed systems, has better persistence than existing cultivars, and has good pest and disease resistance. Frontier, an early maturing balansa clover cultivar suitable for drier areas, was commercially released.

Studies on the run-off of phosphorus from dairy pastures have shown that 50% of phosphorus lost from the pastures is in the particulate form. The use of buffer strips to promote sedimentation is recommended as a control strategy.

Poultry

A simple method developed in 1998–99 for breath testing chickens has been used for studying gut physiology in broiler chickens to compare with variability in growth.

Pigs

Following five-years research, new husbandry and pig management systems were developed to improve welfare, health and production. Improving hygiene and air quality in weaner and grower facilities was demonstrated to reduce the severity and impact of both respiratory and enteric disease on production. In addition, moving from existing continuous flow management to all-in/all-out production systems, which enables the facilities to be cleaned between batches of pigs, results in less disease and faster growth.

The detection of suspect pigs unsuitable for slaughter was found to be 16 times more effective when conducted by producers prior to shipment than at the abattoir. Improved detection and withholding

from slaughter is likely to improve pig welfare, but is unlikely to yield any food safety benefit as normal and suspect pigs were found to carry *Salmonella* at the same rate.

Dairy

A major dairy farmlets study including combinations of stocking density, and fertiliser usage on rain-fed and irrigated pastures has commenced to determine the most cost-effective production systems. The impact of these production systems on soil compaction is also being evaluated.

Sheep

Cross-contamination of merino ewe wool with dark fibres from Damara first cross lambs has been shown to exceed acceptable levels by up to 100 times if ewes are shorn as lambs are weaned. While Damara first cross lambs were slightly heavier, meat yield was not improved.

The use of in-vitro fertilisation of super-ovulated eggs collected from 6–10 week old lambs has been used to produce successive generations of Dorset lambs. Through collaboration with leading seed stock producers, these offspring now feature strongly among the national LambPlan elite list. This in-vitro program offers the opportunity for sheep meat (and wool) producers to rapidly expand the number of high-quality stock.

Integrated Livestock Management Alliance

New joint facilities are being established at Roseworthy Campus as part of the Integrated Livestock Management Alliance with the Adelaide University. New facilities and capabilities are also planned at regional research centres.

Targets for 2000–01 (output class 1)

- Establish new commercial research agreements with private companies, primarily in field crops and livestock industries, with regard to bioinnovation and gene technology.
- Reform and establish research and development priorities that concentrate on those areas that will benefit industry in South Australia.
- Attract external funds for research with high priority to South Australia.
- Identify potential horticultural and field crop pest incursions.
- Develop a research program which will integrate the knowledge from the wild fisheries, aquaculture, and environmental programs to improve understanding of the way in which major ecological processes interact. The ultimate objective is to develop SARDI's capacity to predict changes in ecosystems and the dependant fisheries and aquaculture industries and thereby enhance the effectiveness of their management.



- Contribute to a collaborative effort to revamp the structure and functioning of the wheat breeding program in southern Australia ensuring continued access to new sources of germplasm, new internationally competitive biotechnology, enhanced investment by the private sector and better linkage to the market place.
- Commence collaborative programs on sustainable integrated pest management for Diamond Back Moth control, disinfestation and wastage control of citrus and best practice soil irrigation management strategies for viticulture.
- Commence an apricot and plum breeding program with China.
- Establish a joint venture aimed at developing a critical mass of scientists in key industry priority areas (e.g. wool quality, beef and sheep meat eating quality) that are part of national programs.
- Progress an animal biotechnology initiative focusing on transgenics, cloning and the production of embryos from eggs collected from juvenile lambs and calves as part of the Livestock Systems Alliance and the State Government's Bio Innovations SA program.
- Continue to evaluate germplasm for saline tolerance.
- Evaluate development of low-cost (soft seeded) pasture establishment techniques for low rainfall areas.
- Initiate new projects in food safety including minimising salmonella contamination of pigs immediately before slaughter and identifying pathways of water catchment contamination from dairy farms.
- Install an experimental stock feed extrusion centre to enable the evaluation of extended diets for livestock and emerging aquaculture industries.

FACILITATION SERVICES

(output class 4)

Facilitation planning services

(output 4.1)

The South Australian Fisheries Research Advisory Board was supported in reviewing research and development priorities with all aquaculture sectors, and updating the five-year research and development plan for South Australia. SARDI provided biological advice to the Snapper Working Group for the re-assessment of the snapper fishery in South Australia.

Trade and market services (output 4.2)

PIRSA assisted with development of a Memorandum of Understanding, between the South Australian Government and Fundacion Chile, to develop a commercial relationship and capability or presence in South Australia. Fundacion Chile will assist with technology transfer and industry education in South Australia, as well as use their South Australian base for South-East Asian commercial activities.

PIRSA was represented on a delegation to Chile to complement the signing of the Bilateral Science and Technology Agreement between Australia and Chile. Australian Science and Technology Week was centred around the signing, promoting Australian capabilities in Chile.

Target for 2000–01 (output class 4)

- Develop a State-based industry in plant, animal and fish biotechnologies to increase commercial opportunities.

SUSTAINABLE RESOURCES

The Sustainable Resources Group ensures that government policy and investment maintains healthy and prosperous primary production industries in South Australia which deliver safe produce, fulfil the current and future needs of South Australians, and ensure that environmental aspects of resource use are integrated into management plans. Partnerships with primary producers, industries, resource managers and the community are common place. The group improves the skills and planning used in managing the State's primary industries natural resource base and develops and promotes technologies that support the use of these resources up to their sustainable productive capacity. The group operates under nine programs — Animal and Plant Control, Environmental Management, Farm Chemicals, Land Management, Irrigation and Catchment Management, Marine Habitat, Planning and Strategic Development, Revegetation, and Rural Communities. The former Groundwater program is now located with the newly formed Department for Water Resources.

Performance measure highlights

An independent customer survey of 733 rural farmers was conducted during the year to gauge their satisfaction with the services provided by Sustainable Resources and Agricultural Industries Groups. Overall, 86% either strongly agreed or agreed that the service was current, useful and timely, and responsive, accessible and professionally provided by PIRSA. Specific service ratings were: information (88%); efficient techniques to control animal and plant pests (90%); technical support for regional communities implementing Natural Heritage Trust projects (86%); advising on integrated resource management (79%); resource regulation planning (88%); statutory subsidies and grants to animal and plant control boards (86%); facilitation planning (88%); Mount Lofty Ranges Catchment program (88%); Salt to Success program (95%); trade and market (90%); training and education (89%); Property Management Planning, FarmBis and Better Soils (53–100%); portfolio program management (88%); animal and plant control boards (86%); Soil Conservation Council and boards (93%); Natural Heritage Trust regional implementation projects (98%) and South Australian one-stop shop (74–95%); infrastructure (84%); Upper South-East Dryland Salinity and Flood Mitigation program (90%); Lower Murray dairy swamps (74%); and Rehabilitation of Loxton Irrigation Area (97%).

INFORMATION SERVICES

(output class 1)

Data and information products and services (output 1.1)

Animal and plant control

Plant identification and control notes for 30 of the more serious proclaimed plants were developed. Guidelines for best practice management of pest birds in olive groves, apple orchards and vineyards were published.

Resource management

A series of support publications and six workshops were held to promote the management of soil acidity in South Australia using lime. In addition, various media events were organised culminating with a focus on Acid Soils Week in March.

Detailed soil and landscape information covering the South Australia's agricultural areas is being collated into three hardcopy publication sets. A program for monitoring and reporting the condition of the State's agricultural lands is being developed and implemented; a baseline survey of landholder attitudes and practices was conducted in March.

Sustainability indicator data sets have been centralised into a relational database as part of the 'Sustainability indicators for regional natural resource management' project. An interactive webpage is being developed to allow natural resource managers, planners and community groups to access this information. Community consultation has begun, and links between the project, local government, state-of-the-environment reporting and PIRSA performance monitoring have been developed.

A revegetation monitoring system was put in place and the level of revegetation occurring across the State was estimated for the first time. Revegetation plantings for 1999 were estimated at 12 825 hectares based on a survey of consultants and nurseries.

The report, *Protection and re-establishment of vegetation in South Australia, 1997 to 1999*, was launched at the opening of the Pasadena Natural Resources Centre.

Direct seeding practice for revegetation was supported and a draft kit for Eyre Peninsula was prepared.

Irrigated horticulture

Guidelines for development of irrigated horticulture in South Australia were prepared and added to the PIRSA Sustainable Resources webpage. These provide a stepwise program for intending developers to identify all land and water resource needs as part of the approval process, and was the preferred approach to the original one-stop shop idea.

Natural Heritage Trust

Activities of the Natural Heritage Trust were promoted at World Environment Day, in *Environment SA* magazine and via media releases.

Aboriginal land

PIRSA assisted the Aboriginal Lands Trust to produce a brochure, *Strategy for Aboriginal managed land in South Australia*.

An induction module developed for PIRSA field staff working with Aboriginal people was finalised, and has been made available to the public on CD.

Aboriginal reconciliation

PIRSA's Statement of Intent for Aboriginal Reconciliation was launched during National Reconciliation Week.

Research and scientific services

(output 1.2)

Resource management

The Mount Lofty Ranges implementation project for the National Land and Water Resources Audit was completed and a final report produced (hardcopy and CD). The 'Agricultural land cover change' project was also completed; the South Australian components have been incorporated into a national final report produced by the Bureau of Rural Sciences, Canberra.

PIRSA is coordinating the bid for a Cooperative Research Centre for Landscape Futures which aims to integrate biophysical, economic and social research to support regional communities in building sustainable landscapes.

Low rainfall farming systems

The first year of the field experimental project 'Integrating agroforestry into low rainfall farming systems', which aims to measure damage and estimate impact of windbreaks on field crops exposed to extreme wind events, was completed.

The 'Low rainfall alley farming' project, now in its final 18-month period, is designed to estimate the likely impact on groundwater recharge and economic viability of alley farming systems in the Murray Darling Basin. Economic analysis is being undertaken and extension material developed.

Targets for 2000–01 (output class 1)

- Produce hardcopy and an interactive CD detailing soil and landscape information covering the whole of the State's agricultural areas.



Alley farming cereal crop with shelterbelts.

- Complete the State-wide assessment on condition of agricultural lands.
- Produce hardcopy and an interactive CD to assist irrigation developers and water resource managers determine water needs for proposed plantings in any region of the State.

STATE RESOURCE REGULATION PLANNING

(output class 2)

Resource regulation planning services (output 2.1)

Regional planning

Regional planning frameworks were progressed with economic profiles and input–output models of economies being completed for the South-East, Mount Lofty Ranges (including Kangaroo Island), Northern Agricultural Districts, Riverland, Eyre, Mallee and Rangelands.

PIRSA assisted in development of the *Planning bulletin, development in rural areas*, and Natural Heritage Trust funds have been sought for a related project. PIRSA responded to the District Council of Grant's general plan amendment report.

Incorporation of fisheries issues into regional planning is being actively encouraged through provision of information and participation in regional strategy development.

Incident response services (output 2.4)

Animal and Plant Control Commission

PIRSA assists the Animal and Plant Control Commission to administer the *Animal and Plant Control (Agricultural Protection and Other Purposes) Act 1986*.

In September 1999, land near Murray Bridge was found to be infested with branched broomrape, a serious parasitic weed capable of reducing yields in a range of broadleaf field crops. A containment program was implemented; surveys were conducted in partnership with animal and plant control boards and landowners, and a quarantine area established under the *Fruit and Plant Protection Act 1992*. The program aims to contain the spread of the weed within the declared quarantine area and to delimit the area of infestations while still allowing agricultural production to continue while an eradication program is developed.



Branched broomrape.

Other achievements include:

- A risk assessment system for prioritisation and proclamation of pest plants was developed at regional workshops and is being implemented.
- Animal and plant control programs were integrated with other natural resource management programs and implemented in the Gammon and Flinders Ranges areas as part of Operation Bounceback.
- Under the fox and rabbit management project, data have been collated from 22 landowner groups representing all key agricultural districts.
- The adoption of risk assessment for the keeping of domestic goats was agreed to with major

stakeholders, and is being considered as part of a review of feral goat policy.

- A regional skeleton weed control plan was developed for the Mid-North and northern region.
- A control strategy was developed and is being implemented for pest birds in horticultural crops.
- The biological control program for horehound continued with the spread of parasites to new areas.

Marine Managers Forum

Control strategies for algal and dinoflagellate blooms are being considered by the Marine Managers Forum, and include plans based on federal marine pest incursion management.

Targets for 2000–01 (output class 2)

- Continue the control program for branched broomrape.
- Complete the fox and rabbit management project.
- Develop action plans for salinity management for Murray River irrigators.
- Review water use for irrigation in the Mount Lofty Ranges.
- Develop a South Australian marine pest response strategy based on the national protocol.

COORDINATION AND ADVICE

(output class 3)

Policy, advice and support services

(output 3.1)

Natural resource management

Significant progress has been made towards the integration of economic, environmental and social issues into natural resource management over the past decade. This is reflected in the substantial contribution by PIRSA to the Council of Australian Governments' Natural Resource Statements, which incorporate issues raised from the Productivity Commission report on ecologically sustainable land management. Community consultation commenced on the new federal policy, Managing Natural Resources in Rural Australia for a Sustainable Future.

Murray Darling Basin

PIRSA supported the Murray Darling Basin Commission and various working groups in regard to water management, irrigation and salinity. The Minister for Primary Industries and Resources is a member of the Murray Darling Basin Ministerial Council, and the Chief Executive of PIRSA is the Commissioner on the Murray Darling Basin Commission. A salinity strategy was developed for the basin. Auditing and monitoring the cap on water diversions, and auditing the salinity impacts in the basin continued.

Salinity management

PIRSA facilitated establishment of the Government's State Salinity Committee in early 2000. Under the committee's guidance, directions for salinity management and a dryland salinity strategy have been drafted for public comment. The strategy focuses on management and on-ground action as a response to national developments.

Greenhouse issues

South Australia's implementation plan under the National Greenhouse Strategy incorporates consideration of greenhouse issues into agricultural management practices. A Senior Greenhouse Officer has been appointed to coordinate project activities within PIRSA. Contributions were made to development of the Standing Committee on Agriculture and Resource Management's work program on greenhouse for the agriculture sector, and to whole-of-government submissions on the issue of carbon sinks.

Marine matters

The Marine Managers Forum continued working towards implementation of the Government's Marine and Estuarine Strategy. PIRSA provides support to the forum and the Chair of the working group. A representative system of marine protected areas is being developed as part of this process; candidate areas are being identified jointly with the Department for Environment and Heritage.

The Sustainable Resources and Fisheries Groups provided policy advice to Government on a range of issues relating to the marine environment including introduced marine pests, marine protected areas and disaster response. South Australia was represented on a number of national groups working on these issues. A taskforce report on the management of marine pest incursions is being considered by relevant ministerial councils; the report recommends interim arrangements and identifies issues that require further consideration in order to develop longer term management.

The Fisheries Action Program was supported through the State Fisheries Action Program Coordinator.

State Revegetation Strategy

PIRSA contributed to the update of the State Revegetation Strategy. The process included an independent review of the role and operation of the State Revegetation Committee.

Financial assistance

PIRSA assisted with development and negotiation of an exceptional circumstances farm assistance package for farmers in the Central North East; State and Federal Governments provided \$4 million. Support was also provided to investigation of an exceptional circumstances case for the Upper North Cropping districts.

Farm chemicals

The Sustainable Resources Group represented the State on the Agricultural and Veterinary Chemicals Policy Committee, Registration Liaison Committee, and the Residue Management Group.

In-house environmental policy

A whole-of-PIRSA environmental policy has been established to guide the agency's own activities.

Legislation development and review services (output 3.2)

Reviews of legislation

Extensive reviews of State policies on feral deer, and the sale and keeping of rabbits and olives, were completed. National Competition Policy amendments to the *Agricultural and Veterinary Chemicals (South Australia) Act 1994* were progressed.

Targets for 2000–01 (output class 3)

- Complete contribution to the new federal policy on managing natural resources.
- Progress integrated natural resource legislation.
- Submit State dryland salinity strategy and action plan for Government consideration.
- Review policies on the entry, movement and keeping of exotic vertebrate animals, and control of wild rabbits, dingoes and foxes.
- Amend the Agricultural and Veterinary Chemicals (South Australia) Act.

FACILITATION SERVICES

(output class 4)

Facilitation planning services

(output 4.1)

Animal and plant control boards

Pest management software is being developed for distribution to all animal and plant control boards to allow the distribution and abundance of pest animals and plants to be measured. A support program to assist boards to develop strategic and operational plans has been implemented.

Murray Darling Basin

An employee has been appointed in the Riverland to work with statutory and voluntary community groups on resource management actions as part of the Murray Darling Basin Initiative.

Integrated natural resource committees

Integrated natural resource committees have been established to manage and prioritise natural resource issues on Eyre Peninsula, Kangaroo Island and in the

South-East. Interim and operating committees have been established for the Mount Lofty Ranges and Rangelands, and the Northern Agricultural Districts Committee is being formed. A regional integrated natural resource management body has been proposed for the Murray Darling Basin in South Australia, following extensive consultation with the community. A similar consultative process for the Mount Lofty Ranges has been initiated.

Irrigation and catchment management

Input was provided to the State Water Plan and Catchment Water Management Board Plans on irrigation and drainage management. Catchment or local action plans (natural resource management) have been developed collaboratively by PIRSA, catchment boards and community action groups as the basis of regional investment strategies. There are 11 catchment plans for the Murray Darling Basin, six for Mount Lofty Ranges and 10 for the rest of the State. A State profile of crops, irrigation water and economic returns was compiled to focus future development support.

Rural partnership programs

Rural partnership programs continued for Eyre Peninsula and the Riverland. The Eyre Peninsula Regional Strategy, designed to encourage sustainable natural resource use and improve long-term profitability on Eyre Peninsula, is nearing completion. The Riverland Rural Partnership Program is designed to accelerate the rate of change and ensure the region can succeed in a competitive global market; projects focus on business planning, quality assurance, export initiatives and farm development.

Rural plans were commenced for the new Murray Mallee and Southern Rangelands Rural Partnership Programs.

Revegetation

Development of regional revegetation strategies continued with Mount Lofty now published and Eyre Peninsula and Northern Agricultural Districts in progress. Eight of the 10 local action plan groups have completed revegetation plans; the remaining two have plans in progress.

Remnant vegetation is being protected and cleared land revegetated under the Natural Heritage Trust funded Salt to Success project in the Upper South-East (1998–2001); so far this has been achieved for 70% of the targeted 17 520 hectares.

Australian Plants Export Program

The Australian plants export program aims to progress the development of the native plant industry. Systems and strategies were developed with relevant industry groups on appropriate, staged ornamental plant material release. Input was given to the Victorian Parliament's Environmental and

Natural Resources Committee inquiry report on the utilisation of Victorian native flora and fauna. The launch of *Thryptomene ereacea* cv. Centenary Starburst by the Premier as South Australia's centenary flower in September has brought together 13 nurseries to grow plant material, and 20 cut flower growers to establish trial plantations.

Trade and market services (output 4.2)

Australian Plants Export Program

State Flora Australia has accessed the international market, and the first royalties have been earned by one of the Israeli nurseries contracted to them. Thirty-three species and/or cultivars have been sent to Israel under contract for assessment.

Forestry investment information

Information for potential investors in forestry in the Adelaide Hills was prepared in conjunction with the Mount Lofty Ranges Farm Forestry Group. Tasmanian blue gum demonstration plantings now cover 1000 hectares.

Direct seeders

Five Rodden III direct seeders (patented to PIRSA) were sold to government agencies and community groups in Victoria and New South Wales during 1999–2000.

Training and education services

(output 4.3)

Rural community development

The South Australian Rural Network met six times and was involved in development of a freecall telephone directory for rural people, launch of the Rural Industry Research and Development Corporation Rural Women's Award 2000, celebration of World Rural Women's Day, and produced three issues of the *Paper bark* newsletter.

The South Australian Developing Rural Leaders Workshop Kit, which is a flexible resource that can be used by community groups to run leadership training and sessions at a local level, was launched. Two courses, Shaping the Future: the South Australian Rural Women's Developing Leaders Course and the South Australian Rural Leadership Course, were held for the second time attracting 23 and 20 participants respectively. The South Australian Rural Women's Gathering was held in Bordertown in August and over 400 rural women attended from all regions of South Australia.

The fieldwork component of the rural community research project 'From cake stalls to board room walls: women on agricultural industry boards in South Australia' was completed. The Rural Legends Project, which celebrates the contribution of older rural women, was launched.

FarmBis

FarmBis is a \$14.5 million initiative funded by the Federal and State Governments, which provides grants to farmers to improve their business management skills. There were over 9700 enrolments in FarmBis training during the year. Training needs analyses of producers from all sectors (including aquaculture) were conducted by PIRSA and networks.

Property Management Planning

Property Management Planning is a partnership between the Natural Heritage Trust and State Government, providing grants to assist primary producers participate in property management workshops which will improve their business management skills. The new phase of Property Management Planning, which commenced in January 2000, is being taken to an increasing number of producers in more flexible formats, and by a broader cross-section of private and public training consultants. An evaluation of Property Management Planning is in progress.

Crop management services

Irrigation production and development was supported through crop management services in soil evaluation, irrigation scheduling, irrigation equipment evaluation, and management. Largely provided by the private sector, these aim to increase the value of irrigated production by at least 2% per year as a result of improved practice; the industry, primarily horticulture, is currently growing in excess of this rate. The Rivercare and 6-Step irrigation management training programs continued.

Salinity conference

The national Productive Use of Saline Land Conference was held at Naracoorte in November and attracted over 150 delegates.

Revegetation workshop

Biodiversity and revegetation workshops were held for the Murray Darling Basin.

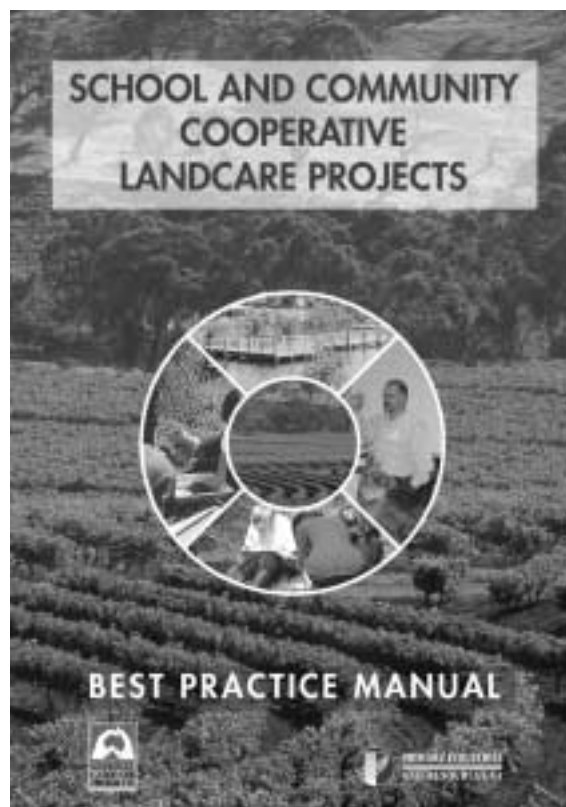
School development

A best practice manual to assist schools working with community groups in on-ground works was produced. Approximately \$20 000 has been devoted to on-ground works at eight schools.

Portfolio program management services (output 4.4)

Natural Heritage Trust

The 1999–2000 Natural Heritage Trust State bid requested \$28.8 million and received \$24.0 million. The Secretariat received 357 applications for 2000–01, requesting \$40.8 million; a State bid for \$26.0 million was submitted. Natural Heritage Trust



natural resource management priorities were identified for all regions of South Australia and circulated with the requests for applications. The State's purpose-built database was adopted by Tasmania, Queensland, Victoria and a national users group established with the Federal Government.

The regional Natural Heritage Trust strategies program continued to focus on development of regional on-ground works projects. New initiatives include projects undertaken in Aboriginal lands, Northern Flinders Ranges, Eyre Peninsula (Ellistoun and Driver Rivers), Adelaide Hills and Fleurieu Peninsula. Integral components include cost-benefit analysis, negotiated cost sharing, works and technical support, and review and evaluation.

Natural resources centre

Revegetation staff in the Sustainable Resources Group have been relocated at the newly established Pasadena Natural Resources Centre to provide a link to non-government organisations involved in revegetation.

Landcare

PIRSA is represented on the South Australian Landcare Committee which coordinated the State Landcare Awards; two State awardees went on to win national awards.

Environmental management

A scoping study for the Natural Resources Environmental Management System has justified

development of a business case; an office has been established and the business case initiated. This concept was also trialed through the South-East sustainable development project which examined broad application and system impediments from material prepared for potato, dairy, viticulture and forestry industry opportunities; a draft final report has been completed.

Infrastructure project services

(output 4.5)

Infrastructure projects

PIRSA leads the management of several infrastructure projects in partnership with various boards and committees. Major regional and district development objectives achieved during 1999–2000 included:

- Construction of 90 kilometres of surface drains (approximately 2 metres deep) at Tilley Swamp, Ballater East and Wongawilli as part of the Upper South-East Dryland Salinity and Flood Mitigation Plan.
- Development of options for water allocation, drainage, self management and rehabilitation for the Lower Murray.
- Final pre-construction planning for the Riverland Qualco–Sunlands project, including preparation of special legislative support for use of the State’s pipeline infrastructure for irrigation of new districts.
- Rehabilitation of the Loxton irrigation district headworks infrastructure, with Stage 1 commissioned providing irrigation water to 15% of the Loxton district and to 600 hectares of new orchard development. Planning for Stage 2 is well advanced, and initial capital purchases have been made.

Trainees

Animal and plant control boards were assisted by the employment of five regional trainees to provide administrative support. In addition, five trainees assisted regional community groups with the implementation of on-ground work projects.

Lower Murray Swamps

A Lower Murray Swamps representation committee was established to determine future rehabilitation directions including resolution of water allocation, Murray Darling Basin water ‘cap’, and economic development options.

Targets for 2000–01 (output class 4)

- Establish regional integrated natural resource management committees for the Mid-North, Mount Lofty Ranges and Murray Mallee regions; establish performance measures against regional natural resource management priorities for South-East Committee and Riverland Local Action Planning Group.
- Complete Eyre Peninsula Rural Partnership Program and regional planning frameworks for Upper South-East and Murray Mallee; develop Southern Rangelands Rural Plan.
- Complete regional revegetation strategies for Eyre Peninsula and Northern Agricultural Districts.
- Achieve 22 500 enrolments in FarmBis training.
- Complete the Natural Resources Environmental Management System business case and establish a pilot in the South-East.
- Construct the Northern Outlet Drain of the Upper South-East Dryland Salinity and Flood Management Plan.
- Complete borefield construction, pipelines, water reuse and commissioning for the Qualco–Sunlands project; advance Stage 2 of the rehabilitation of Loxton irrigation district project including replacement of the South Rising Main, final design and capital purchasers for the new pumping station.
- Determine the future direction for rehabilitation of the Lower Murray Swamps.

MINERALS AND ENERGY RESOURCES

The Office of Minerals and Energy Resources, incorporating the former Mineral Resources and Petroleum Groups, was established in March 2000 in response to the Resources Task Force report (*see* output 4.1) and reaffirmed the State Government's continuing support for the petroleum, mineral exploration and mining sectors.

MINERAL RESOURCES

The Mineral Resources Group is responsible for facilitating exploration and development of the State's mineral resources within an ecologically sustainable framework. It provides geoscientific research and specialist services as part of the process to acquire and update geological, geophysical and engineering data. The group is also responsible for industry regulation, legislative development and review, policy development and provision of advice. The Sutton Earthquake Centre, formerly with Sustainable Resources, is now part of Mineral Resources Group.

Performance measure highlights

The TEISA exploration initiative, now in its second year, realised an 11% increase of area under exploration licence in targeted regions following the first release of data in September 1999. The data obtained under the four-year initiative encourage companies to focus their exploration efforts on prospective areas in South Australia in preference to other States or overseas. This is a positive indicator of the effectiveness of TEISA as exploration activity is declining Australia-wide (*see* output 2.2). In 1999–2000 five contracts, with a combined value in excess of \$600 000, were awarded under the TEISA Minerals Program for airborne geophysical surveys, geological mapping, drilling, and data compilation programs.

The Resources Task Force Report predicts that the State can produce minerals worth \$3 billion per year, with processed mineral output of \$1 billion, and exploration and development investments of \$300 million per year, by 2020. The aggregate value of mineral exploration, production and processed output in 2000 is expected to be around \$1.9 billion, approximately 3% of the State's economy. The Olympic Dam copper–uranium–gold–silver mine is a significant contributor to this and, following its recent expansion, production increased to 9.5 million tonnes of ore in 2000.

An independent customer survey of over 700 companies involved in mineral exploration, production and/or development was undertaken during the year to gauge their satisfaction with the services provided by the Mineral Resources Group. One hundred and forty-two replies were received representing a greater than 20% response, well above the expected 10% target. Results were generally positive: more than 91% of respondents

are satisfied with the group as the central point of contact for mineral projects, and 72.5% of respondents perceive South Australia as a pro-development State for the mineral industry. Identified areas of concern to the agency were the low number of visits to the PIRSA Minerals home page (possibly due to the lack of awareness of the facility) and the effectiveness of government policy and legislation in reducing impediments to resource development.

INFORMATION SERVICES

(output class 1)

Data and information products and services (output 1.1)

Promotion

Effective marketing of South Australia's mineral resources is essential to ensure that the State obtains maximum value for these resources. New TEISA data and the mineral prospectivity of South Australia were promoted at the annual Prospectors and Developers Association of Canada Convention and Trade Show, and the Australian Society of Exploration Geophysicists 14th International Conference and Exhibition. Other promotional activities included advertising and editorial in key industry and research publications, and holding industry information seminars and meetings to facilitate the design of TEISA programs and to promote results of the projects to date.

Minerals South Australia 2000, the first of a proposed annual overview of the minerals industry in South Australia, was released in December at the St Barbara's Day celebration. It includes details of mineral exploration, production and emerging trends, and has been highly commended by clients.

The PIRSA Minerals webpage was upgraded, with more changes, including provision of compressed images, anticipated for 2000–01. A comprehensive set of brief commodity reviews has been prepared for inclusion on the site.

Geoscientific databases

Improvements to SA_GEODATA, the State-wide geoscientific database (drillholes, geochemistry and mineral deposits), included further development of the mineral deposits component, integration of biostratigraphic data and addition of 1974 mineral exploration drillholes. Using TEISA funding, contracts have been let and compilation commenced

to update the mineral deposit data from published company reports with some field verification. This data will provide detailed information on mineral occurrences and prospects, which will be used by explorationists to help develop models and select prospective areas.

Re-gridding of the State magnetic image at a finer resolution continued and is due for completion in 2000–01. A new merge of aeromagnetic data over the Southern Gawler Craton was undertaken. The Moonta–Wallaroo region gravity database was improved.

Research and scientific services

(output 1.2)

TEISA

Geophysical surveys

Four TEISA airborne geophysical surveys were completed; two continued from the previous year. These were over Yorke and Eyre Peninsulas, Musgrave Ranges, west of the Lake Torrens – Oodnadatta area, and Renmark area. The Musgrave Ranges survey is the first of the TEISA projects in Pitjantjatjara lands and proceeded successful negotiations with the Anangu Pitjantjatjara Council. Following on from this, a contract has been negotiated for flying a remote sensing survey over the Musgrave Ranges.

Over 300 000 line kilometres of airborne geophysical surveys have now been flown under TEISA. Fifteen companies have participated in acquiring detailed infill and extension flight lines. The regional digital data have been released in stages, commencing in September 1999.

Twenty kilometres of transient electromagnetic data were acquired as part of a project to improve the knowledge of groundwater resources in fracture zones and palaeochannels in the northwestern Gawler Craton. Three sites have been selected for test drilling.

Trial airborne electromagnetic surveys have been flown over the Moonta–Wallaroo, Challenger and Tunkillia areas using a recently developed acquisition system; preliminary results appear promising for mapping both regolith and basement features.

Ground magnetic and gravity surveys were undertaken over the Warramboe iron ore prospect, Eyre Peninsula.

Drilling

Intrusive rocks with potential for nickel northeast of Ceduna, and altered Archaean volcanic rocks with potential for copper–zinc north of Coffin Bay, were discovered during a TEISA bedrock drilling program. A total of 4630 metres was drilled in 106 holes. Profile drilling of the Coffin Bay magnetic anomaly indicated the potential for massive sulphide deposits. Other drilling included a stratigraphic hole west of Minlaton.

Major opal drilling programs at Coober Pedy (over 500 holes) and Mintabie (over 300 holes) were completed and geoscientific data for the Coober Pedy opal field has been compiled to CD.

Geological Survey

Curnamona Province

The Curnamona Province program incorporates the Broken Hill Exploration Initiative (BHEI) and aims to provide a new generation of geoscientific data for the Olary – Broken Hill region as a basis for more effective mineral exploration by industry, and to help secure the future of Port Pirie and Broken Hill. The initiative is a joint program involving PIRSA, New South Wales Department of Mineral Resources and the Australian Geological Survey Organisation. A highly successful fifth conference of the initiative was held in Broken Hill in May with 144 registrants participating and a large body of new information being presented. Detailed geological mapping has demonstrated close correlation with new generation geophysical data, particularly radiometrics, and has also resulted in a new interpretation of the Broken Hill – Olary domain boundary with the potential to influence metallogenic modelling.

Gawler Craton

A major incentive to increase exploration was announced in June 2000. PIRSA and the Australian Geological Survey Organisation will collaborate on a three-year program for the Gawler Craton, focusing on providing high-quality geological, geophysical and geochemical data sets. Over \$1 307 000 have been allocated for 2000–01.

Explanatory notes for LINCOLN and MAITLAND 1:250 000 maps are in preparation. Mapping of CHILDARA continued using a helicopter to access difficult terrain. The Wirangu Group, local Native title joint claimants, were very supportive in the process.



Examining rock relationships in the Allendale area during the fifth conference of the Broken Hill Exploration Initiative.

Collaborative research on the physical volcanology of the Gawler Range Volcanics was undertaken with the University of Tasmania to locate new, possibly mineralised, extrusion centres.

Sedimentary terranes

Compilation of OOLDEA geological map was completed. Geological mapping of WINTINNA is in progress. Preliminary models identifying economic mineral targets were developed for Gawler Craton palaeochannels. An integrated sequence stratigraphic study of the Gambier Basin was undertaken. *Geology of the McLaren Vale wine region*, a brochure promoting awareness of the region's underlying geology, soils and groundwater, was published.

A workshop to discuss the role of regolith and palaeodrainage in mineral exploration was hosted by Mineral Resources Group in December and attracted more than 60 delegates.

Adelaide Geosyncline

Geological mapping of MARREE and KINGSCOTE is complete and the 1:250 000 maps are being finalised for publication. Mapping of BURRA is over 90% complete and is now available in digital form. Mapping of ADELAIDE and BARKER continued.

Regolith

Regolith studies to assist exploration in the Gawler Craton continued in collaboration with the Cooperative Research Centre on Landscape Evolution and Mineral Exploration, universities and the Australian Geological Survey Organisation. Projects on Challenger, Windabout copper-cobalt prospect, Moonta copper mines and the Mount Lofty Ranges were completed. New projects focused on the ET prospect (Gawler Craton) and Olary area.

General

State outcrop geology coverage and new interpretive tectonic and basin coverages were provided to the Australian Geological Survey Organisation for inclusion in a new national geological mapping digital data set. The State SA_GEOLOGY digital coverage — a compilation of the best regional geological mapping for each area — is 95% complete for stage 1 (cf. 90% in 1998–99); data capture for the remaining area is contingent on ongoing mapping projects. The lead-zinc potential of the Officer Basin was reviewed.

Sutton Earthquake Centre

The Sutton Earthquake Centre is assisting in formulating the Australian and New Zealand Earthquake Loading Code, to become part of the next set of building standards for Australia and New Zealand.

Mineral assessment

Evaluation and subsequent promotion of selected South Australian mineral resources continued. Major reviews of Mount Compass glass sand, Cowell jade, Mintaro slate and Uley graphite were completed. A standard product grading scheme for agricultural gypsum was established. Calcrete at the Hawks Nest iron ore prospect was demonstrated to be an effective sampling medium for gold mineralisation.

Targets for 2000–01 (output class 1)

- Improve industry access to mineral resources geoscientific and tenement information through electronic means including Web access.
- Review and implement a marketing and incentives plan to promote the State's mineral prospectivity nationally and internationally.
- Complete all planned TEISA airborne surveys, bedrock drilling and geoscientific mapping programs.
- Implement innovative and cost-effective geoscientific mapping and geochemical programs to better identify areas of high mineral prospectivity.



Auger sampling of calcrete at Hawks Nest.

STATE RESOURCE REGULATION PLANNING

(output class 2)

Resource regulation planning services (output 2.1)

To facilitate mineral exploration and ensure that acceptable practices, efficient and effective processes are in place and assistance to industry is provided via information sheets, guidelines and verbal advice. Most guidelines are now on the PIRSA Minerals webpage; recent additions include environmental guidelines and procedures for company mineral exploration.

The Mineral Resources Group has a key role in ensuring responsible and environmentally sound development of South Australia's mineral resources by acting as the lead agency in coordinating the many interactions between Government and individual project proponents. The agency facilitates the thorough, timely assessment of all aspects of the mining proposals and the grant of necessary mining tenements and other approvals. Contributions were made to a consultant's report on extractive industries and land use planning; 27 land planning and local council planning issues were reviewed (e.g. planning input on the proposed Mount Lofty Ranges linear park). A brochure and poster on low-impact mineral exploration were produced, and the mineral potential of the proposed Gawler Ranges National Park was reviewed.

Licensing services (output 2.2)

During the year, 258 exploration licences were renewed and 114 granted; 85% of the renewals were approved within the targeted timeframe and all applications were processed within a defined timeframe. Of the 105 applications for exploration work approval on these licences, 87% were processed within the targeted timeframe. Ninety-five mining tenements were granted or registered and 128 renewed. The mining tenements were granted after extensive consultation with the public, landowners and other agencies. In addition, 2047 precious stones tenements were also registered on behalf of opal miners. Three Native title agreements and one court determination were registered, and 11 notices commencing Native title negotiations in respect of 50 mining tenements were lodged.

At 1 January 2000, 142 licensees held 372 exploration licences, with 282 070 square kilometres (28%) of the State under licence; these measures of activity are 5–15% lower than for the previous year. The continued decrease in exploration activity in the State reflects an Australia-wide trend. In 1999, South Australia accounted for 4.7% of the total Australian mineral exploration expenditure (compared to 4.5% in 1998; *Australian Bureau of Statistics Catalogue* 8412).

Compliance services (output 2.3)

Regular inspections and audits of exploration activities are carried out by Mineral Resources Group to ensure that they are carried out to standards specified in guidelines and licence and work-approval conditions. Mining operations are inspected for compliance at regular intervals and prior to renewal, transfer, expiry or cancellation. During the year 58 mining programs were approved. Eighty-nine per cent of the 954 operating mine and quarry sites inspected complied with approved conditions and rehabilitation requirements; 53% of the 107 which did not comply have now been rectified. Ninety-one per cent of the 6722 precious stone tenement (opal fields) sites inspected complied; 57% of the 629 which did not comply have now been rectified. In addition, 209 Lambina tenements were inspected and considered successfully rehabilitated. Seventy-one per cent of mineral exploration sites inspected (15 of 21) were in compliance with approval conditions and rehabilitation requirements; all noncompliance cases requiring corrective action were resolved. Eleven inspections were undertaken of operations within Parks and Regional Reserves and other environmentally sensitive locations, with 10 complying and the single case of noncompliance being resolved.

During the year, 350 mineral exploration licence technical reports (required by regulation) were received; a few were of unacceptable standard and omitted data has been requested. Guidelines for submission of technical reports in digital form were finalised and will be implemented in 2000–01.

Rehabilitation, Yellabinna Regional Reserve

The two-year program to rehabilitate old mineral exploration tracks and drill sites in Yellabinna Regional Reserve, far western Eyre Peninsula, was completed and has received positive feedback. The program was funded by PIRSA and undertaken with the Department for Environment and Heritage.

Olympic Dam

PIRSA continued to facilitate approval processes at Olympic Dam following successful completion of the Olympic Dam Expansion Project. The developments include a third haulage shaft, expansion of the hydrometallurgical plant, a new smelter complex and acid plant, expansion of the copper refinery, a new gold room and expansion of the tailing retention system.

Uranium projects

PIRSA finalised the granting of all tenements for the Beverley uranium deposit (530 kilometres north-northeast of Adelaide) which will allow the project to progress to the next stage of a commercial scale in situ leaching uranium extraction plant.

Inspections of the field leach trials at Honeymoon uranium deposit (75 kilometres northwest of Broken Hill) continued. An environmental impact statement for Honeymoon was released by Southern Cross Resources in June 2000 and is open for comment from both the Government and public.

Leigh Creek coal mine

Evidence was given at a Parliamentary inquiry into the possible commercial benefits and environmental impacts of mining or not mining oil shale at Leigh Creek. In addition, consultants acting for the Government were assisted to quantify the cost of future rehabilitation risk for potential buyers of the Leigh Creek coal mine.

Extractive Areas Rehabilitation Fund

The Extractive Areas Rehabilitation Fund provides funding to rehabilitate land disturbed by mining, to implement measures designed to prevent or limit damage or impairment of the environment, and to research measures to reduce environmental damage or impairment resulting from mining operations. Seventy-eight projects totalling \$2 483 305 were approved during the year, the largest approval being \$305 357 for rehabilitation of the Reynella Quarry near Noarlunga. Updates on the fund are provided in the *MESA Journal*.

Targets for 2000–01 (output class 2)

- Provide a facility for online exploration tenement applications via the Web.
- Implement an efficient and effective regulatory framework for mining and mineral exploration within South Australia.



Rehabilitated limestone quarry, Mannum.

COORDINATION AND ADVICE

(output class 3)

Policy, advice and support services

(output 3.1)

The Mineral Resources Group represented the State on the Australian and New Zealand Minerals and Energy Council meeting and four Standing Committee of Officials meetings held during the year. In addition, briefings for out-of-session decisions were completed and there was representation on the Conference of Chief Geologists, Conference of Chief Mine Inspectors, Mine Safety Task Force, Taxation Review Task Force and the Minerals Legislative Subcommittee.

Improving access to land

On 25 November 1999, the central portion of Yumbarra Conservation Park, north of Ceduna, was re-proclaimed to allow mineral exploration and mining access following identification of a significant anomaly in 1992 and consequent lodgement of an exploration licence application over the area. Mineral Resources and Sustainable Resources Groups were involved in the process which included extensive consultation with the community, government agencies and other interested groups. PIRSA granted an exploration licence over the area in January.

PIRSA has initiated a first draft of a Land Access Policy in response to the Resources Task Force objective to help facilitate the process for improved land access (*see also* output 4.1).

Legislation development and review services (output 3.2)

Reviews of legislation

National Competition Policy reviews of the *Mining Act 1971*, *Mining Regulations 1998*, *Opal Mining Act 1995*, *Opal Mining Regulations 1997*, *Mines and Works Inspection Act 1920* and *Mines and Works Inspection Regulations 1998* have continued. The final draft document is scheduled for release for public consultation by 31 July 2000. A desktop review of the *Roxby Downs (Indenture Ratification) Act 1982* has been completed by the Crown Solicitor's Office with input from Mineral Resources Group and advice received that the report satisfies the requirements of the National Competition Principles Agreement. As no anti-competitive issues were identified, no amendments will be required.

The Opal Mining Act is being reviewed at the request of opal miner's associations. Submissions have been received from these associations and a discussion paper is scheduled for release for public consultation by 31 August 2000.

New legislation

The South Australian Parliament passed the Offshore Minerals Bill in April 2000, but the Act has not yet been proclaimed. Regulations to this Act, which will primarily address the environmental issues and fees, are being drafted.

Amended legislation

The *Mining (Private Mines) Amendment Act 1999* was passed by the South Australian Parliament in October and provides for the proper management and control of mining operations on private mines and introduces wider environmental controls than those afforded by the *Environment Protection Act 1993*. Consultation on Regulations to this Act has been undertaken with industry and it is anticipated that the Act will be proclaimed in August 2000.

The *Mining (Royalty) Amendment Act 2000* came into operation on 1 July 2000 and amends the Mining Act by changing the 'assessed value' of a commodity on which royalty is determined from the delivered value to the ex-mine value, includes penalties for late or non-payment of royalties, and allows the assessment of royalties to be determined other than according to weight or volume of minerals recovered.

Amendments to the Mining Act to remove duplication of processes for the exploration and mining industry will be introduced to Parliament in the near future.

Targets for 2000–01 (output class 3)

- Draft the Regulations for the Offshore Minerals Bill.
- Review and amend the Mining Act to ensure minimum duplication, better public consultation, enhanced transparency and greater accountability.
- Complete the review of the Opal Mining Act.
- Complete National Competition Policy reviews of all mining-related Acts.

FACILITATION SERVICES (output class 4)

Facilitation planning services (output 4.1)

Resources Task Force

The State Government announced a \$3 million plan to revitalise South Australia's minerals industry as part of the 2000–01 State budget. This comprises an additional \$2.2 million plus \$800 000 of existing monies, and is in response to the Resources Task Force

report. The additional funding will be used to address cross-agency issues, as well as accelerating key information and promotion programs, and ensuring a responsive and supportive Government through improved, transparent, accessible processes and services.

The Resources Task Force, comprising representatives of both industry and Government, was formed in early 1999 at the request of the Premier to report on strategies to shape the future of the mineral resources industry, including a five-year plan and potential government–industry partnerships to create significant growth. Following the presentation in December of the *Resources Task Force Report* by the Task Force Chair to the Premier, PIRSA has set about shaping the new Office of Minerals and Energy Resources. PIRSA has also been part of a working group formed to investigate and respond to recommendations made by the Task Force; this response was launched by the Minister for Minerals and Energy, and Minister Assisting the Deputy Premier on 16 June 2000.

The Government's response clearly supports the majority of the Task Force's recommendations and individually addresses each of the nine main objectives identified in the report. These are making land more accessible; stimulating vibrant exploration activity; a supportive and responsive Government; planning for infrastructure development; a skilled workforce; engaging people to recognise the value of the industry; attracting increased investment and value adding; and fostering research and development. An Industry Development Board for Minerals is also to be established and is a very crucial part of the overall coordinated Government implementation of the response to the Task Force.



Dennis Mutton (PIRSA Chief Executive, left), Minister Wayne Matthew and John Anderson (President, SA Chamber of Mines and Energy) at the launch of the Government's response to the Resources Task Force report.

Indigenous land use

Liaison continued with the Anangu Pitjantjatjara Council to effect mineral exploration and mining access to Pitjantjatjara lands. The council is being supported in the processing of outstanding mineral exploration licence applications and with the development of a mining policy.

An employee has been seconded to the Attorney General's Department to assist with the Indigenous Land Use Agreement process and negotiations in response to the Resources Task Force objective to help facilitate the process for improved land access. A Negotiating Team was established in late 1999 and is developing a blueprint which addresses the interests of all stakeholders. Discussions have commenced with the Aboriginal Legal Rights Movement, South Australian Farmers' Federation and South Australian Chamber of Mines and Energy, and a timetable for progressing issues has been prepared.

Trade and market services (output 4.2)

Dimension stone

The dimension stone industry has been targeted for expansion and regional development; world dimension stone production is forecast to expand six times in the next 25 years. PIRSA contributed funding for a consultant to develop an Eyre Peninsula Stone Industry Development Plan. For the first time, South Australia had its own stand at the International Marble Exhibition in Verona, Italy, and the Deputy Premier and Agent General were in attendance.

Infrastructure project services

(output 4.5)

South Australian Steel and Energy Project

The South Australian Steel and Energy Project aims to produce low-cost pig iron from the State's coal and iron ore resources. During the year PIRSA's role has been to ensure compliance against the conditions established for tenements held by SASE and to progress approvals for the extraction of a bulk coal sample at Ingomar for testing in the demonstration plant. Significant developments have been the signing of a contract in February to build and operate the demonstration plant at Whyalla and completion of major drilling programs in the Coober Pedy region to better delineate the iron ore and coal resources.

Brukung Mine site

The State Government took responsibility for the Brukung pyrite mine site in the Mount Lofty Ranges in 1976. PIRSA assumed responsibility for managing the

remedial projects which include ongoing operation of the water treatment plant to neutralise acid-water draining from the site into Dawesley Creek. During the year, five mine seepage pump sites were upgraded, the plant access road was sealed and a creek water monitoring program was undertaken. Following a process of community consultation, planning for the use of biosolids in the rehabilitation will now proceed. A feasibility study into diverting the waters of Dawesley Creek past the mine site, prepared by a consultant, will be considered by the Brukung Mine Site Remediation Board. Many property owners downstream of Brukung have participated in PIRSA's programs for fencing along the creek to exclude livestock from access to contaminated water and the application of lime to creek flats to suppress metal uptake by pasture grasses.

Targets for 2000–01 (output class 4)

- Refocus Mineral Resources Group's programs (including the remainder of the TEISA program) to more directly support the Government's response to the Resources Task Force.
- Establish the Resources Industry Development Board and implement the strategic framework for the minerals and petroleum industries, as stated in the Government's response to the Resources Task Force.
- Establish and publicise a minerals industry services directory to facilitate business opportunities for this sector both nationally and internationally.
- Continue to recommend changes to improve the State's Native title and Aboriginal heritage legislation to ensure efficiency of progress and increase certainty and security for all parties.
- Continue to progress negotiations for establishing Indigenous Land Use Agreements.



Brukung Mine.

PETROLEUM

The Petroleum Group's mission is to facilitate the generation of royalty income, wealth and jobs through efficient management of the State's petroleum rights on behalf of the people of South Australia. The group achieves this through three key roles — providing policy advice to Government on all aspects of managing the petroleum resources of South Australia; regulating petroleum exploration and development activities to achieve acceptable outcomes; and attracting private sector exploration investment that will lead to new commercial petroleum resource discoveries.

Performance measure highlights

An independent customer survey of companies involved in the upstream petroleum industry was undertaken in 1999 to gauge their satisfaction with services provided by the Petroleum Group and to guide future research and marketing directions. PIRSA maintained its ranking, from the previous 1996 survey, as the most highly regarded Australian State or federal agency for its overall performance in relation to the upstream petroleum industry.

INFORMATION SERVICES

(output class 1)

Data and information products and services (output 1.1)

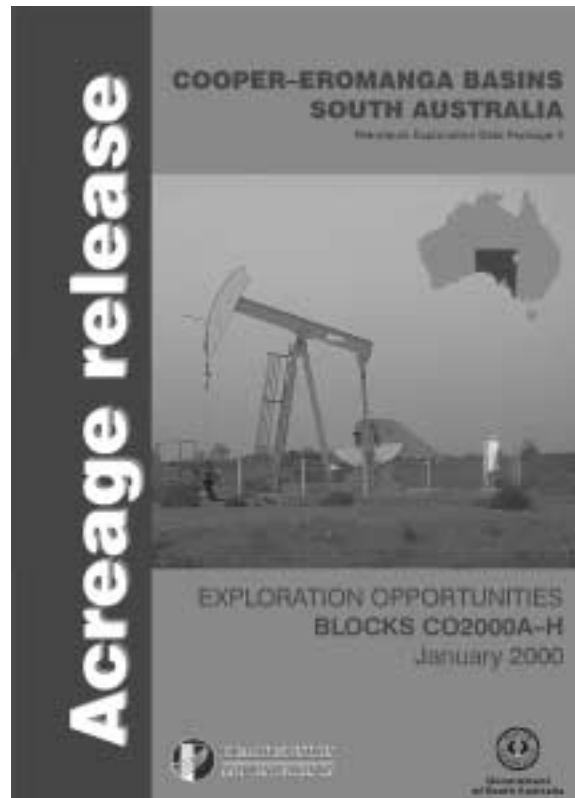
Promotion

Effective marketing of the State's petroleum rights is essential to ensure that the State obtains maximum value for these rights. An active and competitive worldwide market exists, so it is important that PIRSA markets nationally and internationally. The promotional focus for 1999–2000 was the oil and gas producing Cooper Basin in the northeast of the State as part of the ongoing Cooper Basin acreage release strategy. Since October 1998, 30 areas have been made available for exploration licences in four stages. The latest releases of 13 areas in April 1999 and January 2000 resulted in 58 bids totalling \$140 million investment over the next five years. Combined with the results of the first acreage release, a total of 99 applications for 24 blocks have been received, with a total investment of \$185 million over the next five years.

PIRSA's continuing promotion of offshore acreage in the Bight and Duntroon Basins (gazetted in April 1999), in conjunction with the Federal Government, has resulted in the award of three permits in the Bight Basin with a combined investment commitment of almost \$89 million over the next six years.

Eight areas were also released in the Otway Basin in the South-East during April 2000.

Two overseas visits were made to attend two major industry conventions and exhibitions (AAPG



Convention and North American Prospectors Expo 2000) to promote South Australian exploration opportunities. Fifty North American explorers and consultants requested follow-up information and have been added to the petroleum contacts database, which is used to produce targeted mailing and fax lists. Promotions were carried out at three Australian industry conferences (APPEA, ASEG and Forum 2000) and gathered an additional 25 contacts. PIRSA organised a half-day Cooper Basin seminar during the APPEA Conference which attracted 45 industry delegates. Eighteen presentations relating to the State's hydrocarbon prospectivity and regulatory regime were given at local and interstate conferences and seminars during the year. A total of 350 explorers and consultants, academics and other government agencies have requested information on Cooper Basin opportunities over the past four years as a result of PIRSA promotion.

A total of 42 publications and eight information packages (including three CDs) were produced to promote South Australian petroleum opportunities. Three South Australian supplements were featured by trade journals, and advertisements and a number of smaller articles on South Australian news were published in Australian and international industry journals. Eleven copies of the Petroleum Exploration and Production System database (PEPS) were sold to industry customers this year; four were to new clients, and five were renewals. Three additional copies were supplied free of charge to academic and research institutions.

Ninety requests for archived geophysical data sets were processed during the year and forwarded to explorers, 89% of which were forwarded within targeted timeframes.

Significant upgrading of the PIRSA Petroleum webpage continued, particularly in light of a consultant's report on the site.

The Petroleum Group's pricing policy document was revised, including examples of costs of typical data requests of basic and value-added data sets.

The fourth *Petroleum services directory South Australia*, providing information on locally based upstream petroleum exploration and development consultants and service companies, was published and attracted entries from 114 companies (up from 107 in the previous year). PIRSA continued its support of the Department of Industry and Trade's broader directory identifying South Australian companies that have skills sought by the upstream petroleum industry, both on and offshore.

TEISA data capture

The TEISA data capture and archiving project, involving digital capture (primarily scanning) of all appropriate petroleum data into a suitable format for fast and efficient retrieval by industry, is half way through its four-year term. Over 600 open file well completion reports, 150 geological reports and documentation relating to all current tenements have been scanned, totalling over 10 gigabytes; all are being made progressively available on CD. The Cooper, Otway, Bight and Duntroon Basins have been targeted to assist industry in current acreage assessment.

The project to load all wireline logs into Schlumberger's Geoframe software, the major package used by industry, commenced and over 60% of files have been loaded. This database will enable PIRSA to provide wireline logs in a range of formats and media; the agency will continue to archive basic log data to CD.

Scanning of all archived hardcopy seismic sections was initiated to facilitate provision of data to clients and enable proper storage of this unique data; 25% of the 30 000 sections have been completed.

Ancillary field data and all seismic reports are also being prepared for scanning and a seismic uphole database has been initiated.

Seismic data sets

A significant upgrade of seismic mapping of the Otway Basin was completed, resulting in the preparation of grid and contour files, and hardcopy maps.

A National Geoscience Mapping Accord project to merge Eromanga Basin data sets from Queensland, New South Wales, Northern Territory and South Australia is nearly finished. Two of the three key seismic horizons have been merged by PIRSA and the third, the basement horizon, will be completed in July 2000. This is the first time that such data sets

have been made available to industry to assist in regional prospectivity reviews.

Research and scientific services

(output 1.2)

TEISA research projects

Work continued on a number of projects initiated under the TEISA Petroleum Program to address shortfalls in knowledge of the Cooper, Eromanga and Warburton Basins. Results from these projects have been disseminated to industry to assist in targeting exploration activities in existing and new licence areas. Research highlights included studies on thermal history (Cooper and Eromanga), hydrocarbon charge history (Cooper and Eromanga), seals (Cooper and Warburton), algal matter in Cooper Basin source rocks, Triassic seal study, and undiscovered hydrocarbon reserve assessment (Cooper). In addition, Cooper and Eromanga Basins source rock studies continued in collaboration with the Australian Geological Survey Organisation.

Petroleum geology of South Australia series

The Petroleum Group initiated *The petroleum geology of South Australia* series in 1995 and volumes include the Otway, Eromanga, Officer and Cooper Basins. As the format of the PGSA series is very much 'fit for purpose', there is an ongoing need and expectation to periodically revise earlier volumes; revision of the Otway volume has commenced.

Work continued on volume 5, Bight and Duntroon Basins, and includes contributions by Australian Geological Survey Organisation researchers who are part of an Australian southern margins team investigating the potential of the Bight, Duntroon and Otway Basins. Publication was deferred until late 2000.

Targets for 2000–01 (output class 1)

- Continue to promote acreage in the Cooper and Eromanga Basins as part of the ongoing Cooper acreage release strategy.
- Continue to promote acreage in the Otway Basin.
- Support the federal Duntroon Basin acreage release scheduled for April 2001.
- Publish two volumes of *The petroleum geology of South Australia* series (Bight and Duntroon Basins; Otway Basin 2nd ed.) and initiate volume 6, Cambrian Basins.
- Call tenders for hot dry rock opportunities in the Cooper Basin and initiate a scoping study of coal seam methane.
- Improve industry access to petroleum resources geoscientific and tenement information through electronic means including Web access.

STATE RESOURCE REGULATION PLANNING

(output class 2)

Resource regulation planning services (output 2.1)

Guidelines to assess the significance and impact of projects were developed through a public consultation process and serve to inform stakeholders of the regulatory standards and to make transparent the regulatory processes. In addition, two workshops were held to assist industry, community and other government agency stakeholders to better understand the regulatory process and the importance of achieving a culture of compliance.

Cooper Basin bids

Work program bids for the latest Cooper Basin applications were determined using a revised bid assessment procedure based on experience with the 1998 bids and to ensure that no advantage was gained by a company whose staff included a former PIRSA employee.

Coongie Lakes

Development of a management plan for petroleum activities in the Coongie Lakes area continued. Management options were released for public consultation in March and the 17 responses received are being considered.

Seismic survey impacts

Two research studies of impacts of seismic operations on fauna are in progress as part of an ongoing revision of seismic line rehabilitation criteria. Investigation of small mammals and reptiles in the Nangwarry Forest Reserve, Otway Basin, continued and a study of ants and other invertebrates in the Cooper Basin was initiated.

Licensing services (output 2.2)

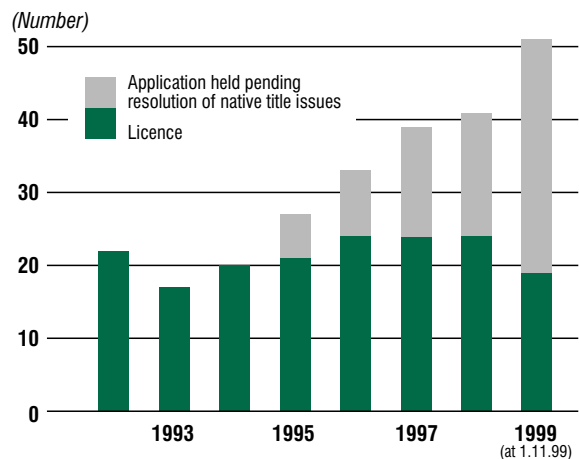
Managing the award of licences for petroleum exploration, and approval of consequent activities, is carried out to ensure that there is a secure legal title for petroleum rights and that activities are undertaken in a manner acceptable to the community.

Tenements

A total of 67 applications for petroleum licences relating to 27 areas (64 onshore exploration, three offshore exploration and one pipeline) were received. One offshore exploration permit was granted in the Otway Basin and one onshore exploration licence was granted in the Stansbury Basin. Final determination of exploration licence applications for 17 areas received during the year are being held pending resolution of Native title issues and the remainder are being progressed. Native title negotiations relative to the 11 Cooper 98 blocks are

also progressing. No applications were received for production licences, but a further 28 were granted following negotiations concerning licence award criteria. Of the 46 remaining, two were withdrawn, two were in abeyance and the remainder are being progressed in accordance with the *Petroleum Act 1940* (Fig. 2). A pipeline licence was also granted.

Fig. 2 SA petroleum exploration licences, including applications



Two exploration licences and four exploration licence applications were cancelled for non-performance of obligations. Four exploration licences expired during the year and two exploration licences (Otway Basin) were renewed for a further five-year term.

Approximately 265 000 square kilometres of the State are regarded as prospective for petroleum and, at 30 June 2000, 76% was under petroleum exploration licence or application compared to 73% for the previous year. This slight increase is a result of the new licences that are under application in the Cooper Basin.

For calendar year 1999, petroleum activities were valued at \$25 million in exploration and \$355 million in development; this compares with \$121 and \$358 respectively in the previous year. The dramatic decrease in exploration expenditure reflects the expiry, in February 1999, of Santos's exploration licences in the Cooper Basin and is anticipated to increase as activity commences in the new licences.

Three areas in the Bight Basin were re-released for application, with closing dates in November 2000.

Activity approvals

Eight applications to undertake seismic surveys and 15 declarations of environmental factors and codes of environmental practice were assessed and approved. Two were in connection with construction and operation of high pressure gas pipelines.

Compliance services (output 2.3)

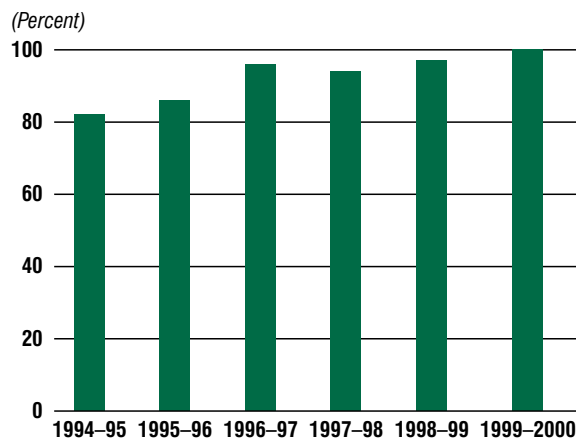
To ensure that activities are carried out to appropriate standards, industry must comply with the Petroleum Act and Regulations. Petroleum Group carries out a program of checking of both achievement of regulated outcomes and of management processes in place to verify that the reports, received from each operator demonstrating their compliance with the regulatory regime, have a sufficient degree of integrity.

During 1999–2000 the following breaches of the Petroleum Act and Regulations occurred. Two (6%) wells commenced drilling prior to gaining approval (regulation 121), compared to six (15%) last year. A total of 22 well completion reports were due for submission from industry over the period, but only seven (32%) were submitted by the due date (regulation 133); outstanding data are being sought. Operations on two wells were completed without PIRSA approval, and the agency is currently resolving the issue with the relevant licensee. Two exploration licences were in breach of licence conditions at the time of reporting, and corrective action is being taken with the relevant licensees.

Four of the eight seismic surveys undertaken in the period were inspected in the field; 21 instances of noncompliance were noted, including seven which related to non-retrieval of pin flags, and warranted corrective action. Over 250 inspections of wellsites, water disposal ponds and pipelines were carried out with various objectives (Fig. 3); the number was higher than normal to ensure that unacceptable sites were not included in acreage to be relinquished. In addition, 20 reports required by regulation, including declarations of environmental factors, research studies and incident reports, were reviewed for sufficient standard to achieve compliance with regulations.

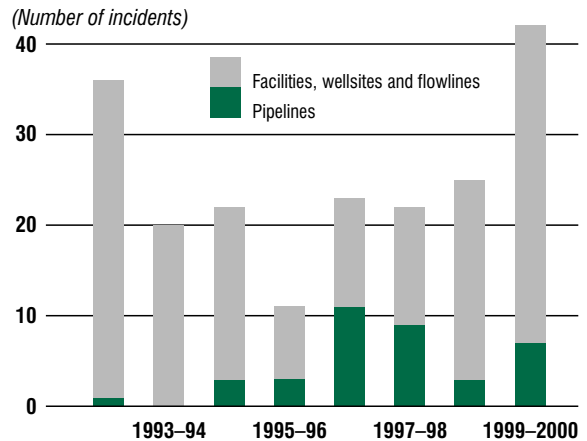
There were no significant royalty reporting non-conformances or licence fee payment non-conformances.

Fig. 3 SA petroleum wellsites inspected complying to environmental objectives



All 42 oil spills reported during the year were relatively minor in both volume spilled and area affected and in every instance appropriate corrective action was undertaken by the operator (Fig. 4). The increased number of spills is directly attributed to improved Santos spill monitoring and reporting mechanisms put in place, and not a result of poorer performance.

Fig. 4 SA oil spill statistics



Santos is nearing completion of its oil bioremediation criteria research project which will greatly improve the use of relevant criteria for monitoring the effectiveness of the bioremediation at spill sites. Santos is also nearing completion of its research project into formation water disposal and water quality guideline for approval by PIRSA. The guideline will provide the threshold levels of contaminants in the disposed water against which these operations will be monitored, and detail maximum acceptable levels of contaminants in the soil profile in the formation water disposal ponds enabling appropriate restoration of these sites.

Cooper–Eromanga seismic rehabilitation

Development of a rehabilitation plan to address outstanding issues for old seismic lines in the Cooper and Eromanga Basins continued in conjunction with former operator Santos, and includes detailed mapping of impacts in the tablelands north of Innamincka.

Targets for 2000–01 (output class 2)

- Develop an online register for petroleum tenements and environmental submissions and approvals.
- Progressively initiate and facilitate the Right to Negotiate process under the *Native Title Act 1993* for Cooper Basin petroleum exploration acreage release, as well as for other relevant applications in the Eromanga and Arrowie Basins, so that new licences can be granted.

COORDINATION AND ADVICE

(output class 3)

Policy, advice and support services

(output 3.1)

Petroleum Group represented the State on the Australian and New Zealand Minerals and Energy Council's Petroleum Legislation Subcommittee, ongoing working groups reviewing offshore petroleum legislation on approvals for facilities and approvals for pipelines, and the joint Council of Australian Governments Upstream Issues Working Group. The group also continued to represent the State on the national committee developing Australian Standard AS 2885 for high-pressure petroleum pipelines.

Gas supply and demand

Petroleum Group assisted with management of a major study on gas supply and demand issues for South Australia and provided advice to the study consultants.

Environment protection and biodiversity

Petroleum Group provided advice to the PIRSA coordinator for the *Environment Protection and Biodiversity Conservation Act 1999* (Cwlth) in relation to dealing with upstream petroleum industry issues captured by that Act. It also provided considerable advice to Environment Australia in relation to its administrative guidelines under the Act for the criteria for assessing environmental impacts of proposals on matters of national environmental significance.

Legislation development and review services

(output 3.2)

Review of legislation

Resolution of National Competition Policy issues relevant to the *Cooper Basin (Ratification) Act 1975* continued.

New legislation

A bill to replace the Petroleum Act, and related Regulations, were tabled in Parliament in late 1999. Consequently, Regulations have been finetuned and the new Act and

Regulations are expected to be proclaimed in September 2000, modernising the regulatory framework for the upstream petroleum industry. Results of studies into seismic line and wellsite preparation and rehabilitation were taken into account in development of statements of environmental objectives under the new Petroleum Act.

Targets for 2000–01 (output class 3)

- Implement recommendations from Cabinet's review of gas supply and demand study.
- Finalise Regulations for the *Petroleum Act 2000*, develop detailed procedures and guidelines for administration of it, and commence regulation under the new Act.

FACILITATION SERVICES

(output class 4)

Facilitation planning services

(output 4.1)

PIRSA is facilitating more effective management of the risks to the community created by pipeline operations through its lead role in developing industry use of the new Australian pipeline standard (AS 2885). A program of symposia and workshops were initiated to develop understanding, and has attracted strong industry participation.



Riverland pipeline looking towards Sedan; pipeline runs downhill immediately left of the sign. Pipelines are normally buried and such warning signs and mainline valves are their only visible indicators.

ENERGY POLICY

The Office of Energy Policy facilitates the coordinated development and implementation of policies, legislative frameworks and regulatory responsibilities for the competitive, sustainable, safe and reliable supply and use of energy for the benefit of the South Australian community. The group achieves this through five key programs — energy policy; sustainable energy policy and programs; regulation (through the Office of the Technical Regulator); the Remote Areas Energy Supply Scheme; and the national gas pipelines access regime.

The group hosts the Natural Gas Authority of South Australia and provides secretariats for the State Energy Research Advisory Committee and National Gas Pipelines Advisory Committee. The Energy Information Centre is part of the group.

INFORMATION SERVICES

(output class 1)

Data and information products and services (output 1.1)

Energy Information Centre

The Energy Information Centre continued to provide information on efficient and safe use of energy to the community. During the year, staff answered 5100 queries received by phone and mail, hosted 1300 visitors and distributed 60 000 brochures and fact sheets.

An interactive energy efficiency database covering house design, building products, appliances and energy demand management was installed on the PIRSA Energy Information Centre webpage in April. Users can access the database for information and advice, and download literature.

An Industry Energy Efficiency Forum was established to review qualitative and quantitative information on appliances and building products, particularly on energy efficiency and greenhouse gas emissions.

Initiatives

A fact sheet, *South Australia: residential energy related greenhouse gas emission*, was developed to aid community awareness of household energy use and related greenhouse gas emissions. The *Cost of water heating* brochure was substantially revised in consultation with industry to include greenhouse gas emission data.

A 'Smart shower heads' campaign was launched by the Minister for Minerals and Energy at the Port Power clubrooms in February. The campaign, developed in conjunction with the River Murray Urban Users Committee, the Murray Darling Association and SA Water, aims to motivate home-owners to install water efficient shower heads. To assist community awareness, a *Smart shower heads* brochure is being distributed to councils, industry and the community.

The two-year term of the Easy Living Home as an energy efficient demonstration house was completed at the end of June 2000. An average of 30 people visited the house each week, peaking at 70 groups during January 1999.

Following liaison with councils in the Cities for Climate Protection Program, funding was secured from the Australian Greenhouse Office to employ a project officer. The officer will provide energy advisory services to participating councils for 12 months.

Gas and electricity

The Office of the Technical Regulator set up an energy safety web site, which covers the gas and electricity industries as well as providing consumer information.

Under the *Gas Pipelines Access (South Australia) Act 1997*, the Executive Director of the Office of Energy Policy is the national Code Registrar and provides natural gas pipeline access information. A public register was established and Web access to relevant information was provided in August.



Research and scientific services

(output 1.2)

The State Energy Research Advisory Committee recommends energy research projects suitable for government funding. A review of the committee's strategic priorities identified sustainable energy technologies suited to remote and regional area application, and is enabling a more commercial focus on funding activities. In 1999–2000, funding totalling \$333 690 was given to seven projects involving renewable energy and five related to energy efficiency.

Target for 2000–01 (output class 1)

- Provide Web access to the Code Registrar's document database.

STATE RESOURCE REGULATION PLANNING

(output class 2)

Resource regulation planning services (output 2.1)

A new regulatory regime for electricity entities was established in October 1999, which now requires entities to produce a Safety and Technical Management Plan. The Technical Regulator's role was defined to cover regulation of safety and technical standards throughout the South Australian electricity industry, including installations. The Technical Regulator will monitor and audit industry performance against Safety and Technical Management Plans.

The Technical Regulator represented the State on several Australian and trans-Tasman committees. The Public Utility Regulators Forum developed economically and technically consistent regulatory regimes across Australia and the Gas Technical Regulators Committee worked to establish consistent regulatory frameworks for gas installations, distribution systems and gas appliances. The Electrical Regulatory Authorities Council addressed electrical safety standards for electricity installations, distribution systems and electrical appliances.

Two issues of *Regulation roundup* were distributed to registered plumbers, gasfitters and electricians.

Licensing services (output 2.2)

Gas

Staff were seconded to the South Australian Independent Pricing and Access Regulator to assist with preparation and release of the Independent Regulator's Draft Decision on Envestra's proposed access regime for its South Australian gas distribution network, and in assessing public

submissions made during the following consultation period. After completion of this review, seconded staff will aid the Independent Regulator in releasing a final decision.

A draft Network and Consumer Code was developed in conjunction with Envestra as part of requirements for effective gas retail contestability, and circulated to industry for comment. A steering committee of industry representatives was established to enable the easier transfer of customers amongst retailers using licence conditions to provide the regulatory framework.

Compliance services (output 2.3)

Electricity and gas

Seminars were conducted to inform licensed electrical and gas contractors and workers of recent changes to safety standards and advise on how to ensure that an installation is safe.

Technical audits and special investigations of electrical workers and gasfitters were carried out to ensure compliance with relevant safety standards and legislation. In 1999–2000, there were 1117 audits and 501 special investigations of electrical workers, and 767 audits and 203 special investigations of gasfitters.

Appliances were assessed in accordance with the *Electrical Products Act 1988*, and certificates were given for 242 proclaimed articles, 30 non-proclaimed articles and 204 energy labels.

Following participation by the Office of Energy Policy in revision of the *Electricity Act 1996* and Regulations, the South Australian Independent Industry Regulator was established. The regulator will administer the electricity industry licensing system and set network prices based on a defined level of service.

Complaints to the Minister for Minerals and Energy about excessive clearance around powerlines continued to reduce due to the Office of Energy Policy's ongoing liaison with ETSA Utilities regarding instructions to, and management of, tree cutting contractors. There were no supply disconnections related to vegetation infringements.

Incident response services (output 2.4)

Changes to the *Gas Act 1997* were gazetted to broaden the powers of the Minister to act in the event of an incident restricting the supply of gas to the State. The Minister can now issue directions to gas entities regarding quality and quantity of gas, and can require information to be provided.

A *Manual of gas emergency procedures* was developed with full cooperation of the South Australian gas industry. The procedures ensure continued monitoring and regulation of gas safety during an emergency, and ration consumption of gas

from distribution systems to ensure that emergency services have continued access to their minimum gas requirements. These procedures were fully tested in August following a total power blackout at Moomba.

Security and reliability of gas supplies have been enhanced by improved operation of gas infrastructure, a national gas quality specification and Apportionment Agreements between gas suppliers and purchasers in South Australia and New South Wales.

Monitoring security of supply for petroleum products (transport fuels) in South Australia is a critical ongoing activity. The exchange program whereby Mobil's Adelaide Refinery supplied all four major oil companies ceased on 1 January 2000. The Adelaide Refinery continues to supply Mobil and Caltex/Ampol. BP and Shell now import their fuel requirements. Cooperation between the major oil companies was facilitated during times of shortage resulting from interruptions to supply.

Targets for 2000–01 (output class 2)

- Implement regulatory regimes for third party access and competitive energy markets.
- Implement an effective regulatory framework for electricity in South Australia.
- Ensure that safety and technical standards for quality electricity are maintained for all consumers in South Australia.

COORDINATION AND ADVICE

(output class 3)

Policy, advice and support services

(output 3.1)

Contribution to national programs was made through representation on a range of committees including the National Oil Supplies Emergency Committee, the National Greenhouse Energy Group and its working groups, and the Australian and New Zealand Minerals and Energy Council's Energy Management Task Force. Financial management of the Energy Management Task Force Central Fund continued. The work of the Mandatory 2% Renewables Target Working Group resulted in the Federal Government proposing to implement the measure nationally from 1 January 2001. The Energy Efficiency Standards for Power Generation Working Group recommended a voluntary mechanism for implementation of national efficiency standards.

Clean fuel

In conjunction with industry and all Australian jurisdictions, the Federal Government has been developing 'clean fuel' specifications. The impact of the proposed specifications on the security of

transport fuel supply for the State, the Adelaide Refinery, motor vehicle industry and Adelaide's air quality is being closely monitored.

Energy policy

The draft government-wide energy policy framework was revised after industry and community comments were received.

Legislation development and review services (output 3.2)

Reviews of legislation

The review under the National Competition Policy of the *Stony Point (Liquids Project) Ratification Act 1981* is continuing jointly with the Crown Solicitor's Office.

The State was represented on the Council of Australian Governments' Energy Markets Group, contributing to discussions to clarify the scope of energy reforms necessary for compliance with National Competition Policy agreements.

The State was represented on the national Gas Policy Forum, which is monitoring and addressing retail contestability, energy fuels convergence, regulatory issues and upstream competition.

As a result of the High Court's *Wakim* decision in June 1999, the Federal Court's jurisdiction in the national gas pipelines access regime was found to be invalid. The required changes to each State's application legislation are being coordinated to facilitate consistency.

Amended legislation

The Electrical Products Bill, updating legislation on energy labelling, minimum energy performance standards and safety of electrical products, was approved by Cabinet for introduction to Parliament.

Electricity customers are progressively being enabled to choose their retailer, commencing with larger customers. Transition tariffs approved by the South Australian Independent Industry Regulator allow such customers to remain on their current tariffs for a limited period. The Gas Act was similarly amended to permit small business and residential consumers to remain under transition tariffs when they became contestable. This will facilitate the change to a competitive environment.

The South-East transmission pipelines were removed from the South Australian gas access regime in April 2000 by the Minister for Minerals and Energy. Regulations under the Gas Pipelines Access (South Australia) Act came into operation in December 1999, after the approval of all jurisdictional Ministers.

The National Gas Pipelines Advisory Committee, including representatives from all jurisdictions, regulators and industry, continued to provide advice

to Ministers on changing the national gas access code. Minor changes to the code were approved by the Ministers during the year. The committee uses the Code Registrar's webpage to provide greater access to its decisions.

Targets for 2000–01 (output class 3)

- Conclude the National Competition Policy review process for all legislation which impacts on energy policy.
- Provide a framework to manage the progression from the current energy supply mix to one that contains a significantly higher contribution from renewable energy sources.
- Amend the Gas Pipelines Access (South Australia) Act to correct the conferral of court jurisdiction and implement other changes agreed by relevant jurisdictional Ministers.

FACILITATION SERVICES

(output class 4)

Facilitation planning services

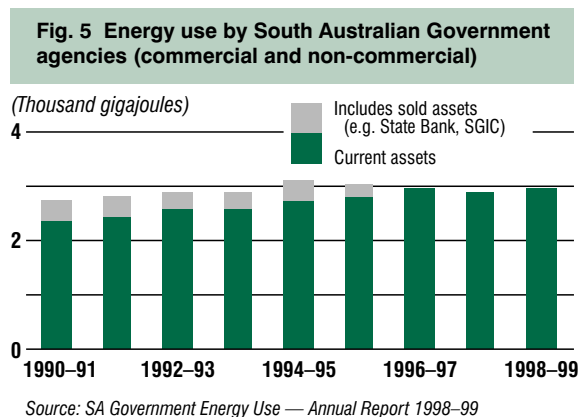
(output 4.1)

Greenhouse initiatives

A report on the first 12 months of the Greenhouse Targets Program for all South Australian agencies was presented to Cabinet in September. Actions taken by agencies were mainly administrative/organisational and no discernible progress has been made in reducing levels of greenhouse gas emissions.

An agency targets information service was placed on PIRSA's intranet and two workshops were conducted to advise and assist energy managers in implementing the targets program.

An annual government energy use report was prepared, indicating that electricity and gas used in current public sector operations grew by 25% from 1990 (Fig. 5).



Federal programs

Involvement in the Greenhouse Allies program continued through the South Australian Wine and Brandy Industry Association project. This government–industry initiative will be used as a model for the wine industry nationally. Involvement in the Motor Trades Association of South Australia Allies program concluded in May.

Administration was proactively secured for two federal programs for the State: the Photovoltaic Rebate Program and the Renewable Remote Power Generation Program. The Photovoltaic Rebate Program began in January 2000 and provides a cash rebate for grid-connected or off-grid systems on residential buildings. The program has been highly successful in South Australia with 114 applications approved in the first six months, totalling \$690 000 in rebates. This amounts to 128 kilowatts in additional renewable energy capacity. The program will be extended to school and community buildings from July 2000.



John Bennett checking the output from solar photovoltaic panels at his home near Lyndoch.

The Renewable Remote Power Generation Program will provide a rebate for new off-grid renewable energy systems that replace diesel for electricity generation. The program is expected to commence in July 2000 and operate for a four-year period.

Both programs complement the State Government's Sustainable Energy Policy initiatives to increase the use of renewable energy technology, reduce greenhouse gas emissions and encourage development of a renewable energy industry.

Private ventures—initiatives

Several private wind farm proposals are being facilitated in conjunction with the Department of Industry and Trade. Funding will be sought from the Australian Greenhouse Office to connect such wind farms to the grid.

Portfolio program management services (output 4.4)

Natural Gas Authority of South Australia

Contractual requirements of the Natural Gas Authority of South Australia were carried out as stipulated under the six Gas Sales Agreements to which the authority is a party. In 1999–2000, the Natural Gas Authority of South Australia purchased 90 petajoules of gas at a cost of \$213 million for its customers, Terra Gas trader and Origin Energy (formerly Boral Energy).

An Apportionment Deed, establishing procedures for gas allocation between multiple buyers at the Moomba Delivery Point, was negotiated with the South Australian Cooper Basin Producers and came into operation in January 2000.

Infrastructure project services

(output 4.5)

Remote Area Energy Supply

The Remote Area Energy Supply Scheme continued to subsidise 14 existing remote area power stations.

Five are owned and operated by local government or private participants; the rest are government owned and operated. Major capital works were finalised at Oodnadatta and Marla, where the power station infrastructure was refurbished and expanded to include new generating plant and electrical control systems. Remote Areas Energy Supply tariff increases were kept to a minimum but the new tax system required goods and services tax related increases for all consumers. The scheme is continuing to displace diesel fuel with more economic and environmentally friendly LPG.

During the year, the South Australian Government took over interim funding for the provision of power at Tarcoola, pending its decision on the future level of assistance through the Remote Areas Energy Supply Scheme.

Target for 2000–01 (output class 4)

- Implement National Greenhouse Strategy measures in line with the October 1999 Cabinet-approved program; as part of this, State Government agencies are to achieve greenhouse reduction targets.

AGENCY SUPPORT

The agency's corporate support functions are provided by PIRSA Corporate Group. These functions cover human resources, corporate finance, risk management, rural finance and development, information management, policy and strategic development, economics and market analysis, business services, public relations and communications, and legal services which are provided through an outposted arrangement with the Crown Solicitor's Office. Many of the achievements of these areas relate to services internal to the agency and therefore cannot be linked to outputs (unlike the preceding groups) and instead are discussed under general headings.

Human Resources develops and encourages human resource management that is integral to the future of PIRSA and the life, health and growth of its people.

Corporate Finance provides quality information and advice on accounting, budgeting, financial and resource management matters. It also handles accounting services including processing of payroll, paying accounts, receiving revenue, and maintaining the integrity of the agency's financial systems. Risk Management is focused on establishing best practice policies and standards for effective corporate governance within PIRSA, including risk management, audit investigations, business continuity planning, ethics and fraud control.

Rural Finance and Development aims to support both Federal and State Governments achieve various outcomes through the provision of program administration for a range of schemes providing financial assistance to primary producers and processors in South Australia.

Information Management is responsible for knowledge management, information delivery services, records management, mapping and spatial data, computing and communications infrastructure, business solutions and applications development, publishing services, inquiries and records storage. It incorporates the Centre for Minerals and Petroleum, and the Core Library.

Policy and Strategic Development is responsible for the corporate development, implementation and management of PIRSA's strategic planning, continuous improvement and quality management, performance measurement and evaluation, and agency-wide policy response to meet PIRSA and Government requirements.

The Economics Branch provides economic analysis and policy input to relevant PIRSA programs. Activities include program prioritisation, economic impact measurement of programs, coordination of National Competition Policy obligations, and program economic and planning inputs.

Business Services is responsible for development and management of procurement, property and facilities, and administrative policy and processes.

Public Relations and Communications primary role is to promote and communicate the role of the agency and its activities and services to the public.

HUMAN RESOURCE MANAGEMENT

The 1998–2000 human resources strategic plan set the directions and goals for human resources strategy and service delivery across PIRSA. Achievements during the year are reported under five key areas — corporate governance framework, occupational health safety and welfare, workforce management, knowledge management, and learning and development.

Corporate governance

PIRSA is developing a human resource governance framework and reporting system to ensure that whole-of-agency performance targets are met, legislative compliance achieved, and workforce management risks are identified, analysed and risk management strategies implemented. This enables performance objectives to be achieved and improved without the negative effects of tight control and bureaucracy. An example of the deployment of this approach is the PIRSAFE occupational health, safety and welfare system described below.

Key elements of the human resource governance framework have been established including the strategic plan, policies and guidelines, and recruitment and selection.

Agency performance is regularly analysed and assessed against agreed standards and targets, financial risk and legislative compliance. Issues requiring further action are summarised in quarterly workforce and monthly occupational health, safety, welfare and injury management reports produced for PIRSA Executive.

Occupational health, safety and welfare

The PIRSAFE occupational health, safety and welfare system enables groups to tailor systems and approaches to fit their own needs consistent with PIRSA's standards and targets and within a common planning and performance reporting framework. Previous approaches to occupational health, safety and welfare management emphasised uniformity and corporate control at all levels.

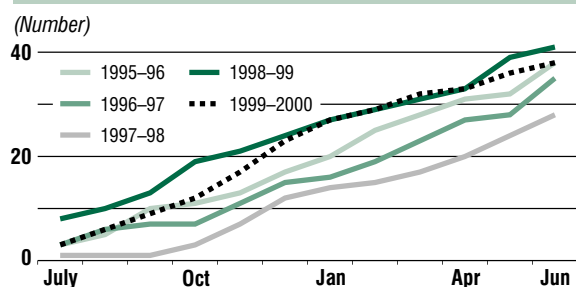
A PIRSAFE and Injury Management Action Plan was developed in accordance with the new Work-Cover Standards. Goals, targets and performance indicators have been identified for all PIRSA operating groups. A 'best practice grant' was implemented to identify improved occupational health, safety and welfare practice in high-risk occupations.

Agency performance improved overall compared to 1998–99. There were reductions of 34% in days lost claims, 18% in registered worker's compensation claims, 36% in sprain or strain type injuries, 31% in open wound injuries, 25% in average time lost for individual lost time claims, and 14% in lost time injury frequency rate (Fig. 6). One exception to this — costs excluding 'lump sum payments' — was 28% higher and is attributed to high medical costs incurred in a small number of claims. Occupational health, safety and welfare statistics are provided in Appendix 3.

Workforce management

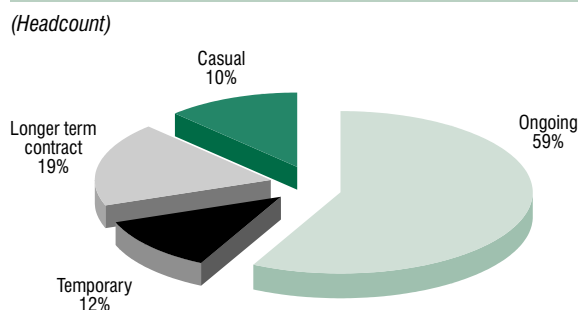
Workforce management has improved following the initiation of a quarterly report for PIRSA Executive which contains statistical and demographic analysis, and identifies issues requiring further action.

Fig. 6 Lost time injury frequency rate



A range of issues associated with PIRSA's changing workforce demographics were identified. In particular, the increasing number of contract and casual employees is a priority area for investigation (Fig. 7).

Fig. 7 Workforce profile by headcount at 30 June 2000



The human resources strategic plan identified a range of initiatives and reviews to upgrade PIRSA workforce management systems. Key policy areas in principles of human resource management were developed and include ethical behaviour, whistleblowers, harassment, discrimination, grievance and conflict management, flexible work practices, and recruitment and selection processes.

A total of 1301.6 full-time equivalent staff were employed by PIRSA at 30 June 2000. Workforce statistics are summarised in Table 2 and further details of Public Sector Management Act employees provided in Appendix 2.

During 1999–2000, the average level of sick leave taken for each full-time equivalent employee was 4.4 days. This compares with 3.8 days for last year (Table 3). Part of the strategy to address any issues with the average sick leave is to report regularly to PIRSA Executive with statistics and analysis of issues and trends.

Table 2 Employee summary, all staff (at 30 June 2000)

EMPLOYEE TYPE	ONGOING			CONTRACT LONGER TERM			CONTRACT SHORTER TERM			OTHER			TOTAL			FTE ¹
	M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total	
Public Sector Management Act																
Full time	525	217	742	158	89	247	62	74	136	–	–	–	745	380	1125	
Part time	7	53	60	10	15	25	6	17	23	11	26	37	34	111	145	
Subtotal	532	270	802	168	104	272	68	91	159	11	26	37	779	491	1270	1172.47
Weekly paid																
Full time	50	5	55	–	–	–	4	1	5	–	–	–	54	6	60	
Part time	–	2	2	–	–	–	–	1	1	46	58	104	46	61	107	
Subtotal	50	7	57	–	–	–	4	2	6	46	58	104	100	67	167	120.16
Other																
Full time	–	–	–	3	3	6	2	1	3	–	–	–	5	4	9	
Part time	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Subtotal	–	–	–	3	3	6	2	1	3	–	–	–	5	4	9	9.00
TOTAL																
Full time	575	222	797	161	92	253	68	76	144	–	–	–	804	390	1194	
Part time	7	55	62	10	15	25	6	18	24	57	84	141	80	172	252	
Grand total	582	277	859	171	107	278	74	94	168	57	84	141	884	562	1446	1301.63

¹ FTE full time equivalent

Table 3 Sick leave summary

Sick leave	Average number of days per full-time equivalent employee		
	1997–98	1998–99	1999–2000
Family carer	–	–	0.17
Other	–	–	4.20
Total	4.16	3.80	4.37

Equal opportunity programs

Equal opportunity is integral to all human resource policies and is incorporated in the workplace. An Executive working group has been formed to identify opportunities to increase the participation of women in senior management positions.

Knowledge management

Better decision making is being sought with the integration of human resource practice into line management roles and improvement of knowledge management processes. This has been supported by the initiation of a human resource intranet site containing policy and administrative guidelines.

The structure of the human resource database (Concept HMS) was modified to reflect the restructuring that has occurred in PIRSA during the year.

Learning and development

PIRSA has continued to place a greater emphasis on learning and development in the agency.

Achievements include:

- Initiation of a series of forums for managers which contribute to the PIRSA strategic planning processes and build capacity to manage change; there has been a high level of participation across the agency.
- Design of an online performance development resource kit commenced and will place PIRSA at the forefront of performance development.
- Adoption of a capabilities set and an executive development model by PIRSA Executive; this is the first phase of a strategy to embed capabilities as a core framework into human resource management practices across all levels of the agency.
- Implementation of a PIRSA-wide mentoring program.

Leadership development

A Leadership for the Future program for managers was designed and implemented. It received strong support and positive feedback.

Leadership SA

A total of 1.4% of employees participated in the LeadershipSA initiative during the year, which is

below the 1999–2000 benchmark of 2% determined by the Senior Management Council. The percentages of participants in target groups in the program were: 29.6% of the 27 Executives; none of the 121 Senior Managers¹; 0.3% of the 379 Middle Managers²; and 3.1% of the First Line Managers³. Over 95% of participants were satisfied with the programs, and an assessment of the effectiveness and impact of this initiative on the agency indicates that participants have reported a greater level of confidence. However, it appears that managers are largely unaware of the potential of the course and there has been little linkage to individual performance development plans.

Careers for the 21st century

The ‘Careers for the 21st century’ program was designed and implemented to investigate future trends and explore personal options. It received positive feedback and many people reported that they felt empowered to take control of their futures.

Key performance indicators

The percentage of training expenditure relative to total remuneration costs was 2.2% (total remuneration \$65 833 876; total training and development \$1 438 417) and represents all employees. No statistics are available regarding the percentage of employees with a documented individual development plan (either implemented or revised in the last 12 months), however, progress in this area is discussed above.

Targets for 2000–01 (human resource)

- Evaluate and refine the PIRSAFE system.
- Evaluate alternative strategies for sourcing and managing casual staff, and for attracting and retaining contract staff.
- Review and recommend changes to the remuneration management system, employee assistance and professional development programs, and human resource delegations to meet emerging business needs.
- Develop and implement an online capabilities dictionary for use in recruitment and selection and performance development and management processes.
- Support and conduct performance development through PIRSA’s online learning package.
- Further develop the human resource intranet site.

1 Includes ASO7/8 and PSO4/5 employees.

2 Includes ASO5/6, OPS5/6/7, TGO3/4/5 and PSO2/3 employees.

3 Includes ASO3/4, OPS3/4, TGO2 and PSO1 employees.

FINANCIAL SERVICES

CORPORATE FINANCE

Business assurance

Risk management and internal audit

The business assurance area was restructured to provide a more strategic approach to risk management and a professional is being recruited to lead this area of responsibility. Risk management is to be integrated within the agency's quality management and strategic planning framework, with operational responsibility for identifying and managing risks to reside with the business groups.

Fraud

One minor case of theft and utterance was reported in the Portfolio during 1999–2000. Full restitution was made and the person concerned voluntarily left the government service.

Ethical standards, a policy document which includes fraud prevention awareness, is provided to all employees.

Financial systems

The integration in early 1999 of PIRSA Masterpiece financial systems and common chart of accounts has resulted in major benefits to users and the agency generally. Benefits include the ability to access financial information from the desktop within three working days of the end of the month, easier preparation of annual audited financial statements, and reduced impact associated with preparing for the goods and services tax. A post-implementation review of the financial systems was deferred until 2000–01 to allow resources to be utilised in the goods and services tax implementation project.

There has been a significant reduction in debtors outstanding greater than 90 days and a greater emphasis placed on debt recovery following the introduction of more rigorous management.

A major project commenced to redevelop the work-force system, which is a subsidiary system to the General Ledger comprising direct payments made to employees and non-employees through Concept, any associated on-costs, and related human resource information. Technical specifications for the first phase, to provide standard reports, are almost finalised. It is intended that a second phase provide an ad hoc report writing facility. Once implemented, work-force information will be accessible from the desktop on a timely basis using a user-friendly interface.

Goods and services tax

In 1999, the Federal Government passed legislation for a goods and services tax in Australia to begin on 1 July 2000. A team was set up to plan and manage the implementation of the tax in PIRSA and the

various statutory authorities (over 60) that come under the Minister for Primary Industries and Natural Resources and the Minister for Minerals and Energy. Preparations for the implementation proceeded smoothly and, as a result, PIRSA has in place both well-trained staff and the necessary business systems required for goods and services tax compliance.

The preparatory process provided an opportunity to review, enhance and simplify all business processes and has led to a better understanding within the agency of PIRSA's business processes. The process was facilitated by prior upgrading of core financial systems for Year 2000 compliance, but numerous automated 'feeder' systems also required upgrading.

The costs incurred during the preparatory process were largely funded from PIRSA's own resources, but the Department of Treasury and Finance provided \$558 000 supplementary funding.

Fringe benefits tax

There has been a significant reduction in PIRSA's fringe benefits tax liability and greater awareness by staff on fringe benefits tax following the implementation of a number of strategies. These included fringe benefits tax seminars, establishing location coordinators and an administrative support position, liaising with staff and providing indicative information on the level of fringe benefits tax to be reported on their group certificates.

RURAL FINANCE AND DEVELOPMENT

Portfolio program management services (output 4.4)

FarmBis

FarmBis grants for individuals and groups totalling \$2 254 829 were approved.

Eyre Peninsula Regional Strategy

A total of \$1 864 843, representing 119 grants for interest rate subsidies, and one grant totalling \$75 000 for re-establishment, were approved to applicants under the Rural Adjustment Scheme components of the Eyre Peninsula Regional Strategy.

Riverland Rural Partnership Program

Eighty-six grants totalling \$86 000 for business planning, 79 grants totalling \$395 000 for redevelopment, 51 grants totalling \$185 664 for quality assurance, two grants totalling \$29 398 for export enhancement and 11 grants totalling \$5697 for export training were approved under the Riverland Rural Partnership Program.

Property Management Planning

Property Management Planning grants totalling \$3872 for two groups were approved.

Rural Industry Adjustment

The *Rural Industry Adjustment and Development Act 1985* authorises the Minister for Primary Industries and Resources to make loans and grants to assist on-farm development and adjustment towards lifting productivity, and to fund projects for the benefit of farmers and the farming industry as a whole. Fifteen grants and one loan totalling \$5 329 420 were approved. Financial statements for the fund are included in Appendix 7.

Cooperatives

PIRSA is responsible for the provision of loans to cooperatives in South Australia engaged in the primary industries sector; two loans totalling \$675 000 were approved.

Financial counselling

Funding assistance continued to be given to 12 Rural Financial Counselling Services and the State association with the aim of providing financial counselling and information to primary producers; \$267 000 of funding was approved.

Targets for 2000–01 (financial)

- Establish executive level audit committee.
- Review business risk profiles.
- Undertake a post-implementation review of Masterpiece financial systems.
- Implement the workforce system.
- Develop a project plan for the financial management framework and commence a program to review financial business processes.
- Continue to review opportunities to improve services to our customers.
- Implement e-Crow, an electronic system for acquitting monthly credit card transactions, which also interfaces to the general ledger.
- Implement the Central North East Farm Assistance Program.

OTHER SUPPORT

Data and information products and services (output 1.1)

Core Library

During the year a larger than normal number of inspections were booked at PIRSA's drill core storage facilities, necessitating the hire of temporary staff to meet demand. This increased activity was a consequence of new petroleum exploration licences in the Cooper Basin and mineral sector interest in the Gawler Craton and Curnamona Province.

Customer services

The availability and continuing improvement of access to digital data has proven popular with clients following the introduction of document scanning of agency records in 1998.

The Centre for Minerals and Petroleum received an increasing number of groundwater inquiries from clients researching suitable vineyard or olive plantation sites. The ability to answer these inquiries was improved following the introduction of front-counter access to PIRSA's spatial data library enabling merging of drillhole location and geographical data.

Records management

Electronic kiosk

An electronic kiosk (library) was introduced last year for PIRSA records, and contains reports, plans and photos in a standard electronic format (PDF and PCD) which are accessible from workstations across the agency. Conversion to this format continued and to date there are over 5 gigabytes of mainly geoscience data including approximately 9500 plans, and 750 reports (agency and company) and publications. In addition there are 12 500 photos (60 gigabytes).

Sentencing and archiving project

The major project to sentence and archive over two linear kilometres of PIRSA geoscientific and associated administrative records accumulated over the past 100 years continued. To date over one linear kilometre of records have been sentenced and either archived or destroyed in line with State Record approved disposal schedules; capital funding has been requested to continuing the program.

Bibliographic index

The SAMREF bibliographic index is used to locate geoscience data held by PIRSA. A feasibility study was carried out to determine the viability of providing it online via the Web as part of a continuing project to investigate easier means of access.

Spatial information

PIRSA has reduced inefficiencies associated with duplication of storage and use of inappropriate data through its centralised spatial data library which is readily accessible from workstations across the agency. Approximately 40 new data sets were added and the majority of existing ones updated. Metadata documentation for all 250 data sets in the library is progressing to ensure compliance with the Australian New Zealand Land Information Council and whole-of-government standards, and to assist users in determining if the data are appropriate for their use. All data sets were converted to the new Australian Geocentric Datum (AGD 94) in line with national and international standards.

Digital orthophoto imagery was purchased on behalf of the Animal and Plant Control Commission to enable mapping to be undertaken at paddock level for branched broomrape investigations near Murray Bridge. The imagery will be introduced to the spatial data library and coverage will be increased as it becomes available with priorities based on PIRSA projects.

The quality of spatial data contained in the State-wide geoscientific database (SA_GEODATA) was assessed and recommendations for improvement were released.

Public relations and communications

Key public relations and communications initiatives introduced during the year included the completion of the agency's communications strategy, upgrading of the internal *Prime Time* newsletter and preparation of new corporate marketing material. Several communications strategies were prepared for industry and agency groups. An innovative new display was instigated for PIRSA's Agricultural Hall at the Royal Showgrounds which is used all-year round as an exhibition for schools. PIRSA's education officer was involved in a number of career information activities such as the WorkSkill Expo, as well as making presentations to schools and community groups.

Events and publicity campaigns coordinated during the year included St Barbara's Day, Hungry Jacks water resources campaign, World Environment Day celebrations, next stage of Property Management Planning, regional field days, release of the Resources Task Force report, announcement of the birth of Australia's first cloned sheep, Matilda, and a new marketing campaign for the prevention of fruit fly.

Publishing services

A wider range of publications, displays and CDs were prepared by in-house service providers than in previous years, and an increasing amount of technical advice on project structure, customising

and end user requirements was given. Most PIRSA groups now use the services to some extent.

Major products continued to be data packages, poster displays and CD compilations for promotion of available petroleum acreage, mineral exploration opportunities, and groundwater resources for selected parts of the State. Four issues of the *MESA Journal* (earth science magazine) were compiled and released. The entire *Earth Resources Information Sheet* series has been digitised for ease of reproduction in-house, and will be added to PIRSA's webpage in the near future.

Interactive CDs, enabling users to interrogate selected spatial database information, have greatly extended the applicability and usefulness of previous CD output. Successful project-based and promotional applications using this approach have been achieved for Sustainable Resources (Eyre Peninsula hydrogeology) and Petroleum Groups (Otway Basin petroleum acreage release).

Significant displays prepared during 1999–2000 included those for field days at Paskeville, Lucindale, Flaxley and Hart, the Royal Adelaide Show and Resources Week 2000.

Interpretive trail

A self-guided interpretive walking trail to the top of Mount Wudinna in central Eyre Peninsula was designed and produced as a joint project by PIRSA and the District Council of Le Hunte, with funding support from Planning SA and the former Department for Environment, Heritage and Aboriginal Affairs. Fourteen interpretive signs along the 1.5 kilometre trail illustrate various geological and botanical features. Eight signs were also produced for an information bay in Wudinna.

Incident response services (output 2.4)

PIRSA has a wide responsibility for responding to emergencies such as animal, fish and plant health, weeds and other exotic pests, farm chemicals, and energy (gas and petroleum) supplies. The PIRSA Emergency Management Committee coordinates the agency's capability to respond to emergencies in each of these areas. A Generic Incident and Emergency Operational Response Plan was prepared and specific response plans for each area of responsibility are being reviewed.

Legislation, development and review services (output 3.2)

National Competition Principles Agreement

Under the National Competition Principles Agreement, 29 of the 56 Acts initially administered within PIRSA have been reviewed, with the remainder to be reviewed (or repealed by) by the end of 2000.

Policy and strategic development

Strategic planning

PIRSA assisted the Deputy Premier in the identification of Ministry Key Priorities for 2000–01 and the setting of portfolio directions as part of the Premier's Statement of Directions SA 2000–01.

A review of the *PIRSA strategic plan 1999–2001* commenced in June 2000, with all PIRSA groups contributing through reviews of the current and future environment and the impact it may have on the agency and its services over the next 3–5 years.

PIRSA provided portfolio level output performance measurement reporting for the first time in the Primary Industries and Resources Portfolio Statement 2000–01. A new reporting framework (balanced scorecard) was initiated to link outcome, output and enabling process measures throughout the agency.

Improving PIRSA

As part of the 1998–99 'Improving PIRSA' initiative, the Executive identified a number of improvement projects at the corporate level, which also addressed common issues from group level assessments and included communication, decision making, leadership, human resources, planning, governance and whole-of-government interaction. Monthly progress reporting by Executive sponsors during the year indicated significant progress across the range of improvement projects.

Similarly, PIRSA Corporate has initiated an overall improvement plan based on its guided self-assessment against the Australian Quality Council's Australian Business Excellence Framework.

Information technology

Information technology projects focused on innovation, consolidation, business risk assessment and leverage of existing information technology infrastructure investments.

The PIRSA web site was redeveloped using a sophisticated infrastructure called the Knowledge Network which facilitates the coordinated delivery of electronic information and services to PIRSA's customers. Benefits include reduced cost of

development, improved web site management, and ease of document creation and updating.

PIRSA received a silver award at the 13th Annual Government Technology Productivity Awards for its Web Server Application Development Environment. Using this technology Web-based applications have been established via PIRSA's intranet, enabling new business applications to be delivered with low deployment costs and minimal need for increases in network capacity. Executive reporting, project



Silver Award presentation, 13th Annual Government Technology Productivity Awards. Left to right: Terry Hannant and Cathy Johnson (Camtech) and David Blair, Phillip Byrnes and Charles McNeilage (PIRSA).

management and diagnostic service delivery were added and the financial reporting system enhanced. External funding was secured from the Government's online services project for the development of spatial and diagnostic applications.

The computing environment of the former Mines and Energy Resources South Australia was consolidated, lowering the overall business risks associated with this environment. Business continuity, data availability and data integrity were addressed, and capacity for future growth requirements provided.

A review of all agency databases has led to the creation of a metadatabase providing a single point of reference to data stored across PIRSA. This will help to avoid resource wastage arising from duplication of data and lead to a higher level of integration and understanding of data collection and storage processes across the agency. The review also addressed business continuity risks associated with non-standard databases.

There has been an increase in systems availability and stability as a consequence of the implementation

of a standard operating environment, automated inventory and software distribution facilities, and the upgrade of Oracle databases. In addition, the total cost of information technology ownership has been reduced through an incremental approach which leverages the investment in the existing information technology infrastructure.

A project to benchmark the provision of information technology support by PIRSA against other organisations (national and international) was initiated. In a pilot study, the total cost of owning and operating personal computers was monitored within a core business group. If anomalies are found, corrective action will be taken to improve service delivery.

Internal customer service level agreements are being developed as part of an initiative to improve information service delivery

An external pig industry group was assisted with development of requirements for an online Web-based information system.

Year 2000 compliance

Thorough preparation by PIRSA's Year 2000 project team ensured that the transition to the Year 2000 passed without any major incidents. To this end, the team continued to provide awareness presentations, a bimonthly newsletter, posters and information on the intranet.

The Year 2000 was a contributing factor in the upgrade or replacement of a number of PIRSA's systems and items of equipment. Upgrades included the Rural Finance and Development computer system which manages a multimillion dollar rural assistance loan portfolio; building management and security systems at SARDI's Plant Research Centre, Urrbrae; and irrigation control software and equipment at Loxton.

Information technology infrastructure review processes enabled the agency to position itself to take advantage of future developments in areas such as electronic commerce. A diverse assortment of aging Unix computers were consolidated into two new Sun computers, providing greatly improved system performance and business throughput, allowance for future growth and enabling PIRSA to establish a platform for new business systems. Existing electronic mail software was replaced with Microsoft Outlook enabling PIRSA to join the whole-of-government electronic mail system; an added advantage was the replacement of 300 personal computers and the upgrade of 230 other machines. Under the contractual arrangements with EDS, aging local area network servers were replaced.

Improvements to the level of documentation and understanding of PIRSA's buildings, telecommunication and information technology

infrastructure, resulting from Year 2000 preparations, will assist the agency to manage these assets into the future.

A total of \$215 000 was spent during 1999–2000, with the major expenditure related to business risk analysis, contingency planning and computer software upgrades.

Business services

Property and facilities

Properties and facilities review

Executive endorsed a State-wide agency properties and facilities review to address business needs and service delivery, and to identify and recommend ways to improve utilisation, consolidate operations and achieve savings. A medium to long-term strategy will be developed to manage PIRSA's property and facilities commitments as part of the review process.

Space and facility use are already being improved at a number of PIRSA sites, by adjusting leasing commitments to reduce operational costs (including rent and information technology and telephones), relinquishing surplus assets, and undertaking minimal specific works to achieve workplace improvements. An upgrade of facilities at 25 Grenfell Street Adelaide has commenced with funding from the owner. The new design, which is compatible with PIRSA's other central business district accommodation at 101 Grenfell Street, provides for additional staff and flexibility for the future.

Records storage

The project to relocate PIRSA's record storage facilities from Glenside (Document Storage Centre) to Walkley Heights continued. The completion date has been re-scheduled for the end of August 2000 (formerly January) because of building delays.

Drill core storage facility

Negotiations are under way to secure a suitable facility to store core samples currently held at Thebarton Depot as the Thebarton premises have been purchased by the Department of Industry and Trade. The former Department of Transport depot at Walkley Heights is the favoured option.

Greenhouse initiative

Executive has endorsed an energy management strategy which also addresses the Government's Greenhouse Targets Program. A policy has been adopted and a number of specific measures are being implemented including consumption measurement, energy reduction initiatives, and procurement and asset utilisation practises.

Procurement development strategy

PIRSA has completed its procurement development strategy which provides the framework for procurement reform across the agency and ensures that PIRSA meets whole-of-government targets. A staff procurement competency program is now being developed and electronic procurement options are under consideration.

Targets for 2000–01 (other support)

- Establish an additional core library facility and develop integrated core storage management systems.
- Identify PIRSA's records and document business requirements.
- Complete the National Competition Policy review process.
- Introduce competitive neutrality to relevant PIRSA business activities.
- The Food for The Future scorecard will continue to evolve, with additional regional scorecards being developed.
- Develop PIRSA's strategic plan for 2001–03.
- Complete a 'balanced scorecard' performance measurement framework and the agency's second Australian Quality Council self assessment process.
- Provide electronic transaction services in line with the Government's Information Economy 2002 Vision.
- Convert SARDI's intranet sites into the Knowledge Network structure.
- Conduct a State-wide strategic properties and facilities review.
- Achieve established targets in compliance with the Government's Greenhouse Targets Program.
- Advance procurement reform across PIRSA.

FINANCIAL PERFORMANCE

Financial overview

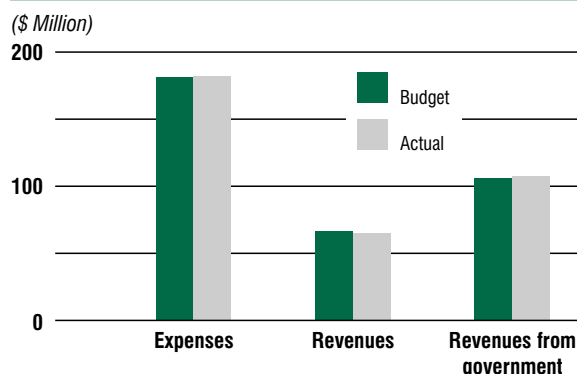
Tables 4–6 and Figures 8–10 provide summaries of the operating statement, statement of financial position and statement of cash flows that compare the budget for 1999–2000 (set in May 2000 as part of the State Budget), results for 1999–2000 and results for 1998–99. The detailed financial statements reflecting the actual results for 1999–2000 are presented in Appendix 7.

Operating revenues were slightly lower than forecast due to a reduced level of Commonwealth grant funding being received. While total operating expenditure was very close to the estimated outcome, underspending due to timing issues occurred in the following major areas: SARDI Aquatic Sciences pipeline, Natural Heritage Trust, TEISA, and the Loxton Irrigation Scheme. This was partly offset by higher Biosecurity Activity, terminal leave and SASE payments. The net impact of the above is reflected in higher cash balances.

Table 4 Summary operating statement

	Budget 1999–2000 \$'000	Actual 1999–2000 \$'000	Actual 1998–99 \$'000
Operating expenses	181 383	182 417	165 138
Operating revenues	67 039	65 445	69 567
Net cost of services	114 344	116 972	95 571
Revenues from Government	106 223	107 635	104 229
Increase/decrease in net assets resulting from operations before abnormal items	(8 121)	(9 337)	8 658

Fig. 8 Comparison of budget and actual operating statement, 1999–2000



Current assets were higher than forecast due primarily to the cash balance being \$7.1 million higher than budget. The higher cash balance mainly reflects delays in expenditure which will be carried forward to 2000–01. In addition, the loan portfolio of Rural Finance and Development was reported in

total under non-current assets in the budget; the actual result includes loans of \$1.7 million under current assets.

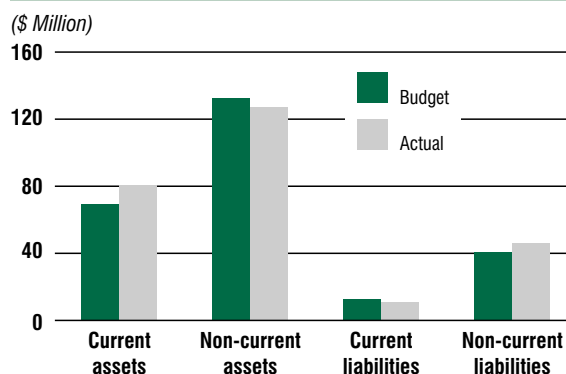
The decrease in non-current assets largely reflects the split in the Rural Finance and Development loan portfolio (referred to above) and the sale of Thebarton depot during the year. This is partly offset by the transfer of the Brukunga Mine site from SA Water.

Non-current liabilities increased, largely due to higher borrowing than was forecast (\$5.2 million) within Rural Finance and Development.

Table 5 Summary statement of financial position

	Budget 1999–2000 \$'000	Actual 1999–2000 \$'000	Actual 1998–99 \$'000
Current assets	69 949	80 623	88 497
Non-current assets	132 362	127 166	138 140
Total assets	202 311	207 789	226 637
Current liabilities	13 098	11 246	12 357
Non-current liabilities	41 056	46 068	52 475
Total liabilities	54 154	57 314	64 832
Net assets	148 157	150 457	161 805
Equity	148 157	150 457	161 805

Fig. 9 Comparison of budget and actual balance sheet, 1999–2000



Receipts from operating activities are less than forecast largely due to an overestimation of Federal grant receipts in the budget.

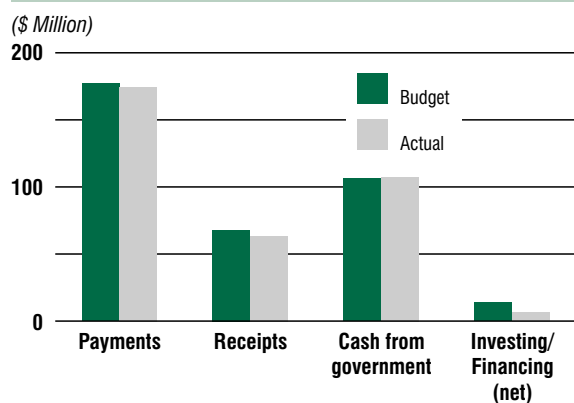
The budget for payments from investing and financing activities reflects a much higher expenditure on plant and equipment than actually took place. Part of this difference is due to the budget classification of expenditure for the Upper South-East Dryland Salinity project and the Loxton Irrigation Scheme under investing activities, the actual figures are reported as operating activities. There has also been lower expenditure than forecast for these two projects. The variation for repayment of borrowings represents lower repayments by Rural

Finance and Development than was predicted. The reduced receipts for investing and financing activities are due to lower than expected repayment of loans within Rural Finance and Development.

Table 6 Summary statement of cash flows

	Budget 1999–2000 \$'000	Actual 1999–2000 \$'000	Actual 1998–99 \$'000
Cash flows from operating activities			
Payments	(177 265)	(174 725)	(157 612)
Receipts	68 129	63 717	70 622
Cash flows from Government	106 223	107 635	104 229
Net cash provided by operating activities	(2 913)	(3 373)	17 239
Cash flows from investing and financing activities			
Payments	(16 227)	(8 721)	(7 139)
Receipts	11 708	9 726	13 933
Repayment of borrowings	(9 263)	(7 788)	(7 028)
Net cash used in investing and financing activities	(13 782)	(6 783)	(234)
Net increase/(decrease) in cash held	(16 695)	(10 156)	17 005
Cash at 1 July	79 378	79 906	62 901
Cash at 30 June	62 683	69 750	79 906

Fig. 10 Comparison of budget and actual statement of cash flows, 1999–2000



Property, plant and equipment assets

PIRSA has an on-going need for investment in buildings, equipment and information technology to produce its agreed service delivery outcomes. The agency owns and manages a number of large research centres across the State and therefore has a large investment in property assets (Figs 11, 12). Assets are purchased, maintained and where necessary, sold to enable PIRSA's outputs to be produced in the most efficient and effective manner.

Fig. 11 Property, plant and equipment assets at June 2000

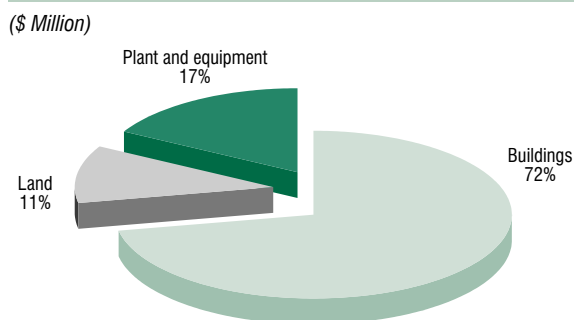
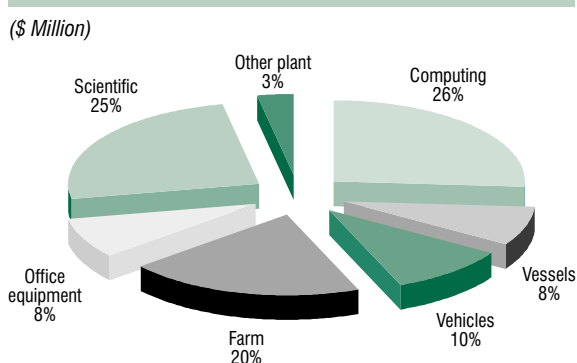


Fig. 12 Plant and equipment assets by category at June 2000



Biosecurity

PIRSA has a core role of responding to a wide range of incidents resulting from pest and disease incursions which threaten production systems and market access e.g. ovine Johne's disease, fruit fly and plague locusts. The frequency of these incidents has increased and markets are acutely sensitive to these threats. Benefits for plant and animal industries are generally large comparative to the cost of incident response.

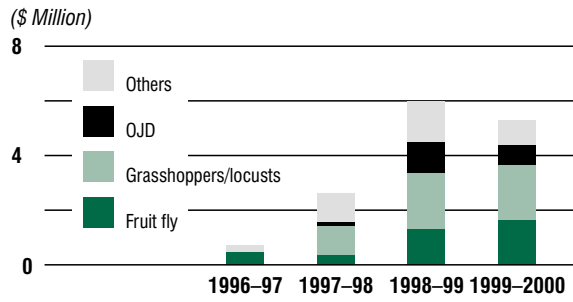
South Australia is also party to national responses such as Papaya Fruit Fly in Queensland (\$53 million) and Newcastle Disease in New South Wales (\$25 million) and contributes its share under agreed national cost-sharing arrangements.

There has been an ongoing demand and increase in frequency for biosecurity expenditure that far exceeds the funds which were originally established for fruit fly and locust responses (Fig. 13). This trend will continue in 2000–01 with the scheduled locust control program.

Account payment performance

Treasurer's Instruction 11 (*Public Finance and Audit Act 1987*) requires all undisputed accounts to be paid within 30 days of the date of the invoice or claim unless there is a discount or a written agreement between the agency and the creditor. As indicated in Table 7, PIRSA was able to pay 88% of all invoices by the due date achieving a significant improvement to the previous year (78%). The

Fig. 13 Biosecurity expenditure



remaining 12% of invoices reflect both disputed accounts and late payment of undisputed accounts. Performance continues to be closely monitored in an effort to ensure that the accepted best practice benchmark of 90% of accounts being paid by their due date is met.

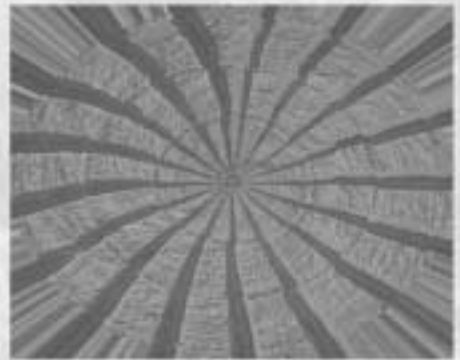
Table 7 Account payment performance

Particulars	Accounts paid		Amount paid	
	Number	%	(\$'000)	%
Paid by the due date	55 582	88	295 489	96
Paid within 30 days or less from the due date	6 313	10	10 342	3
Paid more than 30 days from the due date	1 385	2	2 755	1

Contracting out arrangements

PIRSA did not enter into any contractual arrangements with the private sector, for delivery of public services or provision of public infrastructure, where the total value of the contract exceeded \$4 million.

Part Two



**Office of
Regional Development**



FUNCTION

The Office of Regional Development, established in June 1999 in response to the Premier's Regional Development Task Force report, aims to encourage a whole-of-government approach to the development and implementation of policy and services affecting rural and regional communities of South Australia. The Office achieves this by providing resources to support the Minister for Regional Development; advising the Minister on strategic issues related to regional development; advocating for regions at an inter-agency level; and improving regional development outcomes by facilitating effective relationships and identifying opportunities for partnerships between Government, communities and business.

ORGANISATION

The office consists of a small team of skilled professionals reporting directly to, and advising, the Minister for Regional Development. This reporting relationship to a Senior Cabinet Minister provides the highest level of entry to Government, ensuring that regional issues and priorities are at the forefront of the Government's agenda.

PIRSA provides administrative support to the Office of Regional Development including human resources, financial and business services, and information management. Statutory annual reporting requirements regarding employment and financial issues, fraud and Year 2000 compliance report are incorporated under PIRSA.

MINISTERIAL RESPONSIBILITIES

Legislation

There is no legislation committed to the Minister for Regional Development.

Administered items and authorities

The office provides executive support for the Regional Development Council, advising on issues and priorities to the Government through the Minister for Regional Development, and the

Regional Development Issues Group, providing leadership and coordination within the public sector on regional issues. There are no statutory authorities (boards, committees or trusts) or administered items within the Minister's area of responsibility.

STRATEGIC CONTEXT

Goals

The Office of Regional Development represents a key Government strategy for the advancement of South Australia in the 21st century. The office was established as part of the new governance arrangements to facilitate priority and strategic issues impacting on the development of South Australia's regions. The goals of the office have developed from the recommendations of the Regional Development Task Force and include:

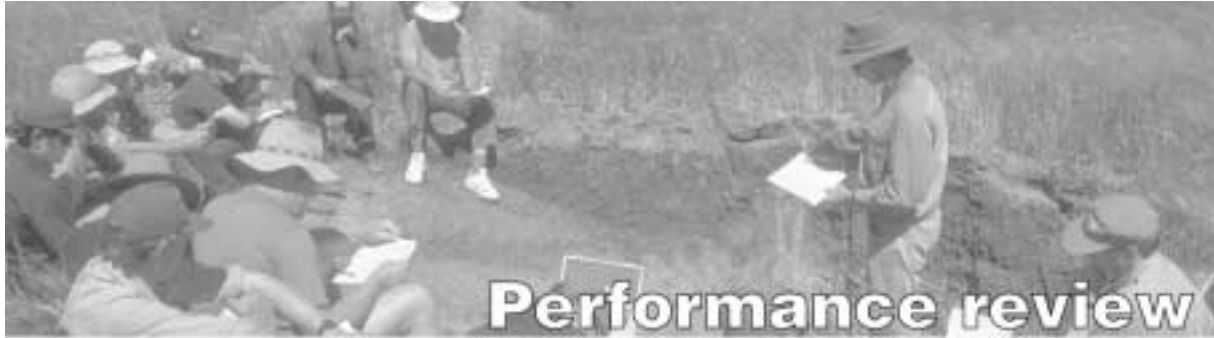
- development, coordination and integration of regional strategies and plans, using a whole-of-government and whole-of-State approach
- improved regional infrastructure
- significantly enhanced capacity of regional communities to embrace change and achieve their development goals
- enhanced regional services that are tailored to the specific requirements of regional communities
- a positive image for regional communities
- foster wealth and employment opportunities in regional areas
- provide a South Australian focus for promoting partnerships to support community economic development.

Primary focus

The primary focus and key activities of the office are principally based on the direction given by the Government's response to the Regional Development Task Force report. The State Government's commitment to a whole-of-government approach achieves better integration and coordination of regional development programs and services, and also assists in improving the State's regional development.

The office focuses on improving the level of integration and coordination within the public sector to ensure the best investment of public sector resources. On this basis, the key activities of the office have been:

- facilitating whole-of-government and whole-of-State discussion regarding regional development
- building partnerships and alliances to promote and encourage regional development
- being a voice in Government for regional communities
- working with the Regional Development Council to draft a Regional Development Strategy
- extending and improving access to regional services that are tailored to the specific requirements of regional communities
- providing best-practice examples of how communities have undergone economic transformation
- adopting a strategic approach to regional development
- encouraging Government, business and the community to work together
- providing an information hub with a linking and brokering role.



The primary focus of the Office of Regional Development has been to facilitate Government action in response to the recommendations of the Regional Development Task Force.

Highlights

- In its first year of operation, the office has overseen a range of initiatives addressing over 60% of the Regional Development Task Force's recommendations.
- A new set of governance arrangements for regional development was established.
- The State's first Regional Budget Statement was produced.
- A Community Builders program was introduced.

Governance

The new governance arrangements recommended by the Regional Development Task Force were implemented and consist of:

- Minister for Regional Development
- Office of Regional Development reporting to the Minister for Regional Development
- Regional Development Council advising on issues and priorities of regional development to the Government through the Minister for Regional Development
- Regional Development Issues Group providing leadership and coordination within the public sector on regional issues

Infrastructure

The office assists the Department of Industry and Trade with assessment of applications under the Regional Infrastructure Fund. The \$14.5 million fund aims to accelerate high-priority needs for infrastructure in rural and regional South Australia.

Infrastructure solutions to gaps (needs) created by regional social and economic change are being identified with the support of Infrastructure SA.

The issue of electricity infrastructure as an impediment to regional development was raised by the Regional Development Council through the

Issues Group. In response, the group has negotiated a pathway for Regional Development Boards to work with ETSA Power to identify practical and effective solutions to strategic regional electricity demands.

A cross-agency working group, led by the South East Economic Development Board, has been established to resolve difficulties with locating suitable accommodation in the South-East.

The office was involved in several forums promoting infrastructure development in rural and regional South Australia and is represented on a steering group investigating the future development of regional airports and highways, and a State reference group reviewing networking the nation applications (a federal regional telecommunications infrastructure program). The office also worked closely with the Partners in Rail project team facilitating regional development outcomes for the proposed Darwin to Adelaide railway line.

Training and employment

Regional Employment Strategy

The State Government has provided \$1.98 million to support the Regional Employment Strategy which combines a range of previous initiatives and makes them available to Regional Development Boards in a highly flexible and autonomous package.

Regional training

Regional Training 2000, a program to develop and deliver vocational education and training to the young unemployed, was established by the Department of Education Training and Employment and is valued at \$1.6 million.

Blue Print for Employment

Arrangements were made to include a component focusing on regional employment in the Employment Council's Blue Print for Employment program.

Public sector trainees

An annual 40% target for placing public sector trainees in regional locations was achieved.

Service delivery

Multi-purpose service outlets

The Office of Regional Development is represented on a Service SA steering committee overseeing the roll-out and development of one-stop shops.

Regional coordinators

The use of regional coordinators to assist with effective and efficient delivery of services was investigated and a trial is proposed to define issues that may arise.

Functional Reform or Partnerships Program

The office supported development of the Functional Reform or Partnerships Program which is widening State and local government collaboration in the delivery of services.

Regional promotion

Regional profiles

Planning SA, the Australian Bureau of Statistics and the Office of Regional Development are working in partnership with Regional Development Boards to develop comprehensive regional profiles.

Regional Budget Statement

The State's first Regional Budget Statement was produced in conjunction with Treasury, and outlines the Government's commitment to regional development.

Case for South Australia

Investment, relocation and business development in South Australia are being promoted via a State Government CD.

Regional best practice and community development

Community Builders

Community Builders, a grassroots leadership development program supporting regional residents to better understand and build communities, was developed.

Study tours

The Office of Regional Development, in partnership with Department of Industry and Trade and PIRSA, sponsored three regional South Australians to participate in a study tour to Europe and South Africa investigating the issues and mechanisms of innovation in agribusiness.

'Harvesting Home Town Jobs', a study tour showcasing best-practice examples of community economic development in South Australia and Victoria, was organised.

Volunteering

A Volunteers Round Table was established to provide input into policy and funding decisions; \$550 000 has been allocated for volunteering initiatives in 2000–01.

Policies, strategies and Federal Government collaboration

Regional Development Strategy

Drafting of the Regional Development Strategy, setting out a five to ten-year vision for regional South Australia, is well advanced.

Planning and development regions

Regional boundaries were reviewed by the office, Planning SA and the Department of Industry and Trade as part of a process to overcome the multitude of conflicting boundaries for different policy purposes.

Regional buying policy

A draft Regional Buying Policy, proposing preference to regional suppliers of products and services to State Government, was prepared in partnership with the Department of Administrative and Information Services.

Upper Spencer Gulf Common Purpose Group

The Upper Spencer Gulf Common Purpose Group was allocated \$50 000 to facilitate development of a high-level strategic planning and partnership effort.

Country Planning Strategy

Information is being gathered from regional stakeholders and government agencies to be used to develop the Regional Planning and Development Strategy.

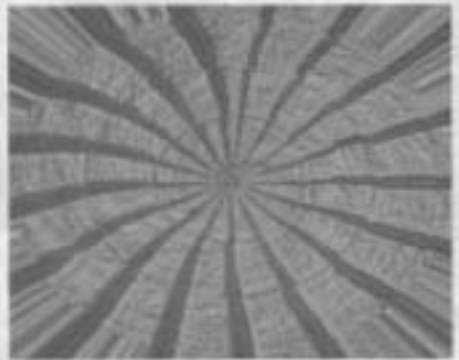


The Office of Regional Development expects to facilitate implementation of the remaining Regional Development Task Force recommendations in 2000–01, as well as progressing a multitude of initiatives building on the work of many of those recommendations.

Targets

- Establish partnership agreements with other government agencies and key stakeholders to assist in implementing priority initiatives within the Regional Development Strategy.
- Build the capacity of rural and regional communities by promoting the development and implementation of a broad range of leadership programs to meet their diverse needs.
- Develop a whole-of-government approach to strategic regional infrastructure planning to be used as a basis for prioritising infrastructure investment.
- Develop a guide to community economic development to help rural and regional communities manage the economic re-vitalisation process.
- Promote the benefits and opportunities for establishing a community foundation to encourage investment locally.
- Promote development and implementation of a business retention and expansion program.
- Assist in developing a Regional Buying Policy to use Government's purchasing power to develop regional business capacity.
- Assist in the roll-out of Service SA one-stop shops.
- Develop an online register of grants and other funding sources.

Appendixes



1 PIRSA MINISTERIAL RESPONSIBILITIES

LEGISLATION

The principal legislation for which PIRSA has administrative responsibility for through the Minister for Primary Industries and Natural Resources and Minister for Regional Development is listed below. Many of these Acts are supported by Regulations, Notices and Indentures or Directions in some instances.

Food and Fibre

Agricultural industries

Apiaries Act 1931
Barley Marketing Act 1993
Biological Control Act 1986
Branding of Pigs Act 1964
Brands Act 1933
Cattle Compensation Act 1939 (scheduled for repeal in July 2000)
Citrus Industry Act 1991
Dairy Industry Act 1992
Deer Keepers Act 1987
Dried Fruits Act 1993
Fruit and Plant Protection Act 1992
Impounding Act 1920
Livestock Act 1997
Meat Hygiene Act 1994
Noxious Insects Act 1934
Phylloxera and Grape Industry Act 1995
Poultry Meat Industry Act 1969
Primary Industry Funding Schemes Act 1998
Seeds Act 1979
South Australian Meat Corporation Act 1936
South Australian Meat Corporation (Sale of Assets) Act 1996
Swine Compensation Act 1936
Veterinary Surgeons Act 1985
Wheat Marketing Act 1989
Wine Grapes Industry Act 1991

Fisheries

Fisheries (Gulf St. Vincent Prawn Fishery Rationalisation) Act 1987
Fisheries (Southern Zone Rock Lobster Fishery Rationalisation) Act 1987
Fisheries Act 1982

Sustainable Resources

Agricultural and Veterinary Chemicals (South Australia) Act 1994
Agricultural Chemicals Act 1955

Animal and Plant Control (Agricultural Protection and Other Purposes) Act 1986

Dog Fence Act 1946

Pastoral Land Management and Conservation Act 1989

Soil Conservation and Land Care Act 1989

Stock Foods Act 1941

Stock Medicines Act 1939

Office of Minerals and Energy Resources

Mineral resources

Broken Hill Proprietary Company's Indenture Act 1937
Broken Hill Proprietary Company's Steel Works Indenture Act 1958
Mines and Works Inspection Act 1920
Mining Act 1971
Opal Mining Act 1995
Roxby Downs (Indenture Ratification) Act 1982

Petroleum

Cooper Basin (Ratification) Act 1975
Petroleum Act 1940
Petroleum (Submerged Lands) Act 1982
Santos Limited (Regulation of Shareholdings) Act 1989

Office of Energy Policy

Electrical Products Act 1988
Gas Act 1997
Gas Pipelines Access (South Australia) Act 1997
Natural Gas Authority Act 1967
Natural Gas (Interim Supply) Act 1985
Petroleum Products Subsidy Act 1965
Stony Point (Liquids Project) Ratification Act 1981

PIRSA Corporate

Primary Producers Emergency Assistance Act 1967
Rural Industry Adjustment and Development Act 1985

Other Acts

In addition PIRSA has limited administrative functions under the following Acts that are committed to other Ministers.

Electricity Act 1996

Fisheries Act 1995 (Vic.)

Fisheries Management Act 1994 (NSW)

Fisheries Management Act 1991 (Cwth)

Fish Resources Management Act 1994 (WA)
Harbours and Navigation Act 1993
Historic Shipwrecks Act 1976 (Cwlth)
Historic Shipwrecks Act 1981
National Parks and Wildlife Act 1972
Petroleum Products Regulation Act 1995
Petroleum (Submerged Lands) Act 1967 (Cwlth)

Legislative changes

Legislative changes are summarised below and discussed in detail under 'Performance review, output 3.2'.

New or amended legislation

The *Pastoral Land Management and Conservation Act 1989* was committed to the Minister for Primary Industries and Natural Resources on 14 February 2000, having been transferred from the Minister for Environment and Heritage.

The Offshore Minerals Bill was passed, but has not yet been proclaimed. The Petroleum Bill was tabled. Regulations under the Gas Pipelines Access (South Australia) Act came into operation.

Amendments were made to the Dairy Industry Act, Fisheries (Gulf St Vincent Prawn Fishery Ration-alisation) Act, Mining (Private Mines) Amendment Act and Mining (Royalty) Amendment Act.

Transferred legislation

The *Electricity Act 1996* was committed to the Treasurer on 19 August 1999. The Technical Regulator continues to be responsible for the administration of the technical and safety aspects of the Act.

The *South Eastern Water Conservation and Drainage Act 1992* was committed to the Minister for Water Resources on 14 February 2000.

Reviews of legislation

PIRSA continued to review many of the Acts, particularly with respect to National Competition Policy principles. Acts under review during 1999–2000 included Agricultural and Veterinary Chemicals (South Australia) Act, Citrus Industry Act, Cooper Basin (Ratification) Act, Dairy Industry Act, Dried Fruits Act, Electricity Products Act, Fisheries Act, Gas Act, Meat Hygiene Act, Mines and Works Inspection Act, Mining Act, Opal Mining Act, Phylloxera and Grape Industry Act, Roxby Downs (Indenture Ratification) Act, Stony Point (Liquids Project) Ratification Act and Wine Grapes Industry Act.

A Bill has been drafted to repeal the Dairy Industry Act and the Cattle Compensation Act.

Acts repealed

Following a Bill drafted in 1998–99 the following nine moribund Acts have been repealed:

- *The Agricultural Holdings Act 1891*
- *Dairy Industry Assistance (Special Provisions) Act 1978*
- *Fruit and Vegetable (Grading) Act 1934*
- *Garden Produce (Regulation of Delivery) Act 1967*
- *Margarine Act 1939*
- *Marginal Dairy Farms (Agreement) Act 1971*
- *Rural Industry Adjustment (Ratification of Agreement) Act 1990*
- *Rural Industry Assistance Act 1985*
- *Rural Industry Assistance (Ratification of Agreement) Act 1985*

In addition the *Natural Gas Pipelines Access Act 1995* was repealed by section 50 of the Gas Pipelines Access (South Australia) Act.

ADMINISTERED ITEMS

PIRSA administers but does not control the following funds on behalf of the Federal Government, the Minister for Primary Industries and Natural Resources or the and Minister for Regional Development. These funds are not recorded in the agency's operating statement or statement of financial position as the agency does not have any discretion to deploy the resources for achievement of its own objectives.

Bio Innovation SA

Bio Innovation SA is a Government initiative to attract investment and biotechnology companies to South Australia to build on the world-class research and development already being undertaken by the three universities and government agencies such as SARDI. A business structure, operational procedures and the structure for the plant node have been developed, and recruitment of a director initiated.

Office of Regional Development

The Office of Regional Development was established on 30 June 1999 reporting directly to the Minister for Regional Development. PIRSA provides financial (administrative) and human resources support. The office's performance review is reported in 'Part two' of this annual report.

Other

- Aquaculture Lease Rehabilitation Fund
- Barley Industry Levy
- Beekeeper's Compensation Fund
- Cattle Compensation Fund (to be replaced by the Cattle Industry Fund on repeal of the Cattle Compensation Act)

- Dairy Industry Fund
- Deerkeeper's Compensation Fund
- Egg Industry Deregulation Fund
- Energy Management Task Force
- External Funds (Farm Chemicals Education and Extension; Anthracnose Compensation Fund; Seed Levies)
- Extractive Areas Rehabilitation Fund
- Fisheries Research and Development Fund
- Gulf St Vincent Prawn Fishery Levy
- Minister's salary and allowances
- Natural Disaster Relief Fund
- Natural Gas Authority of South Australia
- Natural Heritage Trust Fund
- SA Water — pricing subsidy for water and wastewater to country regions
- SAMCOR Funds administration
- Sheep Industry Fund
- Soil Conservation and Landcare Fund
- Swine Compensation Fund
- Wheat Industry Levy

Transferred items

Administration of payments to the South Eastern Water Conservation and Drainage Board — rural drainage operation have been transferred to the new Department for Water Resources.

AUTHORITIES

Statutory

Statutory authorities associated with primary industries and resources and regional development and within the Ministers' areas of responsibility are listed below. PIRSA provides relevant advice and assistance to these. Asterisks indicate those bodies (agencies) which have their own staff and other resources.

- Animal and Plant Control Boards* (43 throughout South Australia; 29 rural and 14 urban)

- Animal and Plant Control Commission
- Apiary Advisory Group*
- Australian Barley Board*
- Board of Examiners for Mine Managers
- Cattle Advisory Group
- Cattle Compensation Fund Advisory Committee (to be decommissioned)
- Citrus Board of South Australia*
- Dairy Authority of South Australia*
- Deer Advisory Group
- Deer Compensation Fund Advisory Committee (to be decommissioned)
- District Soil Conservation Boards (27 throughout South Australia)
- Dried Fruits Board*
- Fishery Management Committees (Abalone; Blue Crab; Gulf St Vincent Prawn; Inland Waters; Marine Scalefish; Northern Zone Rock Lobster; Southern Zone Rock Lobster; Spencer Gulf and West Coast Prawn)
- Goat Advisory Group
- Meat Hygiene Advisory Council
- Pastoral Board (yet to be appointed)
- Phylloxera and Grape Industry Board*
- Pig Advisory Group
- Sheep Advisory Group
- Soil Conservation Appeal Tribunal
- Soil Conservation Council
- Swine Compensation Fund Advisory Committee (to be decommissioned)
- Veterinary Surgeons Board*

Other

There are many non-statutory authorities on which PIRSA is represented. Significant ones are discussed under 'Performance review' (e.g. Premier's Food for the Future Council, Industry Development Boards and the Advisory Board of Agriculture).

2 WORKFORCE STATISTICS

(at 30 June 2000)

The profile below represents Public Sector Management staff only. A summary of all staff

employed by PIRSA, which includes those under other employment structures, is provided in the Human Resources section of this annual report.

Employee profile, Public Sector Management Act staff⁽¹⁾

STREAM	ONGOING			CONTRACT LONGER TERM			CONTRACT SHORTER TERM			CASUAL			TOTAL		
	M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total
ADMINISTRATIVE															
Administrative Services Officers															
Trainees	-	-	-	-	-	-	2	7	9	-	-	-	2	7	9
ASO1	8	59	67	-	3	3	2	18	20	-	16	16	10	96	106
ASO2	10	60	70	-	3	3	2	13	15	-	1	1	12	77	89
ASO3	16	29	45	2	3	5	2	4	6	-	-	-	20	36	56
ASO4	19	17	36	-	8	8	-	4	4	-	2	2	19	31	50
ASO5	23	8	31	9	5	14	7	6	13	-	-	-	39	19	58
ASO6	18	9	27	6	3	9	4	2	6	-	-	-	28	14	42
ASO7	15	-	15	7	2	9	4	1	5	-	-	-	26	3	29
ASO8	3	-	3	1	1	2	1	-	1	-	-	-	5	1	6
Subtotal	112	182	294	25	28	53	24	55	79	-	19	19	161	285	445
Managers Administrative Services															
MAS2	3	2	5	-	-	-	-	-	-	-	-	-	3	2	5
MAS3	12	1	13	1	-	1	1	-	1	-	-	-	14	1	15
Subtotal	15	3	18	1	-	1	1	-	1	-	-	-	17	3	20
Total	127	185	312	26	28	54	25	55	80	-	19	19	178	287	465
OPERATIONAL															
OPS1	1	-	1	7	2	9	2	1	3	4	3	7	14	6	20
OPS2	15	5	20	15	5	20	5	4	9	5	2	7	40	16	56
OPS3	52	9	61	18	5	23	2	1	3	-	1	1	72	16	88
OPS4	23	-	23	3	-	3	-	-	-	-	-	-	26	-	26
OPS5	12	1	13	-	-	-	-	-	-	-	-	-	12	1	13
Total	103	15	118	43	12	55	9	6	15	9	6	15	164	39	203
PROFESSIONAL															
Professional Services Officers															
PSO1	12	17	29	24	25	49	14	11	25	1	1	2	51	54	105
PSO2	71	19	90	21	14	35	6	3	9	-	-	-	98	36	134
PSO3	71	9	80	14	4	18	5	3	8	-	-	-	90	16	106
PSO4	54	2	56	1	2	3	1	-	1	-	-	-	56	4	60
PSO5	21	-	21	5	-	5	-	-	-	-	-	-	26	-	26
Subtotal	229	47	276	65	45	110	26	17	43	1	1	2	321	110	431
Managers Professional Services															
MPS1	1	-	1	-	-	-	-	-	-	-	-	-	1	-	1
MPS2	6	-	6	-	-	-	-	-	-	-	-	-	6	-	6
MPS3	9	-	9	-	-	-	-	-	-	-	-	-	9	-	9
Subtotal	16	-	16	-	-	-	-	-	-	-	-	-	16	-	16
Total	245	47	292	65	45	110	26	17	43	1	1	2	337	110	447
TECHNICAL															
TGO0	6	4	10	1	5	6	2	11	13	1	-	1	10	20	30
TGO1	11	11	22	7	9	16	4	2	6	-	-	-	22	22	44
TGO2	16	5	21	2	2	4	2	-	2	-	-	-	20	7	27
TGO3	14	3	17	-	-	-	-	-	-	-	-	-	14	3	17
TGO4	6	-	6	-	-	-	-	-	-	-	-	-	6	-	6
TGO5	2	-	2	1	-	1	-	-	-	-	-	-	3	-	3
Total	55	23	78	11	16	27	8	13	21	1	-	1	75	52	127
EXECUTIVE															
Executive Services															
EL1	1	-	1	-	-	-	-	-	-	-	-	-	1	-	1
EL2	1	-	1	-	-	-	-	-	-	-	-	-	1	-	1
Level A	-	-	-	11	2	13	-	-	-	-	-	-	11	2	13
Level B	-	-	-	8	-	8	-	-	-	-	-	-	8	-	8
Level C	-	-	-	3	-	3	-	-	-	-	-	-	3	-	3
Level F	-	-	-	1	-	1	-	-	-	-	-	-	1	-	1
Total	2	-	2	23	2	25	-	-	-	-	-	-	25	2	27
OTHER EMPLOYEES															
Legal Officers															
Total	-	-	-	-	1	1	-	-	-	-	-	-	-	1	1
GRAND TOTAL	532	270	802	168	104	272	68	91	159	11	26	37	779	491	1270

¹ Includes staff employed through the Government Youth Initiative

Executive right to further employment

Classification	Right to further public sector employment			
	Yes		No	
	M	F	M	F
EXL1	1	–	–	–
EXL2	1	–	–	–
Level A	9	1	2	1
Level B	6	–	2	–
Level C	3	–	–	–
Level F	1	–	–	–
Total	21	1	4	1

3 OCCUPATIONAL HEALTH, SAFETY AND WELFARE STATISTICS

ITEM ¹	1997–98	1998–99	1999–2000
1 Average number of full-time equivalent employees	1 325	1 434	1 467
2 Average number of people employed	–	–	1 578
3 Hours worked by employees	2 528 491	2 867 256	2 658 691
4 Incidents which resulted in a new workers compensation claim: total; incidence rate per full-time equivalents ² ; incidence rate per number of people ²	93	109	92
5 Incidents which did not result in a new workers compensation claim ³	–	–	–
6 New workers compensation claims that resulted in an incapacity for work of five or more working days	9	21	17
7 Most frequent causes (mechanisms) of injury	–	–	muscular stress, falls
8 Most expensive causes (mechanisms) of injury	–	–	hit by moving object
9 Budget allocation for workers compensation (\$)	914 800	373 000	354 265
– Cost of workers compensation claims carried by the agency (\$)	643 670	523 692	580 595
10 Cost of workers compensation claims charged against insurance fraud ³	–	–	–
11 Expenditure on occupational health, safety and welfare programs (\$)	295 754	174 438	148 302
12 Hours of training in occupational health and safety ³	6 885	–	–
13 Occupational health and safety and welfare representatives	24	38	32
– Occupational health and safety and welfare committees	16	5	5
14 Composition of corporate occupational health and safety committee: management representatives; employee representatives	–	–	6; 13
15 Default notices issued pursuant to s. 35 of the Act ⁴	nil	nil	nil
16 Times work stopped pursuant to s. 36 of the Act ⁴	nil	nil	nil
17 Improvement notices issued pursuant to s. 39 of the Act ⁴	nil	nil	nil
18 Prohibition notices issued pursuant to s. 40 of the Act ⁴	nil	nil	nil
19 Employees who participated in the agency's rehabilitation program	10	26	25
20 Employees rehabilitated back to their original work	2	15	14
21 Employees rehabilitated and reassigned to alternative duties	1	nil	nil
22 Employees still on rehabilitation programs	6	10	6
23 Employees who have been certified as unable to return to any kind of work and are still receiving income maintenance	–	–	nil
24 Employees whose claim have been finalised and have separated from the public sector	1	5	5

1 Numbers 1–24 relate to Premier and Cabinet Circular No. 13, May 2000, *Annual reporting requirements*.

2 Benchmarking data not available.

3 Statistics not available.

4 *Occupational Health and Safety Act 1986*.

4 CONSULTANCIES

In 1999–2000, 171 consultancies were engaged by PIRSA for a total expenditure of \$2 236 838.

CONSULTANT	PURPOSE	VALUE
Consultancy fees below \$10 000		
A total of 121 consultancies were engaged.	Subtotal	\$446 153
Consultancy fees between \$10 000 and \$50 000		
<i>S Davies</i>	Develop interim Year 2000 compliant records management software.	\$10 250
<i>Anderson Collins</i>	Develop a long-term marketing plan for the mussel industry.	\$11 221
<i>Keiman, Riches, and Associates</i>	Develop a performance management and measurement framework for PIRSA.	\$11 301
<i>DNR Group Pty Ltd</i>	My Choice, My Future, My Success program.	\$11 436
<i>SE Psychological Services</i>	Undertake an assessment of the benefits of psychological testing of applicants for Fisheries Officer positions and package the test to enable Fisheries staff to administer it.	\$11 447
<i>Wombat Flat</i>	Undertake veterinary consulting work for the biosecurity program.	\$11 842
<i>Anderson Collins Management</i>	Develop the Eyre Peninsula Regional Strategy.	\$12 015
<i>Mulready Consulting Services Pty Ltd</i>	Conduct a national survey of petroleum exploration companies.	\$12 200
<i>DNR Group</i>	Undertake a farm machinery feasibility study.	\$12 200
<i>B&PM Jensen Schmidt Geophysical Consulting</i>	Carry out seismic mapping to assist in determination of petroleum production licence applications for the Cooper Basin.	\$12 500
<i>G.J & H.K. Mitchell</i>	Develop a proposal for an integrated extension project for the dairy industry.	\$12 500
<i>KPMG</i>	Develop a goods and services tax impact statement.	\$12 740
<i>Questa</i>	Determine petroleum production licence applications for the Cooper Basin.	\$12 750
<i>SA Centre for Economic Studies</i>	Assess the impacts of a royalty change on the State economy and exploration levels.	\$12 800
<i>Anderson and Association</i>	Undertake communication and marketing, Eyre Peninsula Regional Strategic Planning.	\$13 036
<i>CSIRO Land & Water</i>	Conduct a research project into infertility in livestock at Brukunga to assist PIRSA to determine possible cause of infertility in cattle in the Dawesley Creek catchment.	\$13 883
<i>CSIRO Land & Water Canberra</i>	Complete a Murray Darling Basin funded alley farming project.	\$14 750
<i>SGS Australia Pty Ltd</i>	Evaluate Olympic food suppliers.	\$15 000
<i>Wallbridge Gilbert</i>	Building project, Pasadena.	\$16 100
<i>OZ Train</i>	Design the PIRSA Leadership for the Future program.	\$16 200
<i>Ellis Farm Consultancy</i>	Conduct a land holder survey.	\$16 500
<i>Instate Pty Ltd</i>	Develop a Grain Processing Strategy.	\$17 100
<i>Ignition Design</i>	Web site graphical design.	\$17 500
<i>Sun Petroleum Geoservices</i>	Undertake an electrofacies analysis for key Cooper Basin formations.	\$18 000
<i>Skilmar Systems Pty Ltd</i>	Conduct a valuation of the Soil Conservation and Land Care Act.	\$19 000
<i>Department for Administrative and Information Services</i>	Year 2000 audits for the Buildings, Land, Asset Management System and occupational health, safety and welfare; financial analysis.	\$19 046
<i>B&PM Jensen Schmidt Geophysical Consulting</i>	Review petroleum structural play types in the Bight and Duntroon Basins.	\$20 000
<i>Ontologic Services</i>	Review the quality of spatial data in SA_GEODATA geoscientific database.	\$20 160
<i>Spectra</i>	Design the PIRSA Women in Leadership program.	\$20 540
<i>Computational Fluid Mechanics International</i>	Model impacts of drainage inflow to the Coorong.	\$25 000
<i>Mack management Consulting</i>	Develop a food supply chain model.	\$25 336
<i>Fyfe Surveyors</i>	Conduct a cadastral survey of Ballater East and Watervalley Drains.	\$26 030
<i>Department of Agriculture, Fisheries and Forestry - Australia</i>	Conduct a study of South Australian export competitiveness.	\$28 000
<i>Pricewaterhouse Coopers</i>	Provide expert economic and commercial advice on the National Gas Access Code to the National Gas Pipelines Advisory Committee.	\$28 639
<i>PetroVal Australasia Pty Ltd</i>	Evaluate gas deliverability from South Australian Cooper Basin fields.	\$30 000

CONSULTANT	PURPOSE	VALUE
<i>Hunter Gatherer</i>	Develop a manual to assist schools working with community groups in on-ground projects.	\$31 270
<i>Intec Consulting Group</i>	Perform a feasibility study to develop functional requirements for the Agricultural Industries Integrated Management System.	\$31 820
<i>John Lindsay</i>	Study algal matter in Cooper Basin source rocks.	\$32 000
<i>SWood Financial Solutions Pty Ltd</i>	Carry out goods and services tax related work.	\$33 580
<i>Gaddes Management</i>	Undertake a survey of local governments to gauge attitudes for processing of farm forestry land development applications.	\$35 070
<i>Australian Quality Council</i>	Facilitate an internal business assessment within the Australian Business Excellence Framework and guide assessment.	\$35 325
<i>Active Ideas Pty Ltd</i>	Web site design and development.	\$35 500
<i>Department of Agriculture, Fisheries and Forestry — Australia (Australian Quarantine and Inspection Service)</i>	Meat Export service level.	\$36 000
<i>Linex Pty Ltd</i>	Evaluate and model seals in the Cooper and Warburton Basins.	\$37 000
<i>PetroVal Australasia Pty Ltd</i>	Forecast Cooper Basin production.	\$40 200
<i>Turnbull Porter Novelli</i>	Carry out communication and public relations for the Mount Lofty Ranges Catchment Program.	\$42 863
<i>Woods Bagot</i>	Undertake a PIRSA facility planning study.	\$43 096
<i>Fujitsu</i>	Natural resources and environmental management system.	\$43 750
<i>Schofield Robinson</i>	Review the Natural Heritage Trust Highlands Project.	\$48 500
	Subtotal	<u>\$1 112 993</u>
Consultancy fees over \$50 000		
<i>Arthur Anderson</i>	Provide taxation and related services.	\$56 167
<i>Wally Iwanicki</i>	Provide expert technical knowledge on gas specification and safety issues relating to gas appliances.	\$65 435
<i>Aspect Computing</i>	Undertake Year 2000 business continuity planning.	\$66 880
<i>Econsearch</i>	Conduct an economic analysis for the Regional Planning Frameworks program to define current economic value of significant primary industries by region.	\$70 616
<i>CV Services International</i>	Records management system development.	\$72 600
<i>World Wide Project Management Services</i>	Evaluate the Eyre Peninsula Strategy.	\$73 662
<i>Arthur Robinson & Hedderwicks</i>	Provide expert legal advice on the National Gas Access Code to the National Gas Pipelines Advisory Committee.	\$100 532
<i>The Allen Consulting Group</i>	To provide program management and expert economic advice to the National Gas Pipelines Advisory Committee.	\$171 797
	Subtotal	<u>\$677 689</u>
	Total	<u>\$2 236 838</u>

5 OVERSEAS TRAVEL

Overseas travel by PIRSA employees for the period 1 July 1999 to 30 June 2000 is summarised below and has been prepared in accordance with Direction No. 9 of the *Public Sector Management Act 1995*. In 1999–2000, 50 overseas visits were made by PIRSA employees, for a total cost of \$220 860.

PIRSA's financial support for overseas visits varied from full payment (salary plus on-costs, fares, necessary living expenses, registration fees etc.) to nil. In the latter instance there are generally two categories. All costs, including salary, are either externally funded or the monies are recouped through charging consultancy fees.

EMPLOYEES	DESTINATION	PURPOSE	AGENCY COST ^{1, 2}
OFFICE OF THE CHIEF EXECUTIVE			
1	Chile, USA	Accompanied the Deputy Premier on his official visit, with specific interest areas in horticulture, biotechnology and supporting the South Australian delegates to the World Young Farmers Congress, Orlando; presented a paper at Converdyn Customer Conference, Houston, organised by Heathgate Resources, and held discussions with the company's principals at Denver and San Diego.	\$13 000
1	Japan	Attended the Japan Seafood Show; assessed the proposal by the South Australian Government Office in Japan to arrange a major investment seminar to attract Japanese companies into the State's mineral exploration and processing industry.	\$5 700
Subtotal			\$18 700
FOOD FOR THE FUTURE			
1	Japan	Participated in the South Australian food and beverage exhibit at Foodex, Tokyo, the major Japanese food trade show.	\$3 450
1	Singapore	Participated in the Food and Hotel Asia Fair.	\$2 110
Subtotal			\$5 560
FOOD AND FIBRE			
AGRICULTURAL INDUSTRIES			
1	UK, Thailand	Attended the World Seed Conference, Cambridge, and the Pacific Seed Association Conference, Bangkok.	nil
1	South Africa, Libya	As President of the International Seed Testing Association made presentations at the founding congress of the association in Pretoria and at the International Conference on the Seed Industry, Tripoli.	\$2 910
1	Italy, UK	Attended the annual meetings of the World Seed Trade Association and International Association of Plant Breeders.	\$1 310
1	USA	Attended the Exotic Fruit Fly Symposium, Riverside, to obtain an overview of the Mediterranean fruit fly monitoring and response program in southern California.	\$1 710
1	USA, Argentina	Participated in an olive industry tour to examine the growing and marketing of olives.	\$12 510
1	USA, Canada, UK, France	Investigated wheat breeding management and commercialisation models to capture best practise for Australia, and in particular South Australia.	\$11 800
1	Singapore	Undertook in-market research of opportunities for fresh and processed cherries and cherry products; participated in the Australian Citrus Growers post annual conference market awareness tour; participated in the Food Asia trade supporting South Australia's Food for the Future program; attended the Asia Fruit Congress; inspected the NTUC – Fairprice supermarket/Food for the Future Aussie food promotion; held discussions with key supermarket buyers to expand opportunities for fresh and processed horticulture products; undertook in-market research for value-adding opportunities for South Australian horticulture.	\$2 560
1	UK, USA, Germany	Undertook in-market research of organic food opportunities for Food for the Future's Export Facilitation project; undertook in-market research for the Industry Development Board for Horticulture's Cherry Network and Brand Development project; undertook project development and in-market research for Supermarket to Asia project; reviewed Citrus to UK program; developed Stone Fruit Supply Chain project; attended the Produce Marketing Authority international trade conference and convention, Atlanta; investigated progress of USA market access application for tomatoes and cherries.	\$12 800
1	USA, Netherlands	Attended the 4th International Conference on Boar Semen Preservation, USA; promoted features of the South Australian pig industry at two industry seminars and visited farms, Netherlands.	\$1 610

¹ Includes salary component.

² Some overseas travel incurs no agency cost (see notes at start of table).

EMPLOYEES	DESTINATION	PURPOSE	AGENCY COST ^{1, 2}
FISHERIES			
1	South Africa	Attended the 4th International Abalone Symposium, University of Cape Town; led a workshop reviewing fisheries compliance processes for the South African Government Department of Marine and Coastal Management.	\$2 750
AQUACULTURE			
1	USA	Attended the international conference on Molluscan Shellfish Safety, New York.	\$1 570
			Subtotal
			\$51 530
SARDI			
Aquatic sciences			
1	USA, Norway	Presented preliminary software of model interface for American lobster fishery in New England; participated in South Australian rock lobster fishery catch monitoring survey design project completion.	\$1 420
1	Singapore	Facilitated South Australian companies successfully tendering for aquatic supply and installation contracts; advanced SARDI Aquatic Sciences' commercial capability in international consultancies.	\$2 960
1	Singapore	Facilitated South Australian companies successfully tendering for aquatic supply and installation contracts; advanced SARDI Aquatic Sciences' commercial capability in international consultancies.	\$3 160
1	Hong Kong, Vietnam	Participated in the Tropical Marine Mollusc Program Congress and Workshop; the latter evaluated scientific progress in marine science at institutions in India, Indonesia, Thailand, Cambodia and Vietnam.	\$2 070
1	USA	Attended the 17th Lower Wakefield Symposium: Spatial Processes and Management of Fish Populations to increase SARDI's knowledge on the use of Marine Protected Areas, and develop professional associations with other researchers.	\$4 080
2	India, Vietnam	Undertook a collaborative international research project, Wastewater treatment and aquaculture production, with the Central Institute for Freshwater Aquaculture; implemented the third phase of the Australian Centre for International Agricultural Research funded project in Vietnam being undertaken in collaboration with Research Institute for Aquaculture No. 1.	\$2 500
1	USA, Canada	Together with fishing industry representatives attended the Marketing and Shipping Live Aquatic Products 2nd International Conference Exhibition to identify overseas export value adding opportunities for South Australian inland production, new live export technology and partnerships, and scope potential for further value adding of low-value production (such as carp and mullet).	\$2 500
1	South Africa	Presented a talk at the 4th International Abalone Symposium, University of Capetown.	nil
1	USA, Japan	Established research linkages in Hawaii, Miami and Japan to assist with the commercialisation of yellowtail kingfish aquaculture in South Australia.	\$2 890
2	Vietnam	Implemented the final phase of the two-year collaborative research project on integrated aquaculture in the highland region of Vinh Phuc Province, North Vietnam; lectured to Masters students, Hanoi University.	\$1 400
1	Chile	Participated in a delegation to Chile to complement the signing of the Bilateral Science and Technology Agreement between Australia and Chile.	\$4 530
Crops			
2	Singapore, Malaysia, Thailand, Philippines	Together with major participants of Australian wheat breeding programs, participated in a study tour to observe Australian export markets first-hand.	\$7 630
1	Italy, Norway, UK, Syria	Coordinated a research project on barley scald disease resistance with the International Centre for Agricultural Research in Dry Areas in Syria; observed barley scald resistance molecular marker research in Norway; undertook pathogen variability research at Horticulture Research International, UK; attended the International Triticeae Mapping Initiative meeting, Italy.	\$2 700
2	Mexico, USA	Developed joint research programs and established scientific linkages between SARDI's Minnipa Agricultural Centre and scientists in the International Wheat and Maize Improvement Centre, Mexico, North Dakota State University and the Fluid Fertiliser Foundation (USA).	\$4 880
Horticulture			
1	Canada, USA, France, UK	Attended the annual conference of the American Phytopathological Society, Montreal, the Integrated Control of Pome Fruit Diseases Workshop and the International Powdery Mildew Conference.	\$3 950

EMPLOYEES	DESTINATION	PURPOSE	AGENCY COST ^{1, 2}
1	UK, Germany, Switzerland	Presented a paper at the International Conference on Spray Application Technology, University of Surrey, England; visited research institutions and machinery manufacturers.	\$2 770
1	Turkey, Germany	Attended the International Almond and Pistachio Conference on a variety of breeding issues, and the Eucarpia Conference on fruit breeding and genetics.	\$2 490
1	Chile, Argentina	Made presentations to the citrus nursery trade; observed and assessed methods used in growing citrus fruit; examined late navel oranges and mandarins at peak maturity to identify any suitable for introduction and evaluation in the Riverland–Sunraysia region.	\$4 750
1	Chile, Argentina	Guest speaker at the 7th Latin–American Congress of Viticulture and Oenology, Mendoza; guest speaker at University of Talca; hosted scientific viticulture tour of selected regions of Chile and Argentina.	\$3 560
Livestock systems			
1	USA	Attended the World Conference on Salmonella Control in Pig Meat; reported on results of Australian research and development; developed collaboration with international researchers; monitored legislative trends and research and development directions internationally; advised on further research and development priorities to meet emerging legislative/trade requirements; reviewed USA industry pork safety programs at producer and processor levels.	nil
1	Uruguay	Invited speaker at the Polwarth World Congress, Montevideo; participated in associated Polwarth sheep activities at Parado Show; visited a wool processor; held meetings with scientists and wool industry representatives at research centres and field stations and Polwarth Progeny Test Centre.	\$2 350
1	France, Vietnam	Requested to present results of major contract research project at World Veterinary Congress, Lyon; talked to a group of French pig veterinarians about manage diagnosis and control and results of air quality research in pig buildings; invited by International Potato Centre to visit Vietnam as part of a scoping exercise for an Australian Centre for International Agricultural Research funded project.	\$2 020
1	Philippines	Participated in an adoption of forage technologies workshop which targeted the needs of small landholders.	\$1 200
1	USA	Presented two papers at the 1999 annual meeting of the Crop Science, Soil Science and Agronomy Societies of America — Science Serving Agriculture and Natural Resources: Present and Future.	\$5 900
1	Netherlands	Participated in the annual conference of the International Embryo Transfer Society, Maastricht.	nil
3	Italy	Attended and/or presented a paper and poster at the international conference on Mediterranean Pastures and Fodder Crops; identified and, where possible, collected new sources (seed) of balansa clover; identified and, where possible, collected new sources (seed) of salt-tolerant legumes; examined pasture legumes and systems within the Mediterranean region; inspected research activities and commercial production of Sulla (<i>Hedysarum coronarium</i>), a perennial pasture legume; visited the International Plant Genetic Resources Institute, Rome; participated in collection of Root Nodule Bacteria (Rhizobium) from Sardinia.	\$7 230
2	Norway, Sweden, Italy	Attended the 14th International Conference on Animal Reproduction, Stockholm; attended a satellite symposium, Reproduction in Small Ruminants; visited the Department of Animal Biology, University of Sassari, Sardinia.	\$2 420
1	USA	Presented a paper at the 53rd Annual Reciprocal Meat Conference on pig meat quality; met with research workers to discuss lameness in dairy cows.	nil
Other			
1	United Arab Emirates	Accompanied the Deputy Premier on an official visit to Dubai.	\$3 150
			Subtotal
			\$84 510
SUSTAINABLE RESOURCES			
1	Jordan, Israel, Palestine Territories	Prepared a priority ranking on waste water use for irrigated horticulture in the two territories for SAGRIC.	\$5 000
			Subtotal
			\$5 000
OFFICE OF MINERALS AND ENERGY RESOURCES			
MINERAL RESOURCES			
2	Canada	Promoted exploration opportunities in South Australia at the Prospectors and Developers Association of Canada Millennium Convention and Trade Show, Toronto, and made presentations to various Vancouver and Toronto based exploration and mining companies.	\$25 100

EMPLOYEES	DESTINATION	PURPOSE	AGENCY COST^{1, 2}
PETROLEUM			
2	USA	Promoted South Australian petroleum exploration and development opportunities, particularly in the Cooper Basin, at the North American Prospectors Expo 2000, Houston.	\$10 580
1	USA	Promoted South Australian petroleum exploration and development opportunities, particularly in the Cooper Basin, at the American Association of Petroleum Geologists Conference, New Orleans.	\$10 580
		Subtotal	\$46 260
INDUSTRY DEVELOPMENT			
1	United Arab Emirates, Tatarstan	Accompanied the Deputy Premier on a visit to Dubai and Tatarstan for the purpose of developing trade and business relationships with South Australia.	\$8 000
1	Italy	Supported the Deputy Premier's official delegation to the International Marble Exhibition, Verona.	\$1 300
		Subtotal	\$9 300
		TOTAL	\$220 860

6 FREEDOM OF INFORMATION

The following information is published as a requirement of the *Freedom of Information Act 1991*, section 9.

Agency's structure and functions

These are set out elsewhere in this annual report (*see* 'PIRSA's role').

Effect of agency's functions on members of the public

The agency has a major indirect effect on the general public by creating jobs and wealth through advice, encouragement and regulation of various primary industries and resources. The groups of the agency providing those services are:

- Food and Fibre
 - Agriculture Industries (field crops, horticulture, livestock, dairying and similar)
 - Fisheries
 - Aquaculture
- South Australian Research and Development Institute
- Sustainable Resources
- Office of Minerals and Energy Resources
 - Mineral Resources
 - Petroleum
- Office of Energy Policy
- Office of Regional Development

Arrangements for public participation in policy formulation

Officers from the agency are members of many committees (described elsewhere in this annual report; *see* 'Performance review' and 'Ministerial responsibilities') to which the public and/or industry has access.

Documents held by the agency

The agency's business is recorded in the following categories of documents:

- files on:
 - administration

- human resources
- the functions above
- policy documents and administrative instructions
- agency publications on a range of topics in the form of books, brochures, fact sheets, reports and maps (available for purchase in hard copy, microfiche and in some cases digital format; some are free of charge)
- registers to most tenements for primary industries and resources (available for inspection; fisheries excepted)
- photographs generated by the agency, including many historical images (available as copies at cost)
- geoscientific reports and data acquired through the activities of exploration companies under provisions of the Mining and Petroleum Acts; this material is confidential at source but is gradually released onto open file, and made available as copies at cost

Accessing documents

PIRSA is an information provider as the points above suggest. As a general rule the nearest office of the agency (listed in the Adelaide and various country White Pages) can assist with document acquisition. Note that privacy principles (Freedom of Information) apply to documents concerning third parties.

Amending personal records

Applications for access to, or amendment of, personal files held by the agency should be addressed to the Freedom of Information Coordinator as detailed below.

Point of contact

All freedom of information inquiries should be addressed to:

Freedom of Information Coordinator
Primary Industries and Resources
South Australia
GPO Box 1671
Adelaide SA 5001

7 FINANCIAL STATEMENTS

PRIMARY INDUSTRIES AND RESOURCES SOUTH AUSTRALIA

Operating statement for the year ending 30 June 2000

	Note	1999–2000 \$'000	1998–99 \$'000
OPERATING EXPENSES			
Employee costs	4	78 783	73 277
Supplies and services	5	72 472	63 209
Grants	6	19 181	18 110
Interest		1 842	2 930
Provision for doubtful debts		(297)	147
Depreciation and amortisation	8	5 389	4 905
Other	9	1 649	2 560
Total operating expenses		179 019	165 138
OPERATING REVENUES			
User charges, fees and rentals	10	24 655	24 315
Advances and grants	11	25 549	29 930
Interest	12	6 102	7 255
Sales of goods	13	4 300	3 832
Other	15	4 839	4 235
Total operating revenues		65 445	69 567
NET COST OF SERVICES		113 574	95 571
REVENUES FROM GOVERNMENT			
Pursuant to <i>Appropriation Act 1999</i>	2(d)	107 635	104 229
(DECREASE) INCREASE IN NET ASSETS RESULTING FROM OPERATIONS BEFORE RESTRUCTURING		(5 939)	8 658
NET EXPENDITURE FROM RESTRUCTURING		(3 398)	–
(DECREASE) INCREASE IN NET ASSETS RESULTING FROM OPERATIONS AFTER RESTRUCTURING		(9 337)	8 658
ACCUMULATED SURPLUS BROUGHT FORWARD		154 351	143 871
Transfer (to) from committed grants reserve	36	(10 497)	1 822
ACCUMULATED SURPLUS CARRIED FORWARD		134 517	154 351

Statement of financial position at 30 June 2000

	Note	1999–2000 \$'000	1998–99 \$'000
CURRENT ASSETS			
Cash	2(i), 33	69 750	79 906
Receivables	16	5 942	4 527
Loans	17	1 729	2 010
Inventories	18	2 654	2 003
Prepayments		516	–
Other	20	32	51
Total current assets		80 623	88 497
NON-CURRENT ASSETS			
Loans	17	29 977	35 448
Inventories	18	264	125
Property, plant and equipment	19	96 883	102 532
Other	20	42	35
Total non-current assets		127 166	138 140
Total assets		207 789	226 637
CURRENT LIABILITIES			
Creditors and accruals	21	5 787	4 525
Borrowings	22	462	1 280
Accrued interest on borrowings		542	643
Provision for employee entitlements	23	4 455	5 909
Total current liabilities		11 246	12 357
NON-CURRENT LIABILITIES			
Creditors and accruals	24	3 098	2 810
Borrowings	22	24 547	30 804
Provision for employee entitlements	23	15 231	15 254
Lease incentive	2(g)	3 210	3 607
Total non-current liabilities		46 086	52 475
Total liabilities		57 332	64 832
NET ASSETS			
EQUITY			
General reserve	25	2 000	2 000
Committed grants reserve	26	12 187	1 690
Asset revaluation reserve		1 753	3 764
Accumulated surplus		134 517	154 351
TOTAL EQUITY	36	150 457	161 805
Commitments	27		
Contingent liabilities	35		

Statement of cash flows for the year ending 30 June 2000

	Note	1999–2000 Inflows (Outflows) \$'000	1998–99 Inflows (Outflows) \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(153 474)	(136 390)
Grants paid		(19 181)	(18 075)
Receipts from customers		32 287	32 955
Grants received		25 139	29 884
Interest on loans to the rural sector		3 300	4 744
Interest paid on loans		(2 070)	(3 147)
Interest on cash balances		2 991	3 039
CASH FLOWS FROM GOVERNMENT			
Pursuant to Appropriation Act	2(d)	107 635	104 229
Net cash (used in) provided by operating activities	33	(3 373)	17 239
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(8 017)	(6 815)
Proceeds from sale of property, plant and equipment		2 294	550
Loans advanced to the rural sector		(704)	(324)
Loans repaid by the rural sector		6 737	13 338
Net cash provided by investing activities		310	6 749
CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings from Treasury		695	45
Principal repaid to Treasury/SA Financing Authority		(7 788)	(7 028)
Net cash used in financing activities		(7 093)	(6 983)
NET (DECREASE) INCREASE IN CASH HELD		(10 156)	17 005
CASH AT 1 JULY		79 906	62 901
CASH AT 30 JUNE	33	69 750	79 906

Output schedule of expenses and revenues for the year ending 30 June 2000

	Information services	State resource regulation services	Coordination and advice	Facilitation services	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee costs	40 332	14 458	5 778	18 215	78 783
Supplies and services	33 428	12 696	3 058	23 290	72 472
Grants	3 241	638	71	15 231	19 181
Depreciation and amortisation	2 810	965	402	1 212	5 389
Interest	1	–	–	1 841	1 842
Provision for doubtful debts	–	–	–	(297)	(297)
Other	1 218	79	53	299	1 649
Total expenses	81 030	28 836	9 362	59 791	179 019
REVENUES					
User charges, fees and rentals	11 487	11 015	106	2 047	24 655
Advances and grants	12 737	977	75	11 760	25 549
Sales of goods	2 575	11	–	1 714	4 300
Interest	241	241	241	5 379	6 102
Other	1 914	1 025	5	1 895	4 839
Total revenues	28 954	13 269	427	22 795	65 445
NET COST OF SERVICES	52 076	15 567	8 935	36 996	113 574
GOVERNMENT REVENUES					
Pursuant to Appropriation Act	48 986	14 643	8 403	35 603	107 635
DECREASE IN NET ASSETS RESULTING FROM OPERATIONS BEFORE RESTRUCTURING	3 090	924	532	1 393	5 939

Output schedule of expenses and revenues at 30 June 1999

	Information services	State resource regulation services	Coordination and advice	Facilitation services	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee costs	40 103	13 166	11 012	8 996	73 277
Supplies and services	31 278	13 052	11 284	7 595	63 209
Grants	3 043	562	11 634	2 871	18 110
Depreciation/amortisation	2 730	856	734	585	4 905
Interest	2	–	2 928	–	2 930
Provision for doubtful debts	–	–	147	–	147
Other	2 443	–	117	–	2 560
Total expenses	79 599	27 636	37 856	20 047	165 138
REVENUES					
User charges, fees and rentals	10 149	12 089	1 213	864	24 315
Advances and grants	14 216	1 404	8 364	5 946	29 930
Sales	2 443	29	12	1 348	3 832
Interest	341	341	5 004	1 569	7 255
Other	1 839	358	1 481	557	4 235
Total revenues	28 988	14 221	16 074	10 284	69 567
NET COST OF SERVICES	50 611	13 415	21 782	9 763	95 571
GOVERNMENT REVENUES					
Pursuant to Appropriation Act	52 452	13 818	27 865	10 094	104 229
INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	1 841	403	6 083	331	8 658

Program schedule of administered expenses and revenues for the year ending 30 June 1999

	Barley Industry Levy \$'000	Wheat Industry Levy \$'000	Cattle Compensation \$'000	Gulf St Vincent Prawn Fishery \$'000	Soil Conservation \$'000	Swine Compensation \$'000	Fisheries Research and Development \$'000	Parafield Research Centre \$'000	Sale of land \$'000	Egg Industry Deregulation \$'000	Natural Heritage Trust \$'000	Natural Gas Authority \$'000	Energy Management Task Force \$'000	SA Water Corporation \$'000	Other \$'000	Total \$'000
ADMINISTERED EXPENSES																
Payment to Cooper Basin Producers	-	-	-	-	-	-	-	-	-	-	-	187 046	-	-	-	187 046
Natural Heritage Trust Interest payment	-	-	-	535	-	-	-	22 637	-	-	-	-	-	-	-	22 637
Fisheries licences	-	-	-	-	-	-	8 841	-	-	-	-	-	-	-	-	8 841
Compensation payments	-	-	63	-	-	-	-	-	-	-	-	-	-	-	-	63
Commonwealth levies	130	617	-	-	-	-	-	-	-	-	-	-	-	121	868	1 921
Salaries costed to administered funds	-	-	-	-	-	-	-	-	-	-	-	-	-	192	192	
Supplies and services	-	222	-	-	10	28	-	4	-	-	4	752	-	38	1 054	
Sitting fees	-	-	-	-	-	-	-	11	-	-	-	-	-	1	12	
Grants	-	-	-	-	-	61	64	1	-	-	-	-	-	-	126	
Subsidy	-	-	-	-	-	-	-	-	-	-	-	-	70 838	-	70 838	
Other	-	-	-	-	-	-	75	-	1 220	3	-	-	-	18	1 316	
Total expenses	130	617	285	535	10	89	8 980	1 220	1 220	3	22 653	187 046	752	70 838	370	293 528
ADMINISTERED REVENUES																
Natural gas revenue	-	-	-	-	-	-	-	-	-	-	-	187 047	-	-	-	187 047
Natural Heritage Trust	-	-	-	-	-	-	-	-	-	-	23 885	-	-	-	-	23 885
Fisheries licences	-	-	-	916	-	-	8 288	-	-	-	-	-	-	4	-	9 208
Advances and grants	-	-	-	-	-	-	180	-	-	-	-	-	-	-	-	180
Commonwealth levies	284	461	-	-	-	-	-	-	-	-	-	-	-	148	893	
Stamp duties	-	-	180	-	-	68	-	-	-	-	-	-	-	-	248	
Interest on cash balances	4	1	134	7	1	53	-	-	-	-	-	-	-	11	211	
Appropriation	-	-	-	-	-	-	-	-	-	-	-	-	70 838	1	70 839	
Other	-	-	25	-	-	-	21	1 220	39	-	-	899	-	130	2 334	
Total revenues	288	462	339	923	1	121	8 489	1 220	23 924	187 047	899	70 838	294	294	294 845	
ADMINISTERED REVENUES LESS EXPENSES	158	(155)	54	388	(9)	32	(491)	-	1 271	1	147	-	(76)	1 317		

Program schedule of administered expenses and revenues for the year ending 30 June 2000

	Sheep Industry Levy \$'000	Grains Industry Levy \$'000	Cattle Compensation \$'000	Gulf St Vincent Prawn Fishery \$'000	Soil Conservation \$'000	Swine Compensation \$'000	Fisheries Research and Development \$'000	Sale of land Parafield Research Centre \$'000	Egg Industry Deregulation \$'000	Natural Heritage Trust \$'000	Natural Gas Authority \$'000	Energy Management Task Force \$'000	SA Water Corporation \$'000	Other \$'000	Total \$'000
ADMINISTERED EXPENSES															
Payment to Cooper Basin Producers	-	-	-	-	-	-	-	-	-	209 224	-	-	-	-	209 224
Natural Heritage Trust	-	-	-	-	-	-	-	-	-	25 539	-	-	-	-	25 539
Fisheries licences	-	-	-	-	-	-	9 437	-	-	-	-	-	-	-	9 437
Salaries costed to administered funds	-	-	-	-	-	-	-	-	-	-	-	-	202	-	202
Supplies and services	166	400	294	-	-	126	230	-	1	26	-	397	-	376	2 016
Grants	-	-	-	-	-	86	268	-	-	1	-	-	-	122	477
Subsidy	32	-	-	-	-	-	-	-	-	-	-	75 108	-	-	75 140
Other	1	-	-	-	-	-	-	1 389	-	-	-	-	335	-	1 725
Total expenses	199	400	294	-	-	212	9 935	1 389	1	25 566	209 224	397	75 108	1 035	323 760
ADMINISTERED REVENUES															
Natural gas revenue	-	-	-	-	-	-	-	-	-	-	209 224	-	-	-	209 222
Natural Heritage Trust	-	-	-	-	-	-	-	-	-	25 118	-	-	-	-	25 118
Fisheries licences	-	-	-	851	-	-	9 083	-	-	-	-	-	-	6	9 940
Advances and grants	-	-	-	-	-	-	152	-	-	-	-	-	-	-	152
Federal levies	-	393	-	-	-	-	-	-	-	-	-	-	689	-	1 082
Stamp duties	658	-	145	-	-	68	-	-	-	-	-	-	14	-	885
Interest on cash balances	4	5	140	30	1	49	-	-	-	-	-	-	11	-	240
Appropriation	-	-	-	-	-	-	-	-	-	-	-	75 108	-	-	75 108
Other	-	-	21	-	-	14	-	1 389	-	68	2	538	478	-	2 510
Total revenues	662	398	306	881	1	131	9 235	(1 389)	-	25 186	209 224	538	75 108	1 198	324 257
ADMINISTERED REVENUES LESS EXPENSES	463	(2)	12	881	1	(81)	(700)	-	(1)	(380)	-	141	-	163	497

Program schedule of administered assets and liabilities at 30 June 1999

	Barley Industry Levy ¹	Wheat Industry Levy ¹	Cattle Compensation	Gulf St Vincent Prawn Fishery	Soil Conservation	Swine Compensation	Fisheries Research and Development	Egg Industry Deregulation	Natural Heritage Trust	Natural Gas Authority	Energy Management Task Force	Other	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ADMINISTERED ASSETS													
Current assets													
Receivables	-	-	-	-	-	-	-	-	-	-	18	41	59
Cash	158	(152)	2 776	387	21	1 017	1 455	467	1 773	399	1 320	457	10 078
Total	158	(152)	2 776	387	21	1 017	1 455	467	1 773	399	1 338	498	10 137
ADMINISTERED LIABILITIES													
Current liabilities													
Creditors and accruals	-	-	-	-	-	-	-	-	-	-	13	-	13
Total	-	-	-	-	-	-	-	-	-	-	13	-	13
Non-current liabilities													
Borrowings	-	-	-	2 655	-	-	-	-	-	-	-	153	2 808
Total liabilities	-	-	-	2 655	-	-	-	-	-	-	13	153	2 821
NET ASSETS	158	(152)	2 776	(2 268)	21	1 017	1 455	467	1 773	399	1 325	345	7 316
EQUITY													
Accumulated surplus (deficit)	158	(152)	2 776	(2 268)	21	1 017	1 455	467	1 773	399	1 325	345	7 316

¹ Due to changes in legislation the Barley Industry Levy and Wheat Industry Levy Funds have been merged to form a new account titled the Grains Industry Levy Fund for 1999-2000.

Program schedule of administered assets and liabilities at 30 June 2000

	Sheep Industry Levy \$'000	Grains Industry Levy \$'000	Cattle Compensation \$'000	Gulf St Vincent Prawn Fishery \$'000	Soil Conservation \$'000	Swine Compensation \$'000	Fisheries Research and Development \$'000	Egg Industry Deregulation \$'000	Natural Heritage Trust \$'000	Natural Gas Authority \$'000	Energy Management Task Force \$'000	Other \$'000	Total \$'000
ADMINISTERED ASSETS													
Current assets													
Receivables	–	–	–	–	–	–	–	–	–	–	219	38	257
Cash	465	4	2 794	1 268	22	936	776	466	1 393	399	1 257	679	10 459
Total	465	4	2 794	1 268	22	936	776	466	1 393	399	1 476	717	10 716
ADMINISTERED LIABILITIES													
Current liabilities													
Creditors and accruals	2	–	6	–	–	–	21	–	–	–	10	58	97
Total	2	–	6	–	–	–	21	–	–	–	10	58	97
Non-current liabilities													
Borrowings	–	–	–	2 655	–	–	–	–	–	–	–	–	2 655
Total liabilities	2	–	6	2 655	–	–	21	–	–	–	10	58	2 752
NET ASSETS	463	4	2 788	(1 387)	22	936	755	466	1 393	399	1 466	659	7 964
EQUITY													
Accumulated surplus (deficit)	463	4	2 788	(1 387)	22	936	755	466	1 393	399	1 466	659	7 964

Notes to and forming part of the financial statements

1. Agency purpose and funding

PIRSA is a key agency for economic development, focused on delivering services which increase the prosperity of South Australians, improve their quality of life and ensure the sustainable development of the State's resource base for future generations. PIRSA's major customer and stakeholder is the Government of South Australia but PIRSA works with and delivers a wide range of services to the agriculture, aquaculture, natural resources, fisheries, minerals and petroleum, research and development and energy sectors, regional communities and Government through 58 locations around South Australia.

The principle source of funds for PIRSA programs consists of monies appropriated by Parliament, research grants from industry research corporations, licence receipts, federal grants and trading operations.

2. Summary of significant accounting policies

(a) Basis of accounting

The financial statements present the operations of PIRSA for the year 1 July 1999 to 30 June 2000.

The accounts have been prepared in accordance with applicable Australian Accounting Standards, Statements of Accounting Concepts and Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*.

The accounts have been prepared on the accrual basis of accounting. Except for certain assets which are at current cost valuation, the accounts have been prepared in accordance with the historical cost convention.

(b) The reporting entity

All funds through which the agency controls resources to carry on its functions have been included in these financial statements.

In the process of reporting on the agency as a single unit, all internal transactions have been eliminated in full.

Administered resources. The agency administers but does not control certain resources on behalf of the South Australian Government, Federal Government, private sector organisations and other State Government agencies. The agency is accountable for the transactions involving those administered resources, but does not have the discretion to deploy the resources for achievement of the agency's objectives. The agency acts only on behalf of the aforementioned bodies. The accrual basis of accounting has been used in accounting for administered resources.

Transactions and balances relating to these administered resources are not recognised as departmental revenues, expenses, assets or liabilities but are disclosed in the applicable program schedules.

Trust funds. The agency has received monies in a trustee capacity for trusts as set out in Note 30. As the agency performs only a custodial role in respect of these monies, and because the monies cannot be used for achievement of the agency's objectives, they are not brought to account in the financial statements, but are shown in Note 30.

Transfer of water related activities to the Department for Water Resources. In February 2000, Cabinet approved a number of administrative changes to portfolios under the *Public Sector Management Act 1995*, to coincide with changes to Ministerial portfolios. As a result of these changes, the water related activities and associated assets of PIRSA were transferred to the newly established Department for Water Resources effective from 1 March 2000. The revenue, expenditure and cash flows up to 1 March 2000 of the transferred activities have been included in these statements.

(c) User charges, fees and rentals

User charges, fees and rentals controlled by the agency are recognised as revenues. User charges, fees and rentals are controlled by the agency where they can be deployed for achievement of agency objectives.

User charges, fees and rentals collected by the agency but not controlled by it are not recognised as revenues, but are reported as administered revenues in the 'Program schedule of administered expenses and revenues'.

(d) Appropriations, grants and other contributions

All appropriations, grants and other contributions are recognised as revenues when the agency obtains control over the assets, this would normally be upon receipt.

Amounts appropriated to the agency for transfer to eligible beneficiaries in accordance with legislation or other authoritative requirements are not controlled by the agency and therefore not recognised as revenues, but are reported as administered revenues in the 'Program schedule of administered expenses and revenues'.

Similarly, the amounts transferred, are not recognised as expenses, but are reported as administered expenses in the 'Program schedule of administered expenses and revenues'.

(e) Royalties

PIRSA receives royalties, levied on minerals and petroleum production, on behalf of the State Government. The royalties received are deposited into the Consolidated Account. As PIRSA has no control over these monies and is unable to use the monies to achieve its own objectives, royalties received are not recognised in the financial statements, but are disclosed in Note 14.

(f) Revaluation decrement

During the year, in accordance with a direction from the Treasurer and a Cabinet decision, the agency recognised the transfer of the Brukunga Mine and associated works from the SA Water Corporation for the value at which those assets were held in SA Water's accounts (\$3.2 million).

In accordance with Australian Accounting Standard AAS 10 'Accounting for the revaluation of non-current assets', the mine and associated works were subsequently revalued by the agency with the resultant decrement of \$2 million being charged against the asset revaluation reserve.

(g) Non-current assets

Items of property, plant and equipment are recorded in the 'Statement of financial position' as detailed above unless otherwise indicated.

(i) Land and buildings. The agency has adopted the requirements of the Department of Treasury and Finance Accounting Policy Statement APS 3 'Revaluation of non-current assets' and Accounting Policy Statement APS 6 'Land and improvements'.

The majority of land and buildings have been independently valued by Valcorp at 30 June 1999, on the basis of deprival value being written-down current cost or current market buying price. Some land is brought to account at valuations by the South Australian Valuer-General. Buildings include 'infrastructure' which represents roads, fencing, signage etc. Updated valuations are obtained every three years.

(ii) Plant and equipment. Plant and equipment are brought to account at cost. Items of \$2000 and greater are capitalised and amounts less than \$2000 are expensed in the period incurred.

(iii) Depreciation. All buildings, plant and equipment having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential.

Depreciation is provided on a straight line basis which is reviewed annually. The major depreciation periods are:

Buildings	60–70 years
Plant and equipment	3–20 years
Infrastructure	2–32 years

(iv) Leasehold improvements. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

(v) Lease incentives under non-cancellable operating leases. On 1 August 1998, the agency, through the Department for Administrative and Information Services, entered into a 10-year non-cancellable operating lease over part of a property located at 101 Grenfell Street, Adelaide.

The fit-out costs for this leased property were met by the lessor. In accordance with Urgent Issues Group Abstract 3 'Lessee accounting for lease incentives under a non-cancellable operating lease', this fit-out has been treated as a lease incentive giving rise to both an asset and a liability being the cost of the fit-out. Both the asset and liability are amortised over the period of the lease.

(h) Employee entitlements

(i) Salaries and wages and annual leave. Liabilities for salaries and wages and annual leave are recognised, and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date. Expenses consequential to employment but which are not employee entitlements, for example payroll tax and superannuation on-costs, have been recognised as non-employee entitlement liabilities where the entitlement to which they relate has been recognised as a liability.

(ii) Long service leave. A liability for long service leave is recognised, and is measured as the current value of payments to be made in respect of employees with eight or more years service up to the reporting date. This base provides a reasonable approximate of the present value of the estimated future cash outflows to be made for these entitlements. Expenses consequential to employment but which are not employee entitlements, for example payroll tax and superannuation on-costs, have been recognised as non-employee entitlement liabilities where the entitlement to which they relate has been recognised as a liability.

(iii) Superannuation. The agency does not record a liability for the value of superannuation payments to be made to employees at preservation age, this liability is recorded by the SA Superannuation Board. The agency records a liability for any outstanding employer superannuation contributions payable to the SA Superannuation Board. The agency also recognises a non-employee entitlement liability for the superannuation on-cost on long service leave, annual leave and accrued salaries and wages (refer Note 4).

During the year PIRSA paid \$7.3 million to the Department of Treasury and Finance towards the accruing government liability for superannuation in respect of its employees.

(iv) Workers compensation. The workers compensation provision is an actuarial estimate of the outstanding liability at 30 June provided by a consulting actuary engaged through the Government Occupational Health and Injury Management Branch of the Department of the Premier and Cabinet. This actuarial estimate provides for the estimated cost of ongoing payments to employees as required under current legislation.

(i) Cash. For the purposes of the 'Statement of cash flows', cash includes cash deposits which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis.

The agency's appropriation from the Department of Treasury and Finance included an accrual component of \$3.5 million. At 30 June 2000 this appropriation had not been expended. In accordance with a directive from the Department of Treasury and Finance this accrual appropriation has been classified as a deposit at call.

(j) Inventory. Inventories are measured at the lower of cost and net realisable value on an item by item basis, as illustrated in Note 18. Where the net market value of an inventory item is less than cost, provision is made for the anticipated loss on realisation.

The agency controlled the following types of assets at the reporting date meeting the definition of self-generating and regenerating assets as defined by Australian Accounting Standard AAS 35 'Self-generating and regenerating assets'. Livestock has been brought to account at net market value in the statement of financial position. Crops, orchards and vineyards are grown primarily for research purposes but also have a commercial element. As these items are not considered to be material in terms of total asset value and are difficult to measure reliably, they have been excluded from the statement of financial position.

(k) Provisions for doubtful debts. The collectibility of trade debts is assessed at balance date and provision is made for any doubtful accounts.

In 1997-98 the Rural Finance and Development Steering Committee adopted the policy of calculating the general doubtful debt provision as 5% of the balance of the loan portfolio. This approach has been retained for 1999-2000 and will be reviewed in 2000-01.

3. Outputs of the agency

(a) General

Information about the agency's output classes is set out in the 'Output class summary'. As from 1 July 1999, PIRSA has reclassified the two outputs titled 'Portfolio program' and 'Infrastructure' from the output class 'Coordination and advice' to the output class 'Facilitation services'.

(b) Output class summary

Output Class 1: information services. The focus for this class of service delivery is on services for generation, synthesis and dissemination of information and technology.

Output class 2: State resource regulation services. The focus is on services that are required to regulate the use of and protect the State's natural and productive resources. These services are the responsibility of PIRSA through either legislation or Government policy.

Output class 3: coordination and advice. The focus is on policy advice, decision support, legislation development and review.

Output class 4: facilitation services. This class of outputs includes facilitation services that establish strategic alliances and strategies in the areas of wealth, health, welfare, safety, sustainability or self-reliance of industries, enterprises or communities and portfolio project management which covers all primary industry and resource sectors and other services to Government.

4. Employee costs¹

	1999–2000 \$'000	1998–99 \$'000
Salaries and wages	66 597	60 344
Superannuation	7 381	6 923
Payroll tax	4 405	4 312
Annual and long service leave expenses ²	400	1 698
	78 783	73 277

- 1 1999–2000 figures include costs of \$1.5 million (\$1.2 million) for adverse events and \$130 000 for the South-Eastern Water Conservation Drainage Board. Supply and service costs associated with these activities are disclosed in Note 5.
- 2 Annual leave and long service leave expenses only include changes in the provision assessed at balance date. In service and lump sum payments are classified as salary expenses.

5. Supplies and services

	1999–2000 \$'000	1998–99 \$'000
Professional services	20 474	16 074
Operational and administrative costs	13 739	13 879
Utility and property costs	10 045	8 030
Computing costs	4 537	3 398
Travel	7 521	6 539
Vehicle and equipment operating costs	2 133	1 919
Adverse events ¹	3 534	4 029
South Eastern Water Conservation Drainage Board ²	4 349	3 496
Telephone calls and rental	2 293	1 949
Loxton Irrigation Scheme ³	1 900	1 772
Staff training and development	1 618	1 434
Other	329	690
	72 472	63 209

- 1 Expenditure on ad-hoc emergencies that affect the agricultural and fisheries sectors (e.g. fruit fly and locusts). Employee costs associated with adverse events are disclosed in Note 4.
- 2 The drainage component of the Upper South-East Dryland Salinity and Flood Management Plan will be constructed over six years. The project is funded on the basis of the State and Federal Government each contributing 37.5% and the local community 25% of the cost. The estimated total project cost is \$24 million. Infrastructure works ownership will be transferred to the South-Eastern Water Conservation Drainage Board, upon completion of each stage. Employee costs associated with the South-Eastern Water Conservation Drainage Board are disclosed in Note 4.
- 3 Represents a continuing program of refurbishment of the irrigation distribution infrastructure and upgrading of the pumps for the existing district and including areas for new development outside the current boundaries of the Loxton Irrigation District. The total cost of the program is estimated to be around \$40 million with the State's share being \$16 million spread over the projected construction period of five years.

6. Grants paid

	1999–2000 \$'000	1998–99 \$'000
Rural Finance and Development		
Rural Adjustment Scheme	363	1 463
Eyre Peninsula Regional Strategy	1 941	2 271
Young Farmers Scheme	49	666
FarmBis	786	39
Project funding	84	191
Riverland Rural Partnership Program	413	20
	3 636	4 650
Other Government agencies		
Animal and Plant Control Commission	3 558	3 615
University of Adelaide	742	592
Roxby Downs Council	321	74
Dog Fence Board	350	300
Natural Heritage Trust	392	–
Other	423	456
	5 786	5 037
Private sector		
Remote Areas Energy Scheme	2 995	2 927
Collaborative payments	4 089	3 460
SA Food and Beverage Exporters Association	–	300
SA Steel and Energy Project	750	–
Anangu Pitjantjatjara Council	150	–
Papaya Fruit Fly Program	–	190
Soil Conservation Board	213	–
Ovine Johne's disease	22	105
Other	1 540	1 441
	9 759	8 423
Total grants paid	19 181	18 110

7. Provision for doubtful debts

Movements in the provision for doubtful debts (refer Note 2 (k)) during the period were:

	1999–2000 \$'000	1998–99 \$'000
Balance at 1 July	2 891	2 810
Less: write-offs	–	66
	2 891	2 744
Add: amount provided	(420)	147
Balance at 30 June	2 471	2 891

8. Depreciation and amortisation expenses

	1999–2000 \$'000	1998–99 \$'000
Depreciation		
Plant and equipment	3 652	3 351
Building and improvements	1 601	1 418
Borehole network	120	120
	5 373	4 889
Amortisation		
Buildings and improvements	16	16
	5 389	4 905

9. Other expenses

	1999-2000	1998-99
	\$'000	\$'000
Capital loss on early repayment of debt to SA Treasury and Finance	126	29
Guarantee fees	72	89
Loss on revaluation of the Borehole Network	-	263
Contributions to external bodies	328	-
Prior period adjustments	-	2 179
Department for Water Resources externally funded projects	872	-
Other	251	-
	1 649	2 560

10. User charges, fees and rentals

	1999-2000	1998-99
	\$'000	\$'000
Fishing licences ¹	8 750	8 384
Mining and petroleum application fees	391	381
Gas and electricity licence fees	1 520	2 631
Remote Areas Energy Scheme electricity sales	791	784
Mining and petroleum rentals	4 743	4 843
Consultancy and service	6 405	4 802
Other licences	259	353
Seed analysis and certification	765	1 196
Inspection and registration	587	866
Other	444	75
	24 655	24 315

1 Represents allocation of licence fees from the Fisheries Research and Development Fund.

11. Advances and grants

The agency received contributions from various funding sources as detailed below, expressly for the purpose of undertaking specific projects. At 30 June 2000, \$1.8 million of those contributions which have been recognised as revenue in the 'Operating statement' are yet to be spent in the manner specified by the contributors.

	Grants received \$'000	1999-2000 Expenditure \$'000	Unexpended grants \$'000	Grants \$'000	1998-99 Expenditure received \$'000	Unexpended grants \$'000
Federal grants						
Rural Adjustment Scheme	226	226	-	1 204	1 204	-
Eyre Peninsula Regional Strategy	532	532	-	2 121	2 121	-
Riverland Rural Partnership Program	661	413	248	179	19	160
FarmBis	1 073	786	287	91	33	58
Loxton Irrigation Scheme	-	-	-	1 200	1 200	-
Natural Heritage Trust	7 253	6 958	295	10 097	6 089	4 008
Branched Broomrape	39	39	-	-	-	-
Murray Darling Basin Commission	262	262	-	287	283	4
Other	62	62	-	-	-	-
Total federal grants	10 108	9 278	830	15 179	10 949	4 230
State grants						
Natural Heritage Trust	82	82	-	1 102	474	628
Fire blight	-	-	-	167	73	94
Online food development	-	-	-	113	82	31
Natural Gas Pipelines Authority Committee	387	-	387	376	-	376
Aquaculture industry and regional development	-	-	-	154	141	13
Farmed Seafood Initiative	180	112	68	-	-	-
Food Plan	141	141	-	-	-	-
Branched broomrape	360	360	-	-	-	-
Other	726	726	-	448	448	-
Total State grants	1 876	1 421	455	2 360	1 218	1 142
Industry grants¹						
Fisheries RDC	1 289	1 191	98	943	943	-
Fisheries RDC Pro-active Grant	79	67	12	101	101	-
Grains RDC	5 996	5 996	-	5 809	5 238	571
Horticultural RDC	990	990	-	1 183	1 022	161
Pig RDC	698	512	186	681	600	81
Rural Industries RDC	308	308	-	285	227	58
Meat RDC	102	102	-	246	207	39
Dried Fruits RDC	214	135	79	71	71	-
Dairy RDC	181	134	47	-	-	-
International Wool Secretariat	174	174	-	281	281	-
SA Grains Industry Trust Fund	693	649	44	711	624	87
Cooperative RDC	-	-	-	239	235	4
Grape and Wine RDC	437	406	31	137	118	19
Animal Health Council	126	126	-	-	-	-
Other	2 278	2 278	-	1 704	1 527	177
Total industry grants	13 565	13 068	497	12 391	11 194	1 197
Total grants received	25 549	23 767	1 782	29 930	23 361	6 569

¹ RDC—Research and Development Corporation.

12. Interest revenue

	1999-2000 \$'000	1998-99 \$'000
Loans to the rural sector	3 087	4 213
Deposits lodged with Treasury	3 015	3 042
	6 102	7 255

13. Sales of goods

	1999–2000 \$'000	1998–99 \$'000
Plants	1 349	1 225
Livestock	352	485
Publications, books, maps and compact discs	672	553
Milk	627	425
Soil test kits	–	188
Fruit and vegetables	231	245
Cereals	396	234
Wool and skins	162	213
Other	511	264
	4 300	3 832

14. Royalties

The following royalties were received and deposited into the Consolidated Account (refer Note 2(e)):

	1999–2000 \$'000	1998–99 \$'000
Licences		
Gas licences	4 810	7 851
	4 810	7 851
Based on production		
Natural gas/liquids	50 686	41 214
Minerals	24 796	15 991
Coal	1 224	1 476
	76 706	58 681
Total royalties	81 516	66 532

15. Other revenue

	1999–2000 \$'000	1998–99 \$'000
South-Eastern Water Conservation Drainage Board levies	873	1 067
Loxton Irrigation external contributions	700	–
Seed royalties	390	290
Rent and lease	–	181
Workers compensation recoveries	58	70
Government Employment Scheme recoups	579	191
Project research services and supply of data	–	398
National quality evaluation for Australian pulses	–	247
Information services	–	116
National Registration Authority	–	52
National Land and Water Authority	–	73
National residues survey	–	54
Transfer of Natural Disaster Relief Funding from administered funds	132	–
Hire of equipment	54	–
Reimbursements of salaries and project costs	677	–
Compensation for losses caused by delay in payment for Thebarton property	130	–
Other	1 246	1 496
	4 839	4 235

16. Current asset – receivables

	1999–2000 \$'000	1998–99 \$'000
Trade accounts receivable	4 689	3 208
Less: provision for doubtful debts	119	242
	4 570	2 966
Accrued interest on loans and deposits	1 372	1 561
	5 942	4 527

17. Loans

	1999-2000		1998-99	
	\$'000	\$'000	\$'000	\$'000
(i) Rural sector – Rural Finance and Development				
Balance at 1 July		40 027		53 107
Advances during the year	704		324	
Interest capitalised	3 300		4 744	
		4 004		5 068
		44 031		58 175
Less: principal repayments	10 037		18 082	
principal written off	-		66	
		10 037		18 148
Balance 30 June		33 994		40 027
Other loans				
Balance 1 July		80		96
Less: amortisation of loan		16		16
Balance 30 June		64		80
Total loan balance 30 June		34 058		40 107
(ii) Balance of loans outstanding comprises				
Principal not yet due for repayment		33 821		39 745
Principal due but not yet paid		237		362
Total principal outstanding		34 058		40 107
(iii) Balance of loans classification				
Current assets		1 729		2 010
Non-current assets		32 329		38 097
Less: provision for doubtful debts		2 352		2 649
		29 977		35 448
		31 706		37 458

18. Inventories

	1999-2000	1998-99
	\$'000	\$'000
Current		
Livestock (net realisable value)	1 454	1 152
Plants and related items (at cost)	526	559
Publications and other finished goods (at cost) ¹	459	59
Raw materials and stores (at cost)	-	117
Other (at cost)	215	116
	2 654	2 003
Non-current		
Publications and maps (net realisable value)	264	125

¹ Includes publications which have not previously been included within inventories.

19. Property, plant and equipment

	1999–2000 \$'000	1998–99 \$'000
Land		
Land at independent valuation (30 June 1999)	9 682	9 789
Land at valuation (30 June 2000)	60	–
Land at cost	474	1 009
	10 216	10 798
Buildings and improvements		
Buildings at independent valuation (30 June 1999)	92 996	93 059
Buildings at valuation (30 June 2000)	461	–
Buildings at cost	1 526	2 211
Leasehold improvement	3 210	3 607
	98 193	98 877
Less: accumulated depreciation and amortisation	27 963	26 362
	70 230	72 515
Plant and equipment		
Plant and equipment at cost	44 976	55 343
Plant and equipment at valuation (30 June 2000)	668	–
Less: accumulated depreciation	29 207	36 124
	16 437	19 219
Total property, plant and equipment	96 883	102 532

20. Other assets

	1999–2000 \$'000	1998–99 \$'000
Current		
Amdel loan	16	16
Workers compensation recoveries	16	35
	32	51
Non-current		
Workers compensation recoveries	42	35

21. Current liabilities – creditors and accruals

	1999–2000 \$'000	1998–99 \$'000
Employee related	695	927
Creditors and accruals	4 619	3 088
Workers compensation	462	497
Federal excise funding	11	13
	5 787	4 525

22. Borrowings

	1999–2000 \$'000	1998–99 \$'000
(i) Indebtedness to SA Department of Treasury and Finance	1 728	5 782
Indebtedness to SA Financing Authority	23 171	26 188
Indebtedness to Department of Industry and Trade	110	114
Total borrowings	25 009	32 084
(ii) Balance of borrowings outstanding classifications		
Current	462	1 280
Non-current	24 547	30 804
	25 009	32 084

23. Provision for employee entitlements

	1999-2000 \$'000	1998-99 \$'000
Current		
Accrued salaries and wages	-	1 906
Annual leave	3 975	3 603
Long service leave	480	400
	4 455	5 909
Non-current		
Long service leave	15 231	15 254
	15 231	15 254

24. Non-current liabilities — creditors and accruals

	1999-2000 \$'000	1998-99 \$'000
Employee related	1 752	1 755
Workers compensation	1 346	1 055
	3 098	2 810

25. General Reserve

The General Reserve for PIRSA Rural Finance and Development was previously established to cover unforeseen losses which may arise from the loan portfolio. The need to maintain this General Reserve will be reviewed in 2000-01.

26. Committed Grants Reserve

The Committed Grants Reserve for PIRSA Rural Finance and Development was established to provide for grant commitments which at 30 June 2000 were committed but not advanced.

27. Commitments for expenditure

	1999-2000 \$'000	1998-99 \$'000
Operating leases		
Commitments under non-cancellable operating leases at the reporting date are payable as follows:		
Not later than one year	3 551	3 715
Later than one year and not later than five years	12 122	6 970
Later than five years	8 085	6 878
	23 758	17 563

These operating commitments are not recognised in the financial report as liabilities.

The property leases are non-cancellable leases, with rental payable monthly in advance. Contingent rental provisions within the lease agreements allow for the review of lease payments every two years. Any changes in lease payments would be based on market rates. Options exist to renew the leases at the end of the term of the leases.

28. Targeted voluntary separation packages

In accordance with Government policy to reduce the public sector workforce, 17 employees of the agency were paid targeted voluntary separation packages during the period.

These payments were met by the agency and have been recovered from the Department of the Premier and Cabinet.

At 30 June 2000 payments amounted to \$1.2 million and \$859 000 has been recovered. In addition to this \$443 000 was paid in accrued annual leave and long service leave entitlements to those employees who received a targeted voluntary separation package.

29. Consultants costs

During the reporting period the agency incurred expenses of \$2.2 million on consultants (\$2.3 million).

30. Trust funds

The agency administers but does not control the following trust funds:

Pleuro Pneumonia Fund. This fund consists of monies belonging to all State Governments and the Federal Government. The Fund is controlled by the Standing Committee of Agriculture and all expenditure is subject to the approval of the Chairman. Funds are to be used principally for publication of the history of the Pleuro Pneumonia Eradication Campaign and are held in a Section 21 Deposit Account.

Unclaimed Salaries Fund. This fund is used to retain unclaimed monies for which no claim has been made against PIRSA by the owner. Monies are retained for six years by PIRSA and then transferred to the Department of Treasury and Finance.

Extractive Areas Rehabilitation Fund. This fund is credited with amounts by way of royalty on extractive minerals and is used for the rehabilitation of land disturbed by mining operations. The funds collected are used to limit damage to any aspect of the environment by such mining operations in addition to the promotion of research into methods of mining engineering and practice by which environmental damage might be reduced.

Fisheries Research and Development Corporation Pro-active Grant Fund. This fund consists of monies belonging to the Fisheries Research and Development Corporation which were distributed to the South Australian Government in 1992. The fund is controlled by the corporation with all project expenditure subject to written approval. The monies, which are held in an interest bearing Section 21 Deposit Account, are used to promote collaboration between the fishing industry, fisheries managers, researchers and other stakeholders through the South Australian Fisheries Research Advisory Body.

Aggregate details of the transactions and balances relating to these trust funds for the year ended 30 June are as follows:

	Pleuro Pneumonia Fund	Unclaimed Salaries Fund	Extractive Areas Rehabilitation Fund	FRDC¹ Pro- active Grant Fund	1999-2000 total	1998-99 total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operations						
Receipts	5	–	1 104	12	1 121	900
Less: expenditure	38	1	1 441	95	1 575	1 020
Excess of receipts (expenditure)	(33)	(1)	(337)	(83)	(454)	(120)
Funds						
Balance of funds 1 July	106	1	5 148	83	5 338	5 458
Less: deficit for year	(33)	(1)	(337)	(83)	(454)	(120)
Fund balance at 30 June	73	–	4 811	–	4 884	5 338
Less: commitments	–	–	2 150	–	2 150	1 378
Balance of funds available	73	–	2 661	–	2 734	3 960

1 FRDC Fisheries Research and Development Corporation.

As the agency performs only a custodial role in respect of these monies and because the monies cannot be used for the achievement of the agency's objectives, they are not brought to account in the financial statements, but are shown here for information purposes.

31. Employee remuneration packages

The number of employees whose total remuneration package was \$100 000 or more in relation to the reporting period was as follows:

Remuneration level	Number of employees	
	1999–2000	1998–99
\$100 000 – 109 999	2	5
\$110 000 – 119 999	6	2
\$120 000 – 129 999	2	1
\$130 000 – 139 999	–	2
\$140 000 – 149 999	2	1
\$150 000 – 159 999	1	1
\$160 000 – 169 999	1	–
\$180 000 – 189 999	1	–
\$210 000 – 219 999	–	1
\$220 000 – 229 999	1	–
\$230 000 – 239 999	1	–

Total remuneration received by the above employees was \$2.4 million (\$1.8 million). Note that 1999 figures have been amended to exclude separation packages.

32. Audit fees

These accounts include \$210 000 (\$217 000) in audit fees paid to the Auditor-General's Department during the period.

33.

(i) Cash

Cash at the end of the financial year as shown in the 'Statement of cash flows' is reconciled to the related items in the 'Statement of financial position' as follows:

	1999–2000 \$'000	1998–99 \$'000
Cash	66 214	76 370
Deposits at call	3 536	3 536
	69 750	79 906

(ii) Reconciliation of net cost of services to net cash (used in) provided by operating activities

	1999–2000 \$'000	1998–99 \$'000
Net cost of services	(113 574)	(95 571)
Cash flows from Government	107 635	104 229
Depreciation and amortisation	5 389	4 905
(Decrease) increase in provision for doubtful debts	(420)	147
(Decrease) increase in provision for employee entitlements	(1 477)	1 582
(Loss) profit on sale of property, plant and equipment	(305)	1 001
Increase in receivables	(1 481)	(425)
Decrease (increase) in workers compensation recoveries	12	(70)
(Increase) decrease in inventories	(790)	95
Decrease in accrued interest receivable	189	528
Prior period adjustments	–	2 179
SA Financing Authority capital loss	–	29
Loss on revaluation of Borehole Network	–	263
Decrease in accrued interest payable on loans	(101)	(217)
Increase (decrease) in creditors and accruals	1 550	(1 359)
Decrease in unearned revenue	–	(77)
Net cash (used in) provided by operating activities	(3 373)	17 239

34. Additional financial instruments disclosure

(a) Interest rate risk

PIRSA's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate on those financial assets and financial liabilities, is as follows:

	Floating interest rate \$'000	1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non- interest bearing \$'000	Total \$'000
1999–2000						
Financial assets:						
Cash	69 750	–	–	–	–	69 750
Receivables	–	–	–	–	5 942	5 942
Loans to rural sector	–	12 184	17 590	4 220	–	33 994
Loans other	–	–	–	–	64	64
Total	69 750	12 184	17 590	4 220	6 006	109 750
Weighted average interest rate	4.97%	8.08%	8.76%	6.99%		
Financial liabilities:						
Borrowings Rural Finance and Development	–	11 786	13 020	110	–	24 916
Borrowings other	–	–	–	–	93	93
Payables	–	–	–	–	4 619	4 619
Total	–	11 786	13 020	110	4 712	29 628
Weighted average interest rate		6.47%	6.70%	6.50%		
1998–99						
Financial assets	79 906	13 986	17 443	8 598	4 607	124 540
Weighted average interest rate	4.88%	7.99%	8.65%	8.74%		
Financial liabilities	1 841	13 915	13 673	2 563	3 180	35 172
Weighted average interest rate	8.83%	6.16%	6.53%	8.00%		

(b) Net fair value

The carrying amounts of financial assets and liabilities at the reporting date all approximate their net fair values.

(c) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the 'Statement of financial position' and 'Notes to and forming part of the financial statements'.

35. Contingent liabilities

The Government through PIRSA assumes a role of addressing the environmental liabilities of past mining activities where there is no longer an active licence. For new activities, it is a lease condition that rehabilitation be undertaken by the leaseholder before a lease is surrendered. PIRSA's responsibility is to ensure that a lease is not surrendered before appropriate rehabilitation has occurred, thus minimising the likelihood of future environmental risks to Government. Work is progressing to determine any liabilities that may be associated with this role. At this time, the financial impact cannot be reliably estimated.

Since mining ceased at Brukungu in 1972, the residual sulphides in the quarry, two waste rock dumps and tailings storage have been actively oxidising and generating acid water via natural process. SA Water has operated a neutralisation plant at the site to minimise the environmental impact of the site. In February 1998 PIRSA assumed responsibility for the Brukungu Mine site from SA Water Corporation. The consequences of this will be the transfer of a significant environmental risk from SA Water Corporation to PIRSA. The ongoing cost to operate the water treatment plant is in the order of \$750 000 per annum. Ownership of the Brukungu property was formally transferred to PIRSA during 1999–2000.

36. Equity

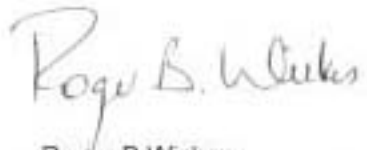
Equity represents the residual interest in PIRSA's net assets. The South Australian Government holds the equity interest in PIRSA on behalf of the community.

	Accumulated surplus	Committed Grants Reserve	General Reserve	Asset Revaluation Reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July	154 351	1 690	2 000	3 764	161 805
Change in net assets resulting from operations	(9 337)	–	–	–	(9 337)
Transfers to (from) reserves	(10 497)	10 497	–	(2 011)	(2 011)
Balance at 30 June	134 517	12 187	2 000	1 753	150 457

DISCLOSURE STATEMENT AND AUTHORISATION

In our opinion:

- (a) the attached financial statements and notes of Primary Industries and Resources SA for the year ended 30 June 2000 present fairly, in accordance with Statements of Accounting Concepts, applicable Accounting Standards, Urgent Issues Group Consensus Views and the Public Finance and Audit Act, 1987, the financial position of the entity as at the reporting date and the result of its operations and its cash flows for the year then ended.
- (b) the internal controls over financial reporting have been effective throughout the reporting period.



Roger B Wickes
ACTING CHIEF EXECUTIVE



Ian W Hartmann
MANAGER, CORPORATE FINANCE



Ian Carrapiett
ACCOUNTANT, FINANCIAL REPORTING

21 September 2000



INDEPENDENT AUDIT REPORT

TO THE ACTING CHIEF EXECUTIVE

SCOPE

As required by section 31 of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Department of Primary Industries and Resources for the financial year ended 30 June 2000. The financial report comprises:

- An Operating Statement;
- A Statement of Financial Position;
- A Statement of Cash Flows;
- A Schedule of Administered Revenues and Expenses;
- A Schedule of Administered Assets and Liabilities;
- An Output Schedule of Expenses and Revenue;
- Notes to and forming part of the Financial Statements;
- A Certificate by the Acting Chief Executive of the Department of Primary Industries and Resources, the Manager, Corporate Finance and the Accountant, Financial Reporting.

The Acting Chief Executive of the Department of Primary Industries and Resources, the Manager, Corporate Finance and the Accountant, Financial Reporting are responsible for the financial report. I have conducted an independent audit of the financial report in order to express an opinion on it to the Acting Chief Executive.

The audit has been conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards to provide reasonable assurance that the financial report is free of material misstatement.

Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, Australian Accounting Standards and other mandatory professional reporting requirements including Urgent Issues Group Consensus Views so as to present a view which is consistent with my understanding of the Department of Primary Industries and Resources financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In my opinion the financial report presents fairly in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, applicable Australian Accounting Standards and other mandatory professional reporting requirements, the financial position of the Department of Primary Industries and Resources as at 30 June 2000, the results of its operations and its cash flows for the year then ended.

22 September 2000

K I MacPHERSON
AUDITOR-GENERAL

RURAL INDUSTRY ADJUSTMENT AND DEVELOPMENT FUND

Operating statement for the year ending 30 June 2000

	Note	1999-2000		1998-99
		\$'000	\$'000	\$'000
INCOME				
Interest	2		1 142	1 228
Other			-	127
Total income			1 142	1 355
EXPENDITURE				
Grants				
Young Farmers Scheme		49		666
Project funding	4	2 714		1 111
			2 763	
Provision for doubtful debts	5		(17)	628
Interest on borrowings			1	-
Administration			85	73
Total expenditure			2 832	2 478
OPERATING DEFICIT			(1 690)	(1 123)
ACCUMULATED SURPLUS BROUGHT FORWARD			17 446	17 980
TRANSFER (TO) FROM COMMITTED GRANTS RESERVE	6		(7 227)	589
TRANSFER OF NATURAL DISASTER RELIEF FUND SURPLUSES	7		147	-
TOTAL AVAILABLE FOR APPROPRIATION			8 676	17 446
ACCUMULATED SURPLUS CARRIED FORWARD			8 676	17 446

Statement of financial position at 30 June 2000

	Note	1999-2000		1998-99
		\$'000	\$'000	\$'000
FUNDS EMPLOYED				
General Reserve			2 000	2 000
Committed Grants Reserve			8 344	1 117
Retained surplus			8 676	17 446
Total funds employed			19 020	20 563
ASSETS				
Current assets				
Deposits lodged with Treasurer			14 625	15 738
Loans to rural sector	9	330		318
Less: provision for doubtful debts	5	(59)	271	(53)
			14 896	16 003
Accrued interest on:	10			
Loans			270	303
Deposits lodged with Treasurer			53	44
Total current assets			15 219	16 350
Non-current assets				
Loans to rural sector	9	4 770		5 207
Less: provision for doubtful debts	5	(849)	3 921	(872)
Total non-current assets			3 921	4 335
Total assets			19 140	20 685
LIABILITIES				
Current liabilities				
Provisions and accruals	8		2	1
Total current liabilities			2	1
Non-current liabilities				
Borrowings			108	114
Provisions	8		10	7
Total non-current liabilities			118	121
Total liabilities			120	122
NET ASSETS			19 020	20 563

Statement of cash flows for the year ending 30 June 2000

	Note	1999-2000 (Inflows) (Outflows) \$'000	1998-99 (Inflows) (Outflows) \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received on loans to the rural sector		352	486
Interest received on deposits lodged with Treasurer		814	776
Grants:			
Project funding		(2 714)	(1 111)
Young Farmers Scheme		(49)	(666)
Administration expenses paid		(81)	(79)
Other		(1)	127
Net cash used in operating activities	11	(1 679)	(467)
CASH FLOWS FROM INVESTING ACTIVITIES			
Loans advanced to rural sector		-	(251)
Loans repaid by rural sector		425	677
Net cash provided by investing activities		425	426
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal repayments to Industry and Trade		(6)	(11)
Net cash used in financing activities		(6)	(11)
NET INCREASE (DECREASE) IN CASH HELD		(1 260)	(52)
CASH AT 1 JULY		15 738	15 790
TRANSFER OF NATURAL DISASTER RELIEF FUND SURPLUSES		147	-
CASH AT 30 JUNE		14 625	15 738

Notes to and forming part of the financial statements

1. Statement of accounting policies

The Rural Industry Adjustment and Development Fund is established under the *Rural Industry Adjustment and Development Act 1985*. The primary purpose of the fund is to provide loans and grants, at Ministerial discretion, to develop a farm, make adjustments to farming methods or to undertake a project or research for the benefit of farmers.

The financial statements are in accordance with Statement of Accounting Concepts, applicable Australian Accounting Standards and with Treasurer's Instruction 1000, 'Annual Financial Statements' issued pursuant to the Public Finance and Audit Act. The statements have been prepared in accordance with historical cost convention using the accrual method of accounting.

Rural Industry Adjustment and Development Fund

The Rural Industry Adjustment and Development Act, section 5(1) requires that a fund, entitled the Rural Industry Adjustment and Development Fund, be established and maintained at Treasury.

Long service leave and annual leave

The provisions represent all outstanding liabilities for annual leave due but not yet paid and long service leave for employees with eight or more years of service at 30 June 2000.

Provision for doubtful debts

A provision is raised for any doubtful debts on a review of all outstanding amounts at year end. This is calculated at 5% of the total loans to rural sector. In previous years, the doubtful debt provision has been calculated at 10% of the total loans.

2. Interest comprises interest received on:

	1999-2000 \$'000	1999-98 \$'000
Loans to the rural sector	319	430
Deposits lodged with the Treasurer	823	798
Total	1 142	1 228

3. Young Farmers Scheme

The scheme has been set up to encourage farmers 30 years of age or under to either stay on the land or have the opportunity to purchase, lease or sharefarm land, thus starting a career on the land. Support under this scheme is by way of Interest Rate Subsidy to either assist with rural land purchase or assist with leasing rural land/share farming.

4. Project funding comprises payments for the following activities

	1999–2000 \$'000	1999–98 \$'000
Primary Industries — Integrated Livestock Management Initiative	1 350	–
Primary Industries — marketing and development	500	500
Primary Industries — crop biotechnologies	500	–
Industry Development Board for Wool	97	97
Industry Development Board for Wool	–	190
Kaholi olive research and development	–	101
Other	267	223
Total	2 714	1 111

5. Provision for doubtful debts

Movements in the provision for doubtful debts during the year were:

	1999–2000 \$'000
Balance 1 July 1999	925
Less: Written off	–
	925
Add: Amount provided in 1999–2000	(17)
Balance 30 June 2000	908

6. Transfer to Committed Grants Reserve

The Committed Grants Reserve was established to provide for grant commitments which at 30 June 2000 had not been advanced.

7. Transfer of Natural Disaster Relief Fund surpluses

Pursuant to section 6 of the Rural Industry Adjustment and Development Act, identified surpluses totalling \$147 000 from the Natural Disaster Relief Fund were transferred into the Rural Industry Adjustment and Development Fund during 1999–2000.

8. Provisions

	1999–2000 \$'000	1999–98 \$'000
Employee entitlements — current	2	1
Employee entitlements — non-current	10	7
Total	12	8

9. Loans to rural sector

	1999–2000 \$'000	1999–98 \$'000
Balance 1 July	5 525	5 951
Add: Advances during year	–	251
Interest capitalised	352	486
	5 877	6 688
Less: Principal repayments	777	1 163
Balance 30 June	5 100	5 525
Current	330	318
Less provision for doubtful debts	59	53
Net current	271	265
Non-current	4 770	5 207
Less provision for doubtful debts	849	872
Net non-current	3 921	4 335

10. Accrued interest

Represents interest accrued to 30 June 2000 but not receivable until 2000–01.

11. Reconciliation of operating deficit to net cash used in operating activities

	1999–2000	1999–98
	\$'000	\$'000
Operating deficit	(1 690)	(1 123)
Decrease in accrued interest receivable on loans	33	33
(Increase) decrease in accrued interest receivable on deposits with Treasurer	(9)	1
Provision for doubtful debts	(17)	628
Increase (decrease) in provisions	4	(6)
Net cash used in operating activities	(1 679)	(467)

RURAL INDUSTRY ADJUSTMENT AND DEVELOPMENT FUND

DECLARATION

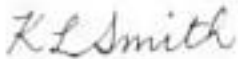
The accompanying financial statements and notes present fairly the financial position, results of operations and cash flows in accordance with Statements of Accounting Concepts and Australian Accounting Standards.



Dennis Mutton
CHIEF EXECUTIVE



Geoff Knight
EXECUTIVE DIRECTOR, CORPORATE



Kirsten Smith
ACCOUNTING OFFICER, FINANCIAL REPORTING

30 October 2000



**Auditor-General's
Department**

INDEPENDENT AUDIT REPORT

TO THE CHIEF EXECUTIVE

SCOPE

As required by section 31 of the *Public Finance and Audit Act 1987*, and section 14 of the *Rural Industry Adjustment and Development Act 1985*, I have audited the financial report of the Department of Primary Industries and Resources - Rural Industry Adjustment and Development Fund for the financial year ended 30 June 2000. The financial report comprises:

- An Operating Statement;
- A Statement of Financial Position;
- A Statement of Cash Flows;
- Notes to and forming part of the Financial Statements;
- A Certificate by the Chief Executive of the Department of Primary Industries and Resources, the Executive Director, Corporate and the Accounting Officer, Financial Reporting.

The Chief Executive of the Department of Primary Industries and Resources, the Executive Director, Corporate and the Accounting Officer, Financial Reporting are responsible for the financial report. I have conducted an independent audit of the financial report in order to express an opinion on it to the Chief Executive.

The audit has been conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards to provide reasonable assurance that the financial report is free of material misstatement.

Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, Australian Accounting Standards and other mandatory professional reporting requirements including Urgent Issues Group Consensus Views so as to present a view which is consistent with my understanding of the Department of Primary Industries and Resources - Rural Industry Adjustment and Development Fund's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In my opinion the financial report presents fairly in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, applicable Australian Accounting Standards and other mandatory professional reporting requirements, the financial position of the Department of Primary Industries and Resources - Rural Industry Adjustment and Development Fund as at 30 June 2000, the results of its operations and its cash flows for the year then ended.

31 October 2000

**K I MacPHERSON
AUDITOR-GENERAL**

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LOCATION OF PIRSA REGIONAL OFFICES



PIRSA CONTACTS

Primary Industries and Resources South Australia

17th floor, Grenfell Centre
25 Grenfell Street, Adelaide
GPO Box 1671, Adelaide SA 5001
DX 667
Phone (08) 8226 0222
Fax (08) 8226 0476
Web site www.pir.sa.gov.au

Office of Regional Development

17th floor, Grenfell Centre
25 Grenfell Street, Adelaide
GPO Box 2862, Adelaide SA 5001
DX 667
Phone (08) 8226 3553
Fax (08) 8226 0855
Web site www.pir.sa.gov.au

Inquiry	Contact	Phone, fax and location
Deputy Premier, Minister for Primary Industries and Resources, and Minister for Regional Development	Rob Kerin MP	phone (08) 8226 0023 fax (08) 8226 0316 17th floor, Grenfell Centre, 25 Grenfell Street, Adelaide
Minister for Minerals and Energy, and Minister Assisting the Deputy Premier	Wayne Matthew	phone (08) 8226 2902 fax (08) 8226 0844 12th floor, SGIC Building, 211 Victoria Square, Adelaide
Chief Executive	Dennis Mutton	phone (08) 8226 0168 fax (08) 8226 0320 17th floor, Grenfell Centre, 25 Grenfell Street, Adelaide
Food for the Future	Susan Nelle Director	phone (08) 8226 0585 fax (08) 8226 0188 17th floor, Grenfell Centre, 25 Grenfell Street, Adelaide
Food and Fibre	Barry Windle Executive Director	phone (08) 8226 0310 fax (08) 8463 3363 9th floor, 101 Grenfell Street, Adelaide
Agricultural Industries	Vacant	phone (08) 8226 0310 fax (08) 8463 3363 9th floor, 101 Grenfell Street, Adelaide
Fisheries	Will Zacharin Director	phone (08) 8226 2316 fax (08) 8226 0434 14th floor, Grenfell Centre, 25 Grenfell Street, Adelaide
Aquaculture SA	Ian Nightingale General Manager	phone (08) 8226 0314 fax (08) 8226 0330 14th floor, Grenfell Centre, 25 Grenfell Street, Adelaide
South Australian Research and Development Institute	Rob Lewis Executive Director	phone (08) 8303 9401 fax (08) 8303 9403 Plant Research Centre, Gate 2B, Hartley Grove, Urrbrae
Sustainable Resources	Roger Wickes Executive Director	phone (08) 8303 9522 fax (08) 8303 9555 Soil and Water Environs Centre, Gate 4, Hartley Grove, Urrbrae
Office of Minerals and Energy Resources	David Blight Executive Director	phone (08) 8463 3204 fax (08) 8463 3229 7th floor, 101 Grenfell Street, Adelaide
Mineral Resources	Neville Alley Director	phone (08) 8463 3204 fax (08) 8463 3229 7th floor, 101 Grenfell Street, Adelaide
Petroleum	Bob Laws Director	phone (08) 8463 3204 fax (08) 8463 3229 7th floor, 101 Grenfell Street, Adelaide
Office of Energy Policy	Cliff Fong Executive Director	phone (08) 8226 5544 fax (08) 8226 5541 Level 19, Wakefield House, 30 Wakefield Street Adelaide
PIRSA Corporate	Geoff Knight Executive Director	phone (08) 8226 3368 fax (08) 8226 0299 17th floor, Grenfell Centre, 25 Grenfell Street, Adelaide
Public Relations and Communications	Kay Matthias General Manager	phone (08) 8226 0338 fax (08) 8226 0027 17th floor, Grenfell Centre, 25 Grenfell Street, Adelaide
Office of Regional Development	Wayne Morgan Executive Director	phone (08) 8226 3553 fax (08) 8226 0855 17th floor, Grenfell Centre, 25 Grenfell Street, Adelaide

PIRSA has over 50 offices distributed across the State and Adelaide metropolitan area (see inside back cover) and these are listed in the Adelaide and various country White Pages.