

PARLIAMENT
OF
SOUTH AUSTRALIA

GOVERNMENT RADIO NETWORK CONTRACT

FINAL REPORT

*THE 96TH REPORT OF THE PUBLIC WORKS COMMITTEE
April 1999*

Second Session, Forty-Ninth Parliament

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THE PUBLIC WORKS COMMITTEE

The Public Works Committee is established pursuant to sections 12A, B and C of the Parliamentary Committees Act, 1991, proclaimed February 1992.

The following members constitute the Fifteenth Public Works Committee as appointed on 2 December 1997:

Mr Peter Lewis MP (Presiding Member)

Mr Joe Scalzi MP (As from 28 October 1998)

Ms Lea Stevens MP

Ms Gay Thompson MP

Mr Michael Williams MP

Secretary to the Committee: **Ms Lyn Anderson**

Researcher: **Mr Silvio Visentin**

THE FUNCTIONS OF THE COMMITTEE

Section 12C of the Parliamentary Committees Act defines the functions of the Public Works Committee as:

- (a) to inquire into and report on any public work referred to it by or under this Act, including-
 - (i) the stated purpose of the work;
 - (ii) the necessity or advisability of constructing it;
 - (iii) where the work purports to be of a revenue-producing character, the revenue that it might reasonably be expected to produce;
 - (iv) the present and prospective public value of the work;
 - (v) the recurrent or whole-of-life costs associated with the work, including costs arising out of financial arrangements;
 - (vi) the estimated net effect on the Consolidated Account or the funds of a statutory authority of the construction and proposed use of the work;
 - (vii) the efficiency and progress of construction of the work and the reasons for any expenditure beyond the estimated costs of its construction;
- (b) to perform such other functions as are imposed on the Committee under this or any other Act or by resolution of both Houses.

PART ONE : PREAMBLE AND PROJECT SUMMARY

1.1 Term Of Reference

Parliamentary Committees

Parliamentary Committees are by definition a subset of Parliament, with the specific task to examine and report on individual initiatives, projects or policies of the government of the day, or issues of importance to society as a whole. Standing or permanent Committees are created by Act of Parliament and are charged with the ongoing examination of a series of subject categories such as Economic and Finance, Social Development, Environment Resources and Development, Statutory Authorities Review, Legislative Review, and, Public Works. In addition to standing Committees, select or non-permanent Committees are created from time to time by resolution of one or both houses of Parliament to examine specific issues. These Committees usually disband when their specific tasks are complete.

All Parliamentary Committees are made up of both government and opposition Members, with numbers of each calculated according to well established rules which reflect the numbers of seats each group holds in the Parliament. Much of the Committee process is, like Parliament, open to the public, and completed reports are public documents.

This Project

The Department of Administrative and Information Services (DAIS) has referred to the Public Works Committee the Government Radio Network Contract project pursuant to the requirements of the Parliamentary Committees Act 1991. The Act requires the Committee to "...inquire into, consider and report..." to Parliament on such referred works. Under the terms of Parliamentary Committee's Act, this level of public expenditure requires the project to be examined by the Committee.

Please refer to the "Functions of the Committee" on the previous page for a full description of the Committee's tasks.

1.2 Further Reporting To The Committee

DAIS is required to notify the Committee in writing should there be substantial changes to the nature of the project or the evidence provided to the Committee **at any stage in the project**. If the basis on which the Committee has reported to Parliament alters in a manner which renders the report inaccurate or misleading, the proposing Agency is obliged to inform the Committee immediately. To enable appropriate monitoring of the project, the proposing Agency must also advise the Committee of Cabinet Approval, the day on which construction begins, and provide quarterly reports on progress of construction.

The Committee further requires that, prior to the completion of the proposed work, DAIS forward a statement to the Committee pursuant to section 12C (vii) of the above Act which outlines the efficiency and progress of construction, and provides an explanation of any expenditure beyond the estimated costs quoted in this report. Evidence of any substantial changes to, or the withdrawal of, any approval, provisional or otherwise, must also be relayed to the Committee immediately with an appropriate explanation, and an assessment of the probability of a suitable resolution.

In addition, the Committee requires that it be notified of the proposed date for the commissioning of the works.

In this instance the Committee emphasises that it has the authority under Section 16 (1)(c) of the Parliamentary Committees Act to re-open investigations into any project for the purpose of further examination and monitoring.

1.3 Scope Of This Report

This project involves the establishment of a new, single integrated State owned Government Radio Network (GRN) for South Australia at an estimated cost of \$247.7 million.

The necessity for such a network is driven by community needs, technical and legislative reforms in radio communications across Australia and Year 2000 compliance issues.

As well as meeting radio communication needs, the GRN will provide a platform for a range of other valuable radio communication applications including Computer Aided Dispatch, data enquiry and vehicle location systems.

This Report examines the history of the proposal and the efficacy of the application of South Australian taxpayer funds to this initiative. The Report structure is guided by, and largely limited to, the terms of the Parliamentary Committees Act. It describes in summary the evidence presented to the Committee both in writing and during hearings, followed by the results of the Committee's investigation and examination of evidence, and concludes with a brief summary incorporating findings and recommendations.

The Public Works Committee reports are not designed to be exhaustive. Rather they are a summary of investigations only. Detailed evidence upon which the Committee's decision is based is held in Parliament and, in most cases, can be examined by making an application to the Committee Secretary.

1.4 Project Background

The current South Australian Government radio network arrangements consist of approximately 40,000-45,000 users operating on 28 separate networks across 17 Government agencies, utilising 1200 communication sites, 12,000 radios and 8,000 pagers.

In the main these disparate systems use out-dated technology and ageing equipment resulting in significant inter-agency communication and operational difficulties. This has been partly due to agencies "holding-off" on radio communications development pending the implementation of the GRN.

The Committee is told that after extensive investigations and enquiries, including advice obtained from expert consultants on the issues associated with independent solutions by each agency or an integrated network available to all agencies, the definitive conclusion was that the maintenance of the current arrangements was not a realistic option. Consequently, the most cost-effective and operationally efficient approach was to move to an integrated network.

The Committee is advised that to proceed with individual replacement programs would involve equipment duplication in most areas, especially in the provision of multiple backbone networks, which are used to connect individual radio transmission sites.

It should be noted that individual replacement programs would also continue the proliferation of radio transmission sites, already in excess of 1000, as well as the poor use of radio frequency spectrum with associated licensing costs and the duplicated costs associated with maintaining up to 28 discrete radio networks. Importantly, the opportunity for agencies to communicate with each other effectively would be essentially lost.

The Committee is told that studies by Amos Aked and Swift (October 1994) and Gibson Quai & Associates (April 1996 and January 1999) have endorsed the use of Astro SmartZone™ (mixed mode solution) as the technology most suitable to provide the mixed analog and digital operation required by the State and the most effective method of managing the State's encrypted voice needs.

In 1996, the State Government entered into an agreement with Motorola to use Motorola Astro SmartZone™ (an integrated solution for voice radio equipment).

In March 1997, a Request For Proposal (RFP) was issued, seeking proposals from the marketplace for an integrated whole of Government network for voice, paging and data services.

As a result of this process, Telstra Corporation has been selected as the primary contractor to design, construct, operate and manage the proposed network infrastructure.

PART TWO: EVIDENCE PRESENTED TO THE COMMITTEE

2.1 The Current Proposal

As mentioned previously, DAIS proposes to establish a new, single integrated State owned GRN for South Australia.

Proposed Solution

The Committee is told that Telstra will be responsible under the proposed contract for the design of the network, site selection and site works, equipment ordering and installation, testing, acceptance and documentation of the GRN.

The GRN will operate from approximately 160 sites and provide services to an estimated 5000 portable (hand held), 8200 mobile (vehicle mounted) voice radios, 7500 pagers and 300 mobile data terminals.

The GRN will provide Mobile Radio and Paging Services to up to 45,000 users across the State. Dedicated High Speed Mobile Data Services will also be provided for the greater metropolitan area. *Attachment 1* to this report contains a map which outlines the extent of coverage and the Business Regions identified.

Voice Services Network

The Committee is told that following investigation and consultants' reports into the comparison of available technology platforms, it was determined that trunking technology provided the best overall solution for the State.

It is pointed out that trunked mobile radio platforms are built to enable analog, digital and a mix of analog and digital equipment to be used. These systems are able to operate both one to one style communications similar to mobile telephones and one to many style communications as required for operational communications by the Emergency Services and Police.

In addition, trunked platforms provide service functionality across the full coverage area without the need to be tied to geographical areas.

Therefore, the Committee is told that the proposed Voice Services Network is to be implemented using the Motorola ASTRO™ SmartZone™ platform with OmniLink™. The platform technology is SmartZone™ which provides analog trunking. ASTRO™ adds digital functionality with OmniLink™ providing very wide area coverage capability.

Gibson Quai & Associates have confirmed that: *".....SmartZone OmniLink is the most suitable technology for use in the GRN..."*

Its suitability was assessed against the key requirements of:

- Capability;
- Functionality;
- Mixed analog and digital network;
- Terminal equipment range, and
- Quantity and terminal equipment compliance.

2.1 The Current Proposal Cont.

The Committee is told that the Motorola ASTRO™ SmartZone™ platform with OmniLink™ enables a balance between user functionality and cost to be achieved as it supports both analog and digital equipment.

Gibson Quai also provided comment on the role of other emerging technologies (such as Iridium), concluding that while satellite services provide one to one communications, unlike radio they are as yet unable to provide one to many communications. As a consequence, services delivered by satellite are currently unable to replace dispatch radio services.

However, if in the future, telephony services such as Global System for Mobile communication (GSM) are developed to provide one to many services, the proposed GRN Contract does allow the use of these services.

Paging Services Network

The proposed Paging Services Network is to be implemented using the FLEX™ Paging protocol. Under contract to Telstra, Link Telecommunications will build and provide this service. The Paging Services Network will be purpose built to meet the needs of the Emergency Services and Police.

Mobile Data Services Network

The proposed Mobile Data Services network is to be implemented using the RDLap™ protocol with a transmission speed of 19.2 KBPS. Under contract to the State, Telstra will build and provide this service.

This network will be purpose built to meet the needs of Police, the Emergency Services and other business users. The network will solve the problems associated with non Year 2000 compliance of the existing SA Police mobile data network, and provide a platform for mobile data applications for the Emergency Services Organisations and State commitments for the 2000 Olympic Games.

The coverage area for the Mobile Data network is designed to cover the greater metropolitan area and ranges from Two Wells, through Mt Barker, Kangarilla, to Sellicks Beach.

Network Operations Control Centre

The Committee is told that the Network Operations Control Centre (NOCC) will manage and monitor the operation of the three sub networks. This centre will be constructed on an existing State owned site (State Administration Centre).

Under the proposed GRN Contract, Telstra will provide the design and construction of all of its component parts. Under the Designated Supplier Agreement, Motorola has been designated as the voice network equipment supplier to Telstra.

Site Details

The Committee is told that tower site selection and subsequently site ownership is a matter that will be determined by the design work to be undertaken by Telstra during the initial stage of the contract.

2.1 The Current Proposal Cont.

The majority of the proposed sites for the GRN are owned by third parties but are either controlled by the State or Telstra through lease or licensing agreements. Access and licence arrangements for State sites are to be managed by the DAIS in conjunction with the Crown Solicitor.

The proposed contract provides for licenses for Telstra owned sites to be granted to the State for a period of ten years (greater than the seven-year term of the proposed contract). The proposed GRN Network Operations Control Centre is expected to be located within the State Administration Centre.

The Government Radio Network will be owned by the State.

2.2 Agency Consultation

The Committee is told that the consultation process in relation to the GRN has been extensive. The views and involvement of Agencies has been sought including:

- Extensive consultation with officers of the Department of Treasury and Finance on many issues including the principles for the GRN Contract;
- The Crown Solicitor has been involved with the GRN Contract since the inception of the Project providing advice on a wide range of issues, and
- The Department of Justice, being the Portfolio responsible for the Emergency Services, has been closely involved with the GRN project.

Over the past two years regular consultations have been held with each of the participating agencies, with Transition Coordinators (Account Managers) from the GRN Contract Unit assigned to support this process. In particular:

- The Emergency Service Agencies, the SA Police and TransAdelaide were extensively involved in the GRN Contract evaluation process;
- The Project Director, GRN Contract Unit, met with the GRN Contract Emergency Service Organisation (a group of senior representatives of the Emergency Service organisations) on a regular basis over the last 18 months, and
- Consultations have been held with the State Disaster Committee.

In addition GRN Contract Unit staff participated in about 50 briefing sessions (including briefing sessions in regional and rural areas). These briefings were consultative and issues/suggestions raised at the briefings by participants were incorporated into negotiations with Telstra.

In addition, the Prudential Management Group has been briefed and has considered the GRN on a number of occasions. The Industrial Claims Coordination Committee (ICCC) has provided advice in identifying and resolving Human Resource management and industrial issues potentially arising from the implementation of the GRN. The ICCC has indicated its support for the adopted Human Resource Management approach, which is consistent with the established Outsourcing: Human Resources Management Principles.

2.2 Agency Consultation Cont.

A Probity Auditor has also been engaged throughout the evaluation and negotiation phases of the Project. The Probity Auditor has reported:

“.....that the processes and practices leading to the development of an agreed contractual position for presentation to Cabinet were consistent with the current guidelines and good procurement practice.....”

The Project Director, GRN Contract Unit, has met with and briefed the Executive Director, Local Government Association, who is supportive of the aims of the project.

Regular discussions have been held with the unions and associations representing the staff potentially affected by the GRN.

It is anticipated that a number of community organisations will be impacted by the GRN project. In the main, consultation with these community organisations has occurred indirectly, through the agency with which the organisation has an operational relationship. For example, the views of St John Volunteer Service have been expressed through discussions with the SA Ambulance Service and the views of the SA Volunteer Coast Guard have been expressed through discussions with the State Emergency Service.

The Committee accepts that the proposing agency has undertaken all appropriate agency and community consultation.

2.3 Committee Consultation

During this inquiry the Committee took extensive evidence from Government agencies involved in the project, expert witnesses and representatives from emergency services organisations. The names of these witnesses are listed in section 6.1 of this report. The Committee summarises this evidence as follows:

One of the Committee's main concerns centred on the question of when, how and by what process the Government chose Motorola's ASTRO SmartZone technology, who made the decision to choose this technology and on what authority it was made?

In response to this question a written statement (refer to *Attachment 2* for full details) was received from the Minister for Administrative Services, Hon. Robert Lawson, which, in summary, stated that:

“Cabinet made, confirmed and reconfirmed the decision. The technology has been proposed twice, in response to two separate RFPs, and the choice of ASTRO SmartZone has been supported by expert advice from two independent consultants”.

A similar response to this question was provided by Mr Graham Foreman, Chief Executive, DAIS.

Another of the Committee's main concerns centred on the short and long-term *suitability and adequacy* of the proposed ASTRO SmartZone technology.

2.3 Committee Consultation Cont.

Mr Rod Dowling, Engineering Manager, Wireless, DAIS provided the following response with respect to the range of technologies currently available:

“There is the Motorola ASTRO SmartZone which is continuing to be developed. There is APCO Project 25 which is a digital only technology and which is beginning to be released into the marketplace. There is also the TETRA standard, which is currently being developed and a number of contracts have been signed for TETRA systems around the world. There is also the TETRA pole, which has significant user bases around the world today. There is the Ericsson EDACS and the Aegis system and these are proposed for an international standard as well. There is the Motorola iDEN, which is the trademark of Motorola. That is being developed by the Japanese and Canadian Governments for use within their marketplaces.”

While these technologies are available, the Committee is also told that besides the Motorola ASTRO SmartZone technology, the only other technology that was considered suitable (as a result of independent reports) was the Ericsson GE EDACS technology. However, this technology was found to be unsuitable as it did not meet all of the Government’s requirements.

Accordingly, Mr Foreman advised the Committee that:

“.....the Motorola Smartzone technology is the most suitable technology if we are to go ahead with this project at this time.”

In addition, Mr Peter Fowler, Executive Director, Government Radio Network Contract, DAIS stated that:

“The critical point is the concept of being able to mix analog and digital.”

All other technologies are unable provide the necessary analog and digital mix to meet the Government’s needs.

In addition, Mr Peter Fowler said that:

“The GRN was developed in consultation with and accepted by the key operational personnel within agencies.”

Mr John Cryer, General Manager, System Solutions and Sales, Motorola, told the Committee that:

“I would like to assure everyone that it is certainly the case here in South Australia: the solution that we will be supplying to the South Australian Government and the people of South Australia will be nothing less than a showcase. Not only have we designed the system with the needs of the agencies carefully in mind but also we have chosen the technology to suit the application.”

Mr Greg Bounweester, Market and Product Planning Manager, Motorola stated that:

“One of the unique features of the Smartzone Astro technology is its ability to provide a hybrid or mix of both analog and digital technology, so that you can use analog subscribers or analog radios on the network and inter-operate and work with the digital subscribers as well. That is such a powerful benefit—and we see many users around the globe choosing to go down that path—is because there is still a considerable cost differential between analog and digital subscribers. A large number of agencies’ requirements can be met with analog technology.”

2.3 Committee Consultation Cont.

“One key feature of the technology is its ability to mimic similar traditional, conventional radio systems which allow users, at the simple press of a button, to communicate with a large group of co-workers, if you like, spread across a large geographic area. That is one of the key strengths of the technology.”

“When we sat down and looked at the requirements for South Australian agencies, it was not as though we had one solution that had to fit this particular requirement: we could offer a wide choice of technologies, and the technology that was most suited to this application, by a long shot, was the Astro Smartzone technology.”

“A very powerful feature is that of direct mode: the ability to take a portable radio and talk directly, network independent, to another portable radio. For argument's sake, if a guy on the hose at the fire front needs to talk to the guy on the pump, he can do that irrespective of whether he is in coverage of the network. Astro Smartzone technology operates at similar power levels to that which the current agency is accustomed.”

The Committee is told that Astro SmartZone as proposed for South Australia is a flexible system that can migrate across emerging technologies to meet a range of requirements within agencies, and enables the splicing of analog to digital across time as those changes occur.

On the issue of technology obsolescence, Mr Fowler told the Committee that as far as the voice network is concerned the expected lifespan of the system is between 10 and 13 years. He further stated that:

“One of the attractions of this is that it is both analog and digital. Analog means that we can buy terminals today at a lower price than we can buy digital terminals. Aside from law enforcement agencies, most agencies' needs are satisfied by analog technology. When I say 'law enforcement', I am not talking just about the police, but fisheries and crisis care workers, among others, who have a great need for secure communication because their lives can depend on not being compromised. Most other agencies' needs are met by analog technology. They still get the benefits of emergency call, caller ID, short messaging—all those features are still there in the analog mode. If somewhere down the track it is decided that digital is so good that we do not want to have anything more to do with analog, the network could be upgraded to that. We have an opportunity to move forward with technology.”

On the same issue, Mr Bouwneester stated:

“In terms of obsolescence, Astro Smartzone will certainly not become obsolete. We are committing vast amounts of research and development into its further development. It is seen as the way forward for our North American and Asian markets. We are continuing to accept orders for it and for features that are still being evolved. Just recently we received orders for this technology from the Delhi police, as well as a \$60 million contract in Minnesota. We have plans to develop new subscribers, infrastructure and technology. It is anything but obsolete. We have probably the largest in-store base of this type of technology and we want to take our customers forward. It is certainly not an obsolete technology.”

“If you are talking of the longevity of the equipment, we have seen systems we have installed lasting 10, 15 or even 20 years. From a robustness and reliability viewpoint, that is the order of magnitude we are talking of. If you are talking of an evolution of features, our technology continues to develop and evolve and it becomes a question as to when or if the State sees the benefit in upgrading to these new technologies, features and benefits.”

2.3 Committee Consultation Cont.

On the issue of repair and maintenance under the contract with Motorola, Mr Fowler stated that:

“In the designated supplier agreement that the State signed with Motorola, I believe in November 1996, there was a requirement placed on Motorola in relation to terminal products that said that it must repair terminal products in South Australia, it must not send parts of terminal products or the terminal product as a whole out of South Australia for repair, and Motorola is contractually obliged to do that.”

On the same issue, Mr Cryer stated:

“It is certainly our intention to service all of the equipment in South Australia. We have no intention of sending anything out of South Australia or out of the country unless it is absolutely necessary.”

“We will have warranty obligations from day one and we certainly intend to honour those obligations.”

On the issue of the provision for training operators within the Public Service agencies as well as training the instructors for the volunteer agencies to use the equipment where it will change from what it is now, Mr Fowler told the Committee that:

“The training issue is very critical for this.”

“I would hope that the steering committee will direct me that agencies are not permitted to move onto the network until there has been competency based train-the-trainer training provided by DAIS as part of the GRN funding. You then move down into the agencies. I would say that, when a new volunteer joins the CFS, part of their normal training is that they are taught how to use the radio.”

“I would hope that it is a direction of the steering committee that agencies not be able to begin to use the network until they have undertaken the training. We are also hopeful that it will make this training competency based so it has some real credibility for those undertaking the training.”

On the issue of frequencies, Mr Wilson, Area Manager, Australian Communications Authority, told the Committee that currently the Government radio network is operating in the VHF band, but the State Government through the Australian Communications Authority earmarked and secured 100 UHF frequencies in anticipation of going to a UHF solution.

In addition, Mr Bob Phoenix, Manager, Customer Access Team, Australian Communications Authority told the Committee that the spectrum is available and that the channel and band-widths are sufficient for the application.

As mentioned previously, the Committee heard extensive evidence from emergency services representatives who were familiar with the GRN project. These organisations included:

- Country Fire Service;
- South Australia Police;
- Australian Volunteer Coast Guard;
- State Emergency Services;

- SA Ambulance Service;

2.3 Committee Consultation Cont.

- Metropolitan Fire Services, and
- Forrestry SA.

In summary, the Committee was told that:

- The above agencies are committed and support the implementation of the GRN to provide access to an appropriate radio communications platform that will satisfy their operational radio, data transmission and paging obligations, including the important agency inter-operability requirements;
- Equipment has become outdated, unreliable and prone to frequent failures requiring major maintenance or replacement;
- The services available with the GRN will improve communications and more importantly enhance emergency service delivery to the community;
- The GRN will provide an enhanced level of security particularly for SA Police;
- Astro SmartZone is a mature wide-area network with a flexible suite of options;
- Other emerging technologies such as Tetra are only digital-based and may offer a better solution at some point in the future. However, Astro SmartZone is the only technology that can meet all user requirements, being flexible, upgradeable and cost effective, and
- The GRN will offer equipment standardisation.

The Committee has also been told by some agencies that one of their major concerns in relation to this project is the cost implication that this proposal will have on their organisations.

With regard to this evidence, Mr Foreman has assured the Committee that the GRN will be ‘budget neutral’ which means that:

“...agencies will not have to find extra money in their budget to participate in the Government Radio Network as distinct from operating their own networks, which they have done to date.”

In addition, he stated that:

“The Government Radio Network contract and project will fund the whole of Government Radio Network.”

Notwithstanding the foregoing, the Committee notes that the majority of electronics for the GRN is proprietary equipment either supplied or manufactured by Motorola. While the GRN remains proprietary Smartzone, it restricts the operator to Motorola-only purchases for the majority of the system. In its current form, the GRN Contract appears to do little to facilitate competition and through it minimisation of cost to the South Australian taxpayer.

Accordingly, the Committee recommends to the Minister that:

- 1. Motorola be required to provide appropriate software and/or data and/or technical specifications, which opens up the interface between the GRN and the peripheral devices such as consoles, subscriber equipment and the like to thus facilitate open market competition, and**

- 2. For the GRN system, Telstra be required to endorse other suppliers who can demonstrate suitable experience or compliance with appropriate standards that will allow competition.**

2.4 Tendering Processes

The Committee notes that the GRN Contract contains provisions for a percentage of work to be let to South Australian firms and trust that Telstra will honour that commitment by enabling existing South Australian firms to tender for the manufacture and construction for items such as towers.

The Committee will monitor progress on this matter.

2.5 Heritage Status And Aboriginal Land Or Sacred Sites

The Committee is told that the majority of sites for the GRN will utilise existing site and building infrastructure.

Under the proposed contract Telstra will be responsible for site selection and site works along with associated planning and development approvals. The Crown Solicitor's Office will also be reviewing sites nominated by Telstra and advising on any issues that may arise at each site.

The selection of sites to be used by the proposed GRN will be subject to Telstra's detailed network design.

The Committee accepts that investigations undertaken by the proposing agency indicate that the proposed works will not impact on any sites of either heritage or Aboriginal significance and will monitor progress in these areas.

2.6 PROJECT PROGRAM

The Committee is told that the broad Project Program is for Construction of the GRN to be staged over a three-year period.

It is proposed (given a contract signing in first quarter 1999) that the Metropolitan area (part of Business Region 1) will be completed during the third quarter of 1999. The remainder of Business Region 1 (Fleurieu Peninsula, Kangaroo Island, Adelaide Hills) and the other 4 Business Regions (South East, Yorke Peninsula and Flinders Ranges, Riverland and Mallee, Eyre Peninsula and West Coast) will then be commissioned at six monthly intervals in that order. *Attachment 3* contains a table listing the contracted network construction time-lines.

As mentioned previously, Telstra is contracted for network design, site selection and works, equipment ordering and installation, testing, acceptance and documentation of the GRN during the construction period prior to hand over to the State.

The Committee is told that agencies will be transferred to the Network as services become available. This transfer time will vary from agency to agency depending on their scale of operations and specific operational requirements.

2.7 PROJECT MANAGEMENT

The GRN Unit within DAIS has responsibility for managing the Contract with Telstra Corporation. The GRN Unit consists of 3 sub-teams, including:

- Construction;
- Agency Support/Transition, and
- Commercial Support

The Department has appointed an Executive Director, who is accountable to the Deputy Chief Executive for the efficient, effective and prudent delivery of the GRN. The Executive Director has prior experience in the implementation of a GRN and has extensive skills and experience in the management of large and complex projects within both the private and public sectors.

1) *Project Procurement*

Telstra was selected as the preferred bidder as the result of a competitive tender process.

2) *Agency Steering Committee*

It is proposed that an advisory Government Radio Network Steering Committee be established to provide ongoing, non-executive monitoring, oversight and supervision of the GRN Contract and the GRN Unit. The Committee will:

- Consist of a Chairperson, to be appointed by Cabinet on the advice of the Minister for Administrative Services, and senior representatives of a number of the participating agencies, to be appointed by the Minister for Administrative Services on the Advice of the Chairperson; and
- Report regularly to the Minister for Administrative Services who will in turn report to Cabinet annually on the performance of the GRN Contract.

3) *Project Management Methodology*

The Department will ensure that the management of the Project will be carried out in accordance with appropriate project management and best practice principles.

4) *Project Expertise*

Over the course of the project the Department has engaged the services of various experts to help ensure process and outcomes are of the highest standard. Advice on legal, financial, currency exchange and technical issues has been sought from experts as needed, including:

- Crown Solicitors Office on legal matters;
- Ernst and Young on financial issues including the completion of a quality check on the financial modelling;
- SAFA on foreign exchange issues;
- SAICORP on contract liability, including contingent liability;

2.7 PROJECT MANAGEMENT CONT.

- External probity auditor from PSI Consulting Pty Ltd in respect of the evaluation and negotiation processes;
- Gibson Quai and Associates on technical matters, and
- The Department's Principal Risk Adviser has been involved in assessing and managing the risks of the project.

2.8 *Site Inspection*

The Committee resolved that, due to the nature of the proposed project, a site inspection would not be undertaken at this stage.

PART THREE: FINDINGS OF THE COMMITTEE

3.1 Project Justification

The Committee is told that the proposed project is justified as it is expected to deliver the following:

1) Improved Outcomes

The proposed GRN will provide a purpose-built network, replacing the current networks and will enable Public Sector Agencies and emergency service organisations to communicate with each other. Advantages of this network will be seen in a variety of emergency conditions such as wildfires, floods and major chemical spillages, enabling all emergency services to communicate much more efficiently and effectively.

This will lead to improved services being provided to the community particularly in the emergency service area.

Presently agencies operate their own networks with differing frequencies and coverage capabilities. Thus inter-agency communication via radio is impossible without multiple terminal equipment. For example some State Emergency Services (SES) vehicles currently require short term patching arrangements or a number of radios to enable communication with other agencies.

The advantages of the integrated solution proposed include:

- The ability for agencies to communicate with each other effectively as it will be possible to have group conversation comprising operatives across Government agencies, and
- The ability for agency staff to operate on one network across the settled areas of the State without changing networks, frequencies, or equipment.

In addition, an improved level of confidentiality of communications with respect to law enforcement agencies will result from the use of trunking and digital technologies combined with encryption capabilities. This confidentiality will also assist in improving privacy for the wider community (eg, the transmission of medical information by SA Ambulance personnel).

2) Compliance with ACA requirements regarding Spectrum

The majority of South Australian Government agency networks currently operate utilising VHF radio spectrum. The Commonwealth Government, which administers the allocation of radio frequencies through the *1992 Radio Communication Act*, has changed the system of VHF frequency allocation and licensing.

This policy was driven by the need to more effectively manage finite radio frequency resources as demand for radio based services increased.

The Committee is told that it is not practicable to obtain licenses for existing South Australian Government agency networks under the new arrangements, as frequency allocations would change thereby necessitating the purchase of all new equipment.

In addition, staying on VHF frequencies will also mean that emergency service networks are subject to increasing interference by other legitimate users, with no recourse available to the State. Agencies such as the Police, SES, and the Country Fire Service (CFS) are currently experiencing interference problems and the likelihood of this increasing and other agencies also experiencing interference will increase if the State continues to utilise VHF frequencies.

3.1 Project Justification Cont.

The Committee is told this situation is untenable for emergency service users who are dependent on unimpeded communications.

Agencies and networks effected by this situation include:

- South Australia Police – country networks;
- SA Ambulance - metropolitan and country networks;
- Country Fire Service – metropolitan and country networks;
- State Emergency Services – metropolitan and country networks;
- ETSA Corporation– metropolitan and country networks;
- SA Water – metropolitan and country networks;
- DEHAA – metropolitan and country networks;
- Forestry SA – metropolitan and country networks;
- SA Metropolitan Fire Service – metropolitan and country networks, and
- Human Services (Family and Youth Services) – metropolitan and country networks.

By contrast, the GRN will operate in the UHF band. The proposal includes the arrangements necessary to license the State as a Primary (priority) User. As a result, these interference problems will be effectively eliminated under the GRN.

3) Common equipment across Government

Operations of the State vary from time to time through portfolio reorganisations and other changes. A common radio communications platform will greatly reduce potential problems resulting from these changes, allowing agency staff to operate across organisational boundaries. Volunteers supporting the CFS and the SES will also have a common communications platform.

4) Training common and simplified

Competency based training will ensure a consistent approach across agencies. It will be possible to apply common training solutions, as the integrated network will eliminate the need for a broad range of terminal types.

5) Improved Coverage

The proposed coverage area comprising some 226,000 square kilometres of the State will provide all agencies with substantially improved service. Agencies will now be able to operate in areas where their individual current systems do not operate as a result of coverage inadequacies. The majority of agencies will have a significantly improved coverage area.

It should be noted that no agency will have a reduced coverage area.

6) Streamline Operations

A number of agencies are currently operationally constrained as a result of their radio communications networks coverage and technical abilities. SA Police, for example, has operational requirements to work across geographic and organisational boundaries. Current procedures require operatives to carry either multiple radios or to switch frequencies/channels to operate and communicate effectively.

3.1 Project Justification Cont.

SA Police utilises an UHF network in the metropolitan area and a VHF network in country regions thus causing duplication of equipment and operational arrangements. There is an opportunity to eliminate these inefficiencies under the GRN through streamlining of operational procedures and practices.

The ability to communicate across agencies will also provide opportunities for improved agency operations.

7) Operational Requirements

A key requirement of an integrated solution is that it meets the needs of all agencies in terms of coverage and service levels. As the proposed solution operates in a mixed (analog and digital) mode, the varying needs of agencies can be met as they can choose to operate in the mode that best meets their requirements.

Mixed mode operation means that the State is not locked into a particular mode across all user groups. Terminal Equipment operating in the digital mode is currently more expensive than analog Terminal Equipment (approximately \$1,500 as opposed to approximately \$3,000). Currently, about 2/3 of the State's users operate with analog equipment and functionality.

Building a network with full digital capability would exceed current user requirements and increase the total cost of terminal equipment significantly. There will be an opportunity for agencies to increase their terminal numbers, depending on their operational needs in the future.

The integrated mixed mode solution also resolves the SA Police Mobile Data Network Year 2000 compliance issue.

In addition, the Committee is told that the proposed contract with Telstra for the GRN includes 24 Industry Development initiatives, with 18 being delivered by Telstra, and six by Link Telecommunications (the provider of paging network services as a sub-contractor to Telstra).

Accordingly, Telstra will commit to invest approximately \$89 million and create 64 new jobs over the seven years of the GRN Contract, and

Similarly, Link Telecommunications will commit to invest \$7.8 million and create 202 new jobs over the first five years of the contract.

The Information Economy Policy Office and the Department of Industry and Trade will closely manage these initiatives. In summary, the areas in which these initiatives will focus include:

- **Call, Billing and Processing Centre Initiatives**

These initiatives will establish three centres, further expanding South Australia's presence in this industry sector. The centres will create 241 jobs over a five-year period.

- **Technology Initiatives**

The Committee is told that technology based initiatives may address high speed, distance independent network solutions, software development and two-way messaging and data services via low earth orbit satellite technology. These initiatives will create seven regional jobs, and provide high quality Internet access for regional and rural schools.

3.1 Project Justification Cont.

- Commercial Initiatives

The Committee is told that these initiatives may provide opportunities for South Australian businesses to adopt electronic commerce services at a reduced cost, and introduce multi media pay phone technology to the South Australian community.

3.2 Public Value Of The Proposed Project

The Committee is told that, essentially, the aims of the GRN are to:

- Improve services to the community particularly through faster and more accurate responses to emergencies, improved law enforcement and improved privacy of information for the community;
- Improve agency and inter-agency communications;
- Provide greater reliability and availability of services;
- Provide greater privacy, flexibility and security through use of trunking, digital technologies and encryption;
- Achieve necessary compliance with Australian Communication Authority spectrum regulations;
- Provide common equipment across Government;
- Facilitate the re-engineering of agencies' business operations;
- Provide improved efficiency and productivity from improved telecommunications services, and
- Meet agencies current and future operational requirements.

The GRN will provide Emergency Service organisations the capacity to provide a higher degree of coordinated response and control of emergency situations.

This will be aided by their ability to effectively communicate with other organisations such as Forestry SA, DEHAA, Primary Industries and Resources SA and Transport SA to manage more effectively emergency environmental threats such as wildfires, fuel spills, floods and accidents.

In addition, there is an opportunity to reduce the number of communication sites, (which generally occupy hilltops). The requirement for radio communication sites under the GRN will reduce from 1200 currently in use to approximately 160 sites. The associated reduction in the number of structures such as towers and the number and use of access roads will improve both the ecological and the visual amenity of some areas.

Further, the Committee is told that the implementation of the GRN will improve public services across South Australia, however, significant benefits are also expected to be available to communities in regional South Australia. These includes:

- Faster response to emergencies by SA Police and SA Ambulance Service;
- Improved communications for Country Fire Service brigades;
- The ability for improved communication with other State organisations eg; Country Fire Association (Victoria) along the State borders during emergencies, and
- Improved coordination among all Agencies particularly during major emergencies such as State disasters.

3.2 Public Value Of The Proposed Project Cont.

The current inability of many Agencies to communicate with each other using radio, particularly during times of major emergencies, will be eliminated through the use of one integrated network. This aspect is particularly important in regional South Australia where speed of response to life threatening situations is extremely important.

3.3 Revenue Earning Capacity Of Proposed Project

The Committee is told that the proposed project will not generate any additional revenue for the State.

3.4 Whole Life Costs Of The Project

Capital And Recurrent Costs

It is presently estimated that the provision, operation and use of the GRN will cost \$247.7 million over the seven-year contract period (refer also to *Attachment 4*). This will comprise of the following:

1) Contract Costs With Telstra

- Contracted Capital Costs

Capital cost of the Design and Construction component of the GRN Contract is a fixed cost of \$109.4 million payable over the first 4 years of the contract period.

- Contracted Operating Costs

The fixed recurrent costs of operating the GRN are approximately \$50.9 million over the 7-year life of the Contract.

Approximate Sub-Total \$160.3 million.

2) State Operation Costs

- Estimated Terminal Equipment Purchase costs

The estimated cost of purchasing Terminal Equipment for use on the GRN over the 7-year life of the Contract is \$38.5 million.

- Other Terminal Equipment Services costs

The cost of Terminal Equipment programming, registration, installation and repair is approximately \$14.1 million over the 7-year life of the Contract.

- Site costs

Estimated costs associated with site works over the 7-year life of the Contract is \$5.6 million.

3.4 Whole Life Costs Of The Project Cont.

- Training costs

Provisions have been made for training of approximately 45,000 users amounting to approximately \$1.9 million over the 7-year life of the Contract.

- Other costs

Including Foreign Exchange hedging costs, transmission systems and billing to agencies amount to approximately \$4.8 million over the contract period.
Approximate Sub-Total \$64.9 million

3) Contingency Costs

- Contingency Provision

The total estimated cost includes provision made for contingencies such as higher than forecast costs of interfacing Agencies' equipment with the GRN, agency transition costs, contract variations, native title disputes in relation to State sites etc have been made. This amounts to approximately \$22.5 million over the period of the contract.
Approximate Sub-Total \$22.5 million.

In tabulated form, these costs can be represented as follows:

Contract Costs With Telstra

Capital cost of the Design and Construction \$109.4 million
(payable over the first 4 years of contract)

Contracted Operating Costs \$ 50.9 million
(fixed recurrent cost over the 7-year life of contract)

Sub-Total \$160.3 million

State Operation Costs (over 7-year period)

Estimated Terminal Equipment Purchase costs \$ 38.5 million
Other Terminal Equipment Services costs \$ 14.1 million
Site costs \$ 5.6 million
Training costs (approximately 45,000 users) \$ 1.9 million
Other costs \$ 4.8 million

(Including Foreign Exchange hedging costs,
transmission systems and billing to agencies)

Sub-Total \$ 64.9 million

Contingency Costs \$ 22.5 million

TOTAL \$247.7 million

3.4 Whole Life Costs Of The Project Cont.

Economic Analysis

The Committee is told that the GRN project will provide a range of benefits to the community and include:

- Improved radio services particularly for the organisations in the emergency services area;
- The ability to achieve more effective radio communication between Government agencies, and
- A reduction in the duplication of equipment and operational arrangements.

These benefits are difficult to measure in economic terms. Accordingly, the economic justification for the GRN is based on identifying the lowest cost option to provide radio services within Government.

The Committee is advised that in every economic evaluation there is a need to consider the 'do nothing' option. There are several reasons why the 'do nothing' option cannot be justified and these include:

- The changes in arrangements for allocation of radio frequencies by the Commonwealth Government will result in changes of frequency for State Government agencies, necessitating the purchase of new equipment;
- Agencies using overlay paging services (CFS, SES and SA Ambulance) need to replace these systems to be compliant with bandplan (equipment frequency) changes;
- A large portion of equipment in existing networks is nearing technical obsolescence; and
- The SA Police mobile data network is nearing obsolescence, with replacement terminals no longer available. In addition, the network is not Y2K compliant.

For these reasons there is not a "do nothing" option. There is a need for a major re-equipment program for a significant number of agencies requiring radio communications services.

The options available are:

- Independent solutions by each agency

The advice of both Amos Aked and Swift and Gibson Quai & Associates was that, fundamentally, agencies need radio coverage of the same geographical areas. To proceed with individual replacement programs would involve duplication of network equipment, in most areas, particularly the provision of multiple backbone networks.

The backbone is used to connect individual radio transmission sites. It would also continue the proliferation of radio transmission sites, already in excess of 1000, as well as the poor use of radio frequency spectrum with associated licensing costs and the duplicated costs elements of maintaining up to 28 discrete radio networks.

- An integrated network available to all agencies.

Amos Aked and Swift (October 1994) and Gibson Quai & Associates (April 1996 and January 1999) have given expert opinion that the use of Astro SmartZone™ technology is the most suitable to provide the mixed analogue and digital operation required by the State and the most effective method of managing the States' encrypted voice needs.

Their advice concluded that the most cost-effective and operationally efficient approach was to move to an integrated network.

3.4 Whole Life Costs Of The Project Cont.

The Committee is told that it is difficult to provide concise information on savings in the voice component of the GRN, however, savings via the integrated approach over the individual approach can be clearly illustrated in the area of mobile data services.

Currently, SA Police has a Mobile Data Network. The MFS has a much more limited Mobile Data Service while SA Ambulance and SES have no mobile data network. The Committee is told that a Mobile Data Network would significantly enhance the provision of communications for emergency services.

The cost of providing the replacement network for only the Police is estimated to be \$4.0 million. To provide an integrated Mobile Data Network to the MFS, SES, Ambulance and Police using the GRN will cost approximately \$4.6 million while to provide Mobile Data Networks on an individual basis would cost up to an estimated \$20.0 million.

The MFS, CFS, Ambulance and SES require paging services. Each requires wide area paging services for call-out purposes. Commercial operators cannot provide paging due to the coverage needed and response time requirements. For each to construct a paging network to meet the stated requirements is estimated to cost up to a total of \$46.0 million. Using the GRN backbone network this service will involve a network construction cost of an estimated \$9.0 million in total.

Savings in network costs for mobile data and paging services using the integrated approach proposed are estimated to be in the region of \$52.0 million over individual solutions (refer to *Attachment 4* for further details).

In Net Present Value terms the total cost of the project including forecast spending plus a 10% contingency allowance equates to \$221.41 million discounted at 7%, and inflated in accordance with Australian Bureau of Statistics forecasts (refer to *Attachment 4* for further details).

Although network access is not being considered for commercial users, there are a number of potential users who, for operational reasons, could be given access to the GRN. These include Local Government, Defence, Federal Police, Royal Flying Doctor Service, Royal District Nursing Society and the Surf Life Saving Association.

3.5 Estimated Net Effect Of The Work, And Its Use, On Public Funds

The total impact on the consolidated account over the seven years of the proposed Telstra contract is \$225.2 million plus a contingency allowance of \$22.5 million.

3.6 The Efficiency And Progress Of The Project And Justification Of Any Expenditure Beyond Estimated Costs

As the Committee is examining this proposed public work at the design/concept stage, comment on the above matters will be deferred until the provision of statement to the Committee by the subject Agency prior to the completion of construction (refer to "Further Reporting to the Committee" page 4).

The Committee will monitor the progress of the project as required by the Parliamentary Committees Act and provide a statement to Parliament as information becomes available.

PART FOUR : COMMITTEE CONCERNS

During the inquiry, the Committee had a number of concerns which related to specific aspects of the proposed project. These concerns are dealt with in section 2.3 of this report.

In addition, the Committee has a number of general concerns which are summarised as follows:

- 1) The Committee is disappointed and dismayed by the reluctance of Treasury to provide specific financial information as requested by the Committee to enable it to more thoroughly assess the viability of the proposed project in the public interest. Further, the Committee notes that the information provided by Treasury fails to address the Committee's enquiry, particularly regarding the "Forward Estimates" for the cost of the GRN.
- 2) It is the strong view of the Public Works Committee that it has and will continue to have a very heavy workload which has placed pressure on Committee Members and unreasonable demands on staff in terms of time available to conduct all the necessary hearings and site inspections. This pressure has been exacerbated by the off-handed attitude adopted by some project proponents when scheduling projects.

Because agencies are allowing inadequate lead in time prior to the Committee's hearing of their proposals, the Committee's schedule has been disrupted by last minute cancellations or rescheduling. Such last minute cancellations make it impossible for the Committee to reschedule other projects into these timeslots resulting in opportunities for hearings and time lost in re-arranging and re-organising these meetings.

Compounding the foregoing, the Committee has been informally subjected to considerable pressure from Ministers and/or their staff and/or agencies to facilitate urgent "last-minute" hearings for projects. This has often means the Committee meets more than once a week, requiring Members to re-arrange other commitments to accommodate these demands and pressures.

This has certainly been the case with this project. The Committee was first told in December 1998 that this project required urgent consideration. Accordingly, the Committee reorganised its diary to accommodate a hearing in late January 1999. Due to Cabinet/agency delays the Committee was again asked to reschedule to February 1999.

The Committee is unanimous in its emphasis that it will not "sign-off" on a particular project until it is completely satisfied that it has met its obligations under Section 12C of the Parliamentary Committees Act, 1991, regardless of whether adequate lead times have been allowed by either Ministers or agencies.

As such, the Committee reminds Ministers/agencies that they need to anticipate the lead-time required for the Department of Premier and Cabinet's Acquittals Committee and Cabinet project approvals prior to the Public Works Committee hearing. This will allow the Committee to obtain, study and hear more timely, more accurate and more complete information as required by the Act and its derivative procedures.

PART FIVE : CONCLUSION & RECOMMENDATION

After examination of both written and oral evidence, and relying on the Acquittals Committee's assurance that acquittals from the Departments of Treasury and Finance, Premier and Cabinet and Attorney-Generals that works and procedures are lawful, the Public Works Committee finds the proposal to establish a new, single integrated State owned GRN for South Australia to be soundly based. The Committee is satisfied that the proposal has been subject to the appropriate agency and community consultation and meets the criteria for examination of projects as set out in the Parliamentary Committees Act 1991.

Currently, the South Australian Government radio network arrangements consist of approximately 40,000 to 45,000 users operating on 28 separate networks across 17 government agencies, utilising 1200 communication sites, 12,000 radios and 8,000 pagers.

The Public Works Committee is told that in the main these disparate systems use out-dated technology and ageing equipment resulting in significant inter-agency communication and operational difficulties. Additionally, agencies operate their own networks with differing frequencies and coverage capabilities and are unable to communicate via radio without multiple terminal equipment whereby, some SES vehicles require short term patching arrangements or a number of radios to enable communication with other agencies.

The Committee notes that Astro SmartZone™ has been chosen as the technology most suitable to provide the mixed analog and digital operation required by the State and the most effective method of managing the State's encrypted voice needs.

Therefore, the Committee understands that the proposed GRN will provide a purpose-built network, replacing the current networks and will enable Public Sector Agencies and emergency service organisations to communicate with each other. Advantages of this network will be seen in a variety of emergency conditions such as wildfires, floods and major chemical spillages, enabling all emergency services to communicate much more efficiently and effectively. This will lead to improved services to the community particularly in the emergency service area.

Members consider that a key requirement of an integrated solution is that it meets the needs of all agencies in terms of coverage and service levels. As the proposed solution operates in a mixed mode, the varying needs of agencies can be met as they can choose to operate in the mode that best meets their requirements. This solution will also resolve the SA Police Mobile Data Network Year 2000 compliance issue.

The Committee agrees that the main benefits of the GRN are to:

- Improve services to the community, particularly through faster and more accurate responses to emergencies, improved law enforcement and improved privacy of information for the community;
- Improve agency and inter-agency communications;
- Provide greater reliability and availability of services;
- Provide greater privacy, flexibility and security through use of trunking, digital technologies and encryption;
- Achieve necessary compliance with Australian Communication Authority spectrum regulations;
- Provide common equipment across Government;
- Facilitate the re-engineering of agencies' business operations;

Conclusion And Recommendation Cont.

- Provide improved efficiency and productivity from improved telecommunications services;
- Reduce the number of sites required for radio communications from the current 1200 to approximately 160, and
- Meet agencies current and future operational requirements.

The GRN will provide Emergency Service organisations the capacity to provide a higher degree of coordinated response and control of emergency situations.

The Committee understands that the implementation of the GRN will improve public services across South Australia, however, significant benefits are expected to be available to communities in regional South Australia. This includes:

- Faster response to emergencies by SA Police and SA Ambulance Service;
- Improved communications for Country Fire Service brigades;
- The ability for improved communication with other States organisations eg; CFA (Victoria) along the States borders during emergencies, and
- Improved coordination among all Agencies particularly during major emergencies such as State disasters.

Moreover, the Committee recognises that the current inability of many Agencies to communicate with each other using radio, particularly during times of major emergencies, will be eliminated through the use of one integrated network. This aspect is particularly important in regional South Australia where speed of response to life threatening situations is extremely important.

Notwithstanding the foregoing, the Committee is disappointed and dismayed by the reluctance of Treasury to provide specific financial information as requested by the Committee to enable it to more thoroughly assess the viability of the proposed project in the public interest. Further, the Committee notes that the information provided by Treasury fails to address the Committee's enquiry, particularly regarding the "Forward Estimates" for the cost of the GRN.

Additionally, it is the strong view of the Public Works Committee that it has and will continue to have a very heavy workload which has placed pressure on Committee Members and unreasonable demands on staff in terms of time available to conduct all the necessary hearings and site inspections. This pressure has been exacerbated by the off-handed attitude adopted by some project proponents when scheduling projects.

This has certainly been the case with this project. The Committee was first told in December 1998 that this project required urgent consideration. Accordingly, the Committee reorganised its diary to accommodate a hearing in late January 1999. Due to Cabinet/agency delays the Committee was again asked to reschedule to February 1999.

The Committee is unanimous in its emphasis that it will not "sign-off" on a particular project until it is completely satisfied that it has met its obligations under Section 12C of the Parliamentary Committees Act, 1991, regardless of whether adequate lead times have been allowed by either Ministers or agencies.

As such, the Committee reminds Ministers/agencies that they need to anticipate the lead-time required for the Department of Premier and Cabinet's Acquittals Committee and Cabinet project approvals prior to the Public Works Committee hearing. This will allow the Committee

to obtain, study and hear more timely, more accurate and more complete information as required by the Act and its derivative procedures.

Conclusion And Recommendation Cont.

Furthermore, the Committee notes that the majority of electronics for the GRN is proprietary equipment either supplied or manufactured by Motorola. While the GRN remains proprietary Smartzone, it restricts the operator to Motorola-only purchases for the majority of the system. Therefore, in its current form, the GRN Contract appears to do little to facilitate competition.

Accordingly, the Committee recommends to the Minister:

- 1. That Motorola be required to provide appropriate software and/or data and/or technical specifications, which opens up the interface between the GRN and the peripheral devices such as consoles, subscriber equipment and the like to thus facilitate open market competition, and**
- 2. That for the GRN system, Telstra be required to endorse other suppliers who can demonstrate suitable experience or compliance with appropriate standards that will allow competition.**

If the foregoing recommendations are adopted and pursuant to Section 12C of the Parliamentary Committees Act, 1991, the Public Works Committee reports to Parliament that it recommends the proposed public work.

***Peter Lewis MP
PRESIDING MEMBER
Public Works Committee***

April 1999

PART SIX : ATTACHMENTS

6.1 List Of Witnesses And Submissions

Witnesses

The following persons appeared before the Committee at Old Parliament House, North Terrace, Adelaide on:

3 February, 1999.

1. Mr Graham Foreman, Chief Executive Officer, Department of Administrative and Information Services;
2. Mr Peter Fowler, Executive Director, Government Radio Network Contract, Department of Administrative and Information Services, and
3. Mr Alan Cunningham, Lead Negotiator, Government Radio Network Contract, Department of Administrative and Information Services.

24 February, 1999

4. Mr Arthur Tindall, Manager, Technical Services, Country Fire Service;
5. Mr Colin Cornish, Chief Inspector, South Australia Police;
6. Mr David Allen, Commodore of the Australian Volunteer Coast Guard;
7. Mr Darian Stringer, Communications Officer, State Emergency Services;
8. Mr Christopher Lemmer, Director, Metropolitan Operations, SA Ambulance Service;
9. Mr Michael Bentley, Director, Operations, Metropolitan Fire Services;
10. Mr John Pratt, Forestry Development Officer, Forestry SA, Department for Administrative and Information Services, and
11. Mr Richard Barrett, Radio Enthusiast, Adelaide.

3 March, 1999

12. Mr David Keddie, Telecommunications Engineer, Country Fire Service;
13. Mr Colin Cornish, Chief Inspector, South Australia Police;
14. Mr John Stradiotto, Manager Support Services, South Australia Police;
15. Mr Graham Foreman, Chief Executive Officer, Department of Administrative and Information Services;
16. Mr Graham Foreman, Chief Executive Officer, Department of Administrative and Information Services;
17. Peter Fowler, Executive Director, Government Radio Network Contract, Department of Administrative and Information Services;

6.1 List Of Witnesses And Submissions Cont.

18. Mr Rod Dowling, Engineering Manager, Wireless, Department of Administrative and Information Services, and
19. Mr Joe Ullianich, Department of Treasury and Finance.

17 March, 1999

20. Mr John Cryer, General Manager, System Solutions and Sales, Motorola;
21. Mr Greg Bounweester, Market and Product Planning Manager, Motorola;
22. Mr John Wilson, Area Manager, Australian Communications Authority, and
23. Mr Bob Phoenix, Manager, Customer Access Team, Australian Communications Authority.

Submissions

1. Evidence to the Parliamentary Public Works Committee, Proposed Government Radio Network Contract, Department of Administrative and Information Services, February 1999.

ATTACHMENT:

1

ATTACHMENT:

2

ATTACHMENT:

3

Contracted Network Construction Time Lines

In tabular form the contracted network construction time lines are as follows:

| | |
|---|------------|
| Contract Signing | Month 0 |
| Construction Commences | Month 1 |
| Business Region 1(a) <i>Metro</i> <ul style="list-style-type: none"> • delivery and installation (including testing) of the major base network infrastructure • completion of the Network Operations Control Centre (NOCC) and installation of Management Systems | Month 8* |
| Business Region 1(b) <i>Fleurieu Peninsula</i> | Month 14* |
| Business Region 2 <i>South East</i> | Month 20* |
| Business Region 4 <i>Yorke Peninsula and Flinders Ranges (including the townships of Leigh Creek, Woomera, Roxby Downs, Coober Pedy, Oodnadatta, Marla and Mintabie)</i> | Month 26* |
| Business Region 3 <i>Riverland and Mallee</i> | Month 31* |
| Business Region 5 <i>Eyre Peninsula and West Coast</i> | Month 37 * |

*Services become available at that time