

HOUSE OF ASSEMBLY**Monday 21 June 2004****ESTIMATES COMMITTEE A****Acting Chair:**

Ms M.G. Thompson

Members:

Ms L.R. Breuer
 Mr P. Caica
 Mr M.L.J. Hamilton-Smith
 The Hon. D.C. Kotz
 Mr T. Koutsantonis
 Mr. G. Scalzi

The Committee met at 11 a.m.

Department of Further Education, Employment, Science
 and Technology, \$232 684 000

Witness:

The Hon. P.L. White, Minister for Science and Information Economy.

Departmental Advisers:

Mr G. Black, Chief Executive.
 Dr J. C. Fowler, Executive Director, Science, Technology and Innovation Directorate.
 Mr T. Beeching, Director, Finance.
 Ms A. Nelson, Acting Chief Executive, BioInnovation SA.
 Ms A. Heyworth, Acting CEO, Playford Centre.

The ACTING CHAIR: I declare the proposed payments reopened for examination and refer members to Appendix C (page C2) in the Budget Statement and part 9, Volume 3 of the Portfolio Statements. The estimates committees are a relatively informal procedure and, as such, there is no need to stand to ask or answer questions. The committee will determine an approximate time for consideration of proposed payments to facilitate the changeover of departmental advisers. I ask the minister and the lead speaker for the opposition to indicate whether they have agreed on a timetable for today's proceedings and, if so, to provide the chair with a copy.

The Hon. P.L. WHITE: Yes, Madam Chair.

The ACTING CHAIR: Changes to the committee membership will be notified as they occur. Members should ensure that the chair is provided with a completed request to be discharged form. If the minister undertakes to supply information at a later date, it must be submitted to the committee secretary by no later than Friday 23 July. I propose to allow both the minister and the lead speaker for the opposition to make an opening statement of about 10 minutes each. There will be a flexible approach to questions based on about three questions per member, alternating each side. Supplementary questions will be the exception rather than the rule. A member who is not part of the committee may, at the discretion of the chair, ask a question. Questions must be based on lines of expenditure in the budget papers and must be identifiable or referenced. Members unable to complete

their questions during the proceedings may submit them as questions on notice for inclusion in the House of Assembly *Notice Paper*.

There is no formal facility for the tabling of documents. However documents can be supplied to the chair for distribution to the committee. The incorporation of material in *Hansard* is permitted on the same basis as applies in the house: that is, it must be purely statistical and limited to one page in length. All questions are to be directed to the minister, not to the advisers. The minister may refer questions to advisers for a response. I also advise that for the purposes of television there may be someone filming from the northern gallery for a short period. Does the minister wish to make an opening statement?

The Hon. P.L. WHITE: Yes, thank you, Madam Chair. In launching the state strategic plan, 'Creating Opportunity', in March 2004, the South Australian government has set out a framework for action and established ambitious targets against which actions will be monitored. At least five of the six interrelated objectives set out in this plan—growing prosperity, improved wellbeing, attaining sustainability, fostering creativity and expanding opportunity—have a direct link, or clearly related alignment, with the state's capability in science technology and innovation.

The government fully recognises this. It recognises the direct connection between the state's current and future economic performance in production and export of, for example, cereals, processed foods, meat, fish, wine; automotive and related manufacturing areas such as defence, electronics and ICT products; biotechnology and related medical life sciences products and services; and educational and knowledge intensive consulting services such as in natural resource management. We also recognise the importance of having trained and skilled graduates in all disciplines of science and engineering to meet industry needs. We know that we have to have business effectively engage with the universities and public sector research institutions to solve problems and share knowledge; that we need to establish the climate to best exploit the state's research base by opening paths to market through seed investment and effective transfer of knowledge for both industry and public good; that we need to build an environment and infrastructure that will help retain and attract science technology and innovation leaders to the state; and that we need to inform and bring the community together on all such matters.

Not only is this recognised in the state strategic plan but it is also articulated in the 10-year vision for science technology and innovation. On 2 April this year, the Premier and I launched this plan on behalf of the government outlining our strategic and long-term commitment to building the state's science and research capabilities and improving our level of innovation. This document, prepared under the guidance of the Premier's Science and Research Council, sets out 10 rather ambitious targets, three of which are directly drawn from the overarching state strategic plan. Those particular targets relate to business expenditure on R&D; patent applications on a per capita basis; and the presence in the state of leading edge R&D centres of excellence, for example, cooperative research centres, national research facilities and similar.

Like the State Strategic Plan, the 10-year vision provides early challenges on the best ways and means of measuring these 10 performance targets in terms that will demonstrate meaningful progress against objectives and by way of international comparisons. Nevertheless, the very setting of

targets has riveted the attention of all stakeholders on, for example, how best to invest available state resources in areas that support state STI capability aligned with industry and economic needs; how best to leverage other STI resources from industry and the commonwealth; and how best to develop STI population policy and leadership succession plans.

The recent release of our vision is exceptionally well timed. Following an array of national reports and reviews, in May this year the commonwealth government announced its second major package of measures for supporting science technology and innovation across Australia. Its Backing Australia's Ability (Mark 2) statement allocated an additional \$5.3 billion in funding to STI across the nation. The state's challenge of meeting headline performance targets in the STI 10-year vision is extricably dependent on how well the state, and this means all businesses—the universities, the hospitals and medical research institutes, as well as state-supported agencies and entities such as BioInnovation SA and Playford Capital, and also the state-based elements of CSIRO and DSTO—can leverage Backing Australia's Ability funds to the state's advantage.

In supporting science technology and innovation across the state, the government is typically making co-investments with others. That is not to say it is giving grants but it is making investments which seek some economic, social or environmental return to the state, especially in the future development of people and jobs. It is investment at the sharp end of economic development and environmental sustainability. In the light of massive international competition across the global knowledge economy, it must be investment that is increasingly focused into the state's 'differentiated space'. This requires the state to invest in areas where it has either existing or 'real' latent R&D capability; where there is a niche opportunity and/or pre-existing recognition of the state's capability; and where there is close alignment with the state's economic interests. This will help ensure both 'local' and international industry market uptake of ideas to gain their 'buy-in'.

It must be investment that drives preferred behaviours of collaboration across R&D and applied industrial activities, without being so forced so as to disrupt institutions' own distinctive strategic initiatives. It must be investment that drives engagement across academia and industry and builds world-class R&D teams of sufficient critical mass with diverse skills. It must be investment that balances the science technology and innovation infrastructure and operational needs; and, finally, it must be investment that deals with real world market failure—examples where there remains an unproductive gap between great ideas and commercial willingness to invest very early stage, high risk capital.

It is for those reasons that our science technology and innovation vision is built on three interlocking strategic headings: building the state's capability and infrastructure in the area; gaining momentum in the area through collaboration; and developing people and community awareness on science technology and innovation.

The ongoing advice of the Premier's Science and Research Council in ensuring implementation of the vision and in resetting or refining performance targets is critical and greatly valued by the government. Consistent with the vision in respect of the 2004-05 year and onwards, the government will be investing additional resources, building on the significant investments and initiatives already under way. The key measures include: an expansion of the Premier's Science and

Research Fund to support strategic science and research infrastructure projects and skills development—this is an additional \$2 million per annum for four years, providing an extra \$8 million to boost the Premier's Science and Research Council funds (previously it was \$4 million over four years, so that will bring that to a \$12 million investment); support for the development of a new bioscience incubator at the Thebarton Bioscience Precinct to support technology-based business development—this includes a \$9 million bioscience incubator to be built by the Land Management Corporation at the Thebarton Bioscience Precinct and \$2.4 million over four years to support rental subsidies for start-up companies operating from this incubator; ongoing operational support for Bio Innovation SA and Playford Capital with the latter, at present, bidding for further commonwealth funds under the extended Building IT Strengths program just announced under the Backing Australia's Ability Mark II; and support for a number of cooperative research centres of strategic value to the state that are bidding in the ninth round of CRCs called by the commonwealth.

In addition to departmental resources being committed to various CRC bids such as, for example, the CRC for internationally competitive pork industry and the CRC on wine, the state has provided an additional forward commitment of \$4.2 million over seven years from 1 July 2005 to further bolster support in the ongoing round of CRC bids. This includes, by way of example, support for CRCs of potential state strategic importance such as the proposed CRCs of advanced automotive technology, materials fabrication and infrastructure engineering, the one for contamination assessment and remediation of the environment, and the one for climate risk management and e-water.

Another important initiative is a \$12.9 million, not directly in my portfolio, total investment to support ecologically sustainable development of South Australian fisheries, aquaculture and marine ecotourism, through the Marine Innovation SA initiative. This initiative, to be implemented by the South Australian Research and Development Institute (SARDI), to be undertaken in partnership with universities, industry and the CSIRO, targets the aquaculture industry in R&D, technology, transfer and education. Overall, the Science and Technology Innovation Directorate (being part of DFEEST) has an expenditure budget of approximately \$20 million for 2004-05 whose component parts include the Premier's Science and Research Fund, and related STI support resources, and also funds supporting the development of the state's broadband infrastructure development and ICT industry.

Mr HAMILTON-SMITH: I thank the minister for those opening remarks and I will make a few of my own. Can I take this opportunity of behalf of the opposition to thank the minister and all her staff for their preparations for today. I know it is quite an effort but we do appreciate it, and the people of South Australia appreciate the opportunity to go into more detail on the budget—so thank you. The opposition has the view that this is one of the most important areas for government to focus upon. We think that the future of the state economy may well depend on the decisions that we are making today in this portfolio area.

The economic transformation of the state in our view, however, began some years after the State Bank collapse. We think that the government's use of terminology such as, 'turning the economy around now that we are in office' etc., is a little belated. We think that process began with the reduction of state debt, with the attraction of key industries

like EDS and Motorola here—that have been invited to the IT industry by the establishment of structures like Playford Capital and Bio Innovation SA—that have been successful in reorientating the state economy. So, we think that the present government has an opportunity to continue the good work of the former government in redirecting the state after the terribly dark days of 1994, 1995 and 1996, when we were getting back on our feet after the catastrophe of 1993.

In the process of that transformation, we think this is an important time because we feel that the Australian economy at the moment is buoyed by low interest rates; it is buoyed by a property boom; and it is buoyed by fairly positive international circumstances; and, while that buoyancy is there, it gives the impression that things are in good shape. Unemployment across the nation is at record lows, although in South Australia we note for the last, almost 12 months, we have fallen behind in terms of our share, and there have been some negatives there. Exports have been generally buoyant, but again South Australia has fallen behind in recent months, and our competitiveness relative to other states vitally hinges on this portfolio area. We ask whether, if interest rates rise once the property housing boom ends, as it seems to be, the economy will have been reoriented, restructured and transformed so that in possibly harder times ahead we actually forge forward. Now, we do not feel that that is the case. We do not feel that the economy is being transformed because we feel that the government is not putting enough focus on this very important portfolio area.

I realise that is not the fault of the present minister, and we welcome her arrival. We think that her predecessor really languished in the position, and we welcome the new energy and new commitment from this minister, but we do need to see a greater investment in this portfolio. We have some concerns that our universities and centres of excellence like DSTO, CRCs and CSIRO are not being adequately harnessed in economic terms for growth. There is enormous ability and talent there. We search for some models for better gearing economic growth from those centres of excellence, and we have not seen those models emerge, even in the policy documents to which the minister has referred—both the State Strategic Plan and the STI 10 policy of which she made mention.

We also need to fund that opportunity. Last week during budget estimates, the Treasurer seemed totally unable to answer questions in regard to the direction of the Venture Capital Board. We have established this \$10 million fund and are spending \$1.5 million in its administration, and not a dollar has been invested. Here we are in the third term of this government and there is no VC funding emanating from the VC board, although we note the role that Playford Capital and Bio Innovation SA have played in providing some early stage funding. So, we are getting all the right words, but the opposition feels we that are not getting the action.

The Minister for Small Business similarly seemed totally out of his depth and nothing was his responsibility: it seemed that it was all another minister's responsibility. There seems to be no champion for small business. We hope that this portfolio becomes a champion for small business, because many of those biotech and IT companies that swim in the pool of innovation IT and bioinnovation need a champion: they need someone to ensure that they prosper and grow.

We note the government's policy STI 10. In our consultations a lot of people told us they knew nothing of it until it was published. We know the Premier's Science and Innovation Council had a bit to do with it, but it did not seem to

have been consulted very broadly. I know the minister has inherited that policy, but I think it reflects the ingrown efforts of the previous minister who did not seem to take much interest in it.

Having said that, I will ask questions, and I start with Budget Paper 4, Volume 3, page 9.8. In her introductory remarks the minister did not really tell us the current structure of her portfolio in regard to science and innovation. Could the minister confirm what sections are operating, how many people are working on science and innovation and information economy and, in particular, how many people are employed in this area who are earning salaries over \$100 000?

The Hon. P.L. WHITE: I thank the shadow minister for talking about the importance of this portfolio area and recognising the importance of the investment in this area to our state's economy, both in a financial and social sense. I want to pick up on a couple of points before I answer the question directly.

Some comments were made about the Venture Capital Board. That board does not come under my portfolio: it comes under the portfolio of the Treasurer. However, I think there is a fundamental misunderstanding by the honourable member about the role of the Venture Capital Board. He mentioned as a criticism the fact that it has not yet invested in anything. The Venture Capital Board's role is not to invest, and I put that plainly so that it can be understood by the opposition. The Venture Capital Board was established only in this financial year, with the mandate of developing a venture capital management industry in South Australia. So, its role is not to invest for itself but to develop a private equity industry that will attract fund managers to South Australia. It has quite a separate role to direct investment. In contrast, we have Playford Capital in this state (and we may touch on that a little later), which is an industry participant. I put that clearly on the record in view of the comment made by the opposition that because there had not been direct investment by the Venture Capital Board it has failed: it has not failed. It is, nevertheless, a significant investment in this state.

I will address the matter about harnessing capabilities such as the Defence Science and Technology Organisation a little later, but it is a point that I want to return to because I think the member will be pleased to know that this government, unlike the former government, has made significant progress, particularly recently, on that front.

In terms of the number of people employed, the science and technology STI directorate is a directorate of DFEEST. It has 35 full-time equivalent staff. Staffing for the Playford centre and Bio Innovation SA are separate from that. In terms of how many people earn over \$100 000, I would have to take that on notice.

Mr HAMILTON-SMITH: I have a supplementary question. Did that 35 person capability that has been formed subsume the former office of innovation that the former government had created? Is that the total resource that you have for this portfolio?

The Hon. P.L. WHITE: Yes, it did. There were also some allocations from other agencies.

Mr HAMILTON-SMITH: I think it might have also assumed some of the IEPO people who were formerly with DAIS. Is that right?

The Hon. P.L. WHITE: Yes, that is correct.

Mr HAMILTON-SMITH: My second question relates to Budget Paper 3, page 2.34. I note the budget has some

increased funding for the Premier's Science and Research Fund, although it is a very small amount. What is the total capacity of the Premier's Science and Research Fund in 2004-05? This Budget Paper talks about a small increase of I think \$2 million over each of the next four years, but obviously some money has been put into it in previous years. What is the total capability of that fund and what plans are there to use that to attract commonwealth money through the Backing Australia's Ability fund? Is that the fund that will be used to contribute towards attracting federal funding?

The Hon. P.L. WHITE: It is not all in my portfolio that will be used for that purpose. When the honourable member says that it is a small increase in funds, it is not actually a small increase at all: it is a tripling of funds. As I stated in my introductory statement, previously the Premier's Science and Research Fund was \$1 million per annum. This is an additional \$2 million per annum, taking it to a \$12 million investment over four years. The Premier's Science and Research Fund is an initiative to build skills, knowledge, capabilities and innovation in science and technology in South Australia. The first round of the fund was called in 2003 and has been assessed. The application process was undertaken under a formal probity plan. It was done in that way to ensure objectivity and consistency, as well as to manage confidentiality and conflict of interest matters. That has been a very successful boost to our capability.

Currently, given that we have now had one round of the fund, the guidelines for the fund are being reviewed by the council; and that will be done in line for the next round, which will be later in 2004. While I stated earlier that it is not the only source of funds for leveraging federal funds out of the Backing Australia's Ability Mark II, it is one consideration for that fund. Essentially, the idea is to use the resources we have in this state to leverage other private investment, as well as federal government funds, to develop our industry. I think we will be quite successful in doing that.

Mr HAMILTON-SMITH: Do I understand that that fund will be used to provide grants to companies, perhaps involving also private sector investment; or is it more that the fund you have created is for the government to use to attract centres of excellence or commonwealth offerings under the Backing Australia's Ability program? In other words, is that a fund for the government to use to attract centres of excellence, or do you see it as a fund which will be made available to make investments, grants and subsidies to industry participants? Which of those two investment strategies is it?

The Hon. P.L. WHITE: We have had one round. We are reviewing and finetuning the process for the second round. I anticipate that it will be a mixture of the foregoing. There will be money to attract private investment. Perhaps leverage is a better way of putting it; to leverage private investment and commonwealth funds, but it may be used also for other purposes that the state sees in its strategic interests. The exact allocation of that money has yet to be determined.

Mr HAMILTON-SMITH: Will the government directly, through its department, determine how those funds are to be allocated; or will there be a process put in place through which companies can apply and which might involve the Premier's Science and Innovation Council? What process will be used to determine how the money will be expended and granted to companies or investees?

The Hon. P.L. WHITE: That is the question to which the Premier's Science and Research Council is now turning its mind.

Mr HAMILTON-SMITH: In relation to the same budget line, paper 3, page 2.34, this is a \$12 million fund over four years. The minister would be aware that the former government, in the short time I was the minister (I know because I created this fund), had a \$40.5 million fund. I know the minister's predecessor tried to say that was not funded but she later came back into the house to apologise for getting it wrong. There was a \$40.5 million fund. Does the minister or the government intend to dramatically increase the size of this fund?

In relation to the Plant Functional Genomics Centre of Excellence investment, for example, at the Waite, the initial ask, I think, from the state government was around \$12 million. I think in the end we put in about \$8 million. I know the incoming government inherited that project and, I hear from industry, did everything it could to extract itself from the investment under Treasurer Foley's direction; but in the end it had gone too far. Then we also have the ICT Centre of Excellence investment, which was a \$5 million ask. I make the point that, if we are going to be part of the federal bids, such as the ICT Centre of Excellence and the Plant Functional Genomics Centre, we need big dollops of money. It might be from \$5 million to \$10 million for each one in order to provide an adequate state investment. Although \$12 million over four years seems a lot, do you envisage asking through bilaterals for much more so that we can get this area going for South Australia?

When I look at the State Strategic Plan, I see, for example, under 'fostering creativity', objective 4, that you want to have South Australia's having either a headquarters or a major node of at least 40 per cent of all CRCs, major national research facilities and centres of excellence within five years. I suggest that the government might need a much bigger investment to attract that here. Will the government increase that fund significantly? What is its strategy in regard to attracting these big investments to South Australia?

The Hon. P.L. WHITE: First, the future funding is set in the budget. The \$12 million investment through the Premier's Science and Research Council is significant, but that is not all we are doing. I do not really want to go over old history because this history is two years old. However, the honourable member says, 'Well, the former government had a \$40.5 million fund of which the Plant Functional Genomics Centre funding of \$12 million—and I do say to the honourable member that that is what has gone into the Plant Functional Genomics Centre—

Mr Hamilton-Smith interjecting:

The Hon. P.L. WHITE: No; that is what has gone into it. Advice to me is that \$12 million has gone into the Plant Functional Genomics Centre. So, a major part of that \$40 million to which the honourable member refers went to the Plant Functional Genomics Centre. The former government came up with this the day before the election was called. It knew that it was calling the election the next day; so, in essence, it was an election promise. The whole point is that, for a start, it was an election promise over five years. We are two years into the new government and already we have committed more than that amount, so I really do not see the relevance of it. I have forgotten the question now.

Mr HAMILTON-SMITH: Is the minister going to increase the funds significantly?

The Hon. P.L. WHITE: That fund is a \$12 million fund but, as I say, we have made a range of other investments that will make a significant difference to the capability of science technology and innovation in South Australia. For example,

the Premier recently announced funding for SabreNet, which is a South Australian broadband research and education network. It is a \$9.2 million project to construct a large-scale broadband network connecting research and education sites within the larger metropolitan Adelaide region.

It is all about linking to the national research and education broadband network, which was something the former government never did. It is something with which South Australia has been able to leverage our funding commitment. We are investing \$1.4 million of that \$9.2 million to attract a \$5.8 million commonwealth funding source. The three South Australian universities, the CSIRO and DSTO are contributing \$2 million. So, that particular investment by the South Australian government (an initiative of this government) represents a sixfold leverage on our state's own investment, and that is pretty important.

That has been allocated in this current financial year's budget. It is to provide a very important backbone function for researchers—and our research is not only in academia but also in industry—to provide that connection to the national grid, if you like, of high performance computing capability. It is an example of the kind of capability and infrastructure building, as well as the degree of leverage, that is possible within the state by taking cooperative and professional bidding into leveraging those commonwealth funds. The Premier's Science and Research Awards are but one element of some of the things towards which we are contributing.

In September last year, for example, a broadband development budget was allocated to my department which is called Broadband SA and which is an \$8.4 million investment over four years. That is all about developing the state's broadband strategy. It is a broadband infrastructure development program and, as part of that, we launched in December the \$7 million broadband development fund. There is also other leveraging that is not so much about money. There are the less tangible but nonetheless important achievements in this current financial year to build a far greater level of awareness of the importance of our science technology and innovation not only within government in South Australia but also internationally.

We have taken action across our government agencies to finetune our activities in this area. It has seen, for example, much stronger operational engagement between the research organisations, which are not part of the state government agencies, and the universities and the government. That is not including the Thebarton bioscience precinct and the \$9 million bioscience incubator, which is a significant investment. To give the impression that this \$12 million fund is all there is just not correct. The government is targeting very well the money that comes to my portfolio. We are trying to spend it wisely.

We are trying to leverage that money to bring greater investment—private and federal government investment—into this state, and we are doing it in a way that is leveraging several fold the investment that we are putting in.

Mr HAMILTON-SMITH: Thank you, minister—

The ACTING CHAIR: Member for Waite, is this a clarification because the member for Fisher is waiting to ask a question?

The Hon. R.B. SUCH: My question relates to small particle technology, nanotechnology. Our three universities are doing some work in that area, and one, at least, offers a degree in it. The wider community is unaware of what lies ahead in terms of being able to manipulate particles and—it is not science fiction—restoring sight, curing paraplegia,

having micromachines inside your body controlling hormone levels—all of those things. And that is just the medical area, let alone new ways of transmitting electricity, defence, and so on. The question I pose is, given that we sort of half missed the boat on IT and half missed it on biotech, although we have picked up a bit in recent times: what is the government doing to ensure that we are at the forefront of nanotechnology research and, importantly, application, because it is the way of the future? This is not being far-fetched—it is based on what our universities are doing now: technically people can live forever with some of this technology. What are we doing so that we do not miss the boat as we did with IT when we had opportunities there, and with Biotech where we have just got onto the running board at the last moment?

The Hon. P.L. WHITE: I thank the honourable member for his question, because it is a very important one; in fact, it is something that has been exercising my mind. He would be aware that Flinders University currently offers a degree course in the field, and that is very important from an educational point of view in generating the skills amongst our scientists that we will need in order to take advantage of the window of opportunity that is appearing (and will continue to appear) in nanotechnology.

We also have significant research areas elsewhere in South Australia—the Ian Wark Research Institute, to name one (of which I used to be a board member) which is a very good institute doing some leading-edge work in the field. Because they came out of the minerals industry, they have concentrated mainly on the materials side of things. However, I recently attended a biotechnology event here in Adelaide about bio-interfaces. Bio-interfaces are technologies that interface basically between biomedical science and microelectronics. That is the division between prosthesis, and those sorts of tools, that are useful in getting the microelectronics to work with living tissue. That is an emerging field that is very important.

I think we have some very good capabilities in that area in this state. It seems to me to be a field where there is some expertise and interest around the world, but there is not as much research activity in it as you might expect there to be. So, I think we have some real opportunities in that sphere as well.

I recently attended, with the Premier, the BIO2004 conference, which is a biotechnology global forum—the biggest biotechnology global forum run on an annual basis. Most of the important players attend the conference, and it seems clear to me that we do have an opportunity in that area. It is something that has been exercising my mind. Some work is being done within my department on looking at those opportunities and assessing the best way to go forward and—because it is possible to put your efforts into the wrong technology—choosing the window of opportunity so that by the time you get yourself up and running the opportunity is not missed. I think part of what is strategically important for the state to achieve is the correct identification of the windows of opportunity that are coming. In microelectronics and associated fields, the technology is moving extremely rapidly, so we want to make sure that we identify the opportunities correctly and that we recognise the opportunities that identify our capabilities where we have the natural advantages and to see how best, as a state, we can leverage those opportunities, and to time them correctly as well.

The Hon. R.B. SUCH: It sounds as though you are moving down this path of quickly doing an audit of what we have here in nanotechnology, what is happening worldwide,

and following the model that was used in the lead up to BioInnovation. Premier Olsen sent me and some others to the United States to have a look and, as a result of that trip, Bio Innovation was created. I think we need to have a government mechanism that puts us at the forefront so that we become leaders in nanotechnology, not tailenders, which could happen if we are not careful. Basically, I am pleading with the government to get out there in the forefront and make sure that we lead in this area, because the spin-offs in defence and other areas will be enormous.

The Hon. P.L. WHITE: I thank the member for that, and I agree with him. In fact, I invite further discussion with him, because I think he has hit the nail on the head.

Mr HAMILTON-SMITH: I refer to the minister's earlier answer where she talked about SABRENet and the Science and Innovation Fund. I would just suggest to the minister that she might like to check the record regarding the former government's innovation fund. It was a cabinet submission late in the year before the election and a matter which was resolved well and truly before the election and which was fully funded, but I will leave that to the minister.

In regard to SABRENet, I thank the minister for correcting the record, because on reading the Premier's media release of 2 April about SABRENet, he virtually suggested that the \$9.2 million SABRENet proposition was wholly a government initiative. I note the minister did correct the record in an answer to a question of mine this year when she pointed out it was a \$1.47 million commitment from this government. As the minister correctly points out, it attracted other investment. It is a question of how the spin is presented.

My next question really relates to the issue of your strategic approach to the portfolio, minister. That is, your STI10 paper talks about a new brand for Adelaide. It calls it the Adelaide Innovation Constellation, which is bringing together a range of assets in the state. I think this is a very important issue about branding, because we already have some world-class brands in South Australia. For example, Roseworthy College, even more so, the Waite Campus, Adelaide University; indeed each of our universities in respective fields have an international reputation. I wonder whether this new brand, Adelaide Innovation Constellation, might muddy the water further, or whether it would detract us from further building the brands that are already internationally known.

Within the context of answering, could you tell me what the government's vision is, for example, for the Waite Campus? The Waite is probably one of the top three centres of excellence in its field, and if we are to go down the road of investing and promoting a new brand, how are we to build the reputation of our existing brands? Building our status and our reputation as a state as a centre for innovation excellence is largely a matter of branding and how we invest in building our reputation.

The Hon. P.L. WHITE: The member said that he thought that the Waite campus would be diminished in this exercise. I do point out—

Mr HAMILTON-SMITH: Just to correct that point. I am not suggesting that. I am just saying that, if we are going to invest in this new brand, the Adelaide Constellation, I ask what our vision is for building our existing brands. Maybe your answer is that we can do the lot.

The Hon. P.L. WHITE: One of the things that is very apparent to me, particularly with the Premier leading the South Australian delegation to the BIO2004, is that we as a state can be much more effective if we present a common

front internationally. There was much comment at that particular meeting about the fact that Australia had got its act together more than it had before in terms of presenting our bioscience capability when we presented a common front. That is not to say that that in any way inhibits the reputation, the opportunities or the capabilities of our research institutions or industry organisations. The Waite particularly is one of the five named areas that will form that constellation, and so it is quite prominent with its agriscience capabilities in the state strategic plan.

Mr HAMILTON-SMITH: We will move on from that point, but I would commend to the minister that these brands are so important to South Australia that it is worth the state government's having a strategy specifically to build each of them.

The Hon. P.L. WHITE: In terms of the Waite specifically, if that is what your question is, we are currently working with Waite on commercialisation opportunities. In fact, at the BIO2004 conference just this month, the Premier launched the prospectus for Waite. The state is promoting very strongly our capabilities at BIO2004. The other more recent development of which you may not be aware is that a new senior executive has just been appointed with BioInnovation SA, that is, Dr Martin Miller, who is a very prominent person with capabilities that will be able to drive that endeavour and whose whole focus is on agriscience. We have brought in more recent expertise to drive that part of our endeavour in South Australia.

Mr HAMILTON-SMITH: Has the government given any consideration to co-locating BioInnovation SA with either the Waite campus or the Thebarton biosciences precinct?

The Hon. P.L. WHITE: BioInnovation SA has a strong focus on both agriscience and biomedical science. I think that what it does is more important than where it is physically located. You would have to say that BioInnovation SA has performed quite well in South Australia in terms of its task of promoting the sector and bringing industry closer to the science involved in the sector. It has facilitated, for example, the creation of 11 new bioscience companies. That brings the total to 25 in less than three years. So, that is a significant contribution that BioInnovation SA has made. It was established as a public corporation to foster growth in the bioscience sector, and I think it is doing that successfully. Of course, with that growth comes jobs. It has a charter to create 2 500 new jobs in this sector by 2010: a significant contribution to jobs and economic growth. Whilst its main focus so far has been on agriscience and biomedical innovation, there are opportunities in other areas such as environmental sustainability; BioInnovation can certainly seed some capability in defence for us; and there are general industry applications such as the sustainability of viticulture.

One thing that I should tell the committee is that it has been successful particularly in the granting of \$1.9 million worth of funding to early stage bioscience companies in a pre-seed grant system, and that has leveraged \$11.5 million in matching federal funds plus other private funds. It has been instrumental in facilitating the completion of the Plant Functional Genomics Centre at the Waite. It has been fundamental in bringing about a \$9 million commitment that the government has now made for the construction of a purpose built bioscience incubator at Thebarton and extending the Thebarton precinct.

The co-partnering visit last year by Dr Maire Smith, the CEO of Manchester Innovation UK, as a science thinker in

residence was particularly important. As a result of her visit, it was recommended to the government that we build the bioscience incubator. It has assisted with the filing of 21 new patents from South Australian universities and hospitals; it has worked on a survey of our bioscience performance against that of other states to identify our strengths and weaknesses; and there are a number of other contributions that BioInnovation SA has made to this state.

Mr HAMILTON-SMITH: I commend the government for continuing BioInnovation SA and Playford Capital, which were initiatives of the former Liberal government. I think it is commendable that the government has continued those initiatives, and I also commend the government for continuing the Thebarton bioscience precinct, the bioscience incubator and the Plant Genomics Centre of Excellence, initiatives of the former government. However, apart from the SABRENet proposition (I will check this to be sure) I am struggling to see any new initiative of this government which was not commissioned by the former government. Even the Premier's Science and Innovation Council was just a rebadged version of the previously existing council of the former government. So, I cannot see a single new initiative other than the commendable STI¹⁰ strategy, which I think has some merit.

My question relates specifically to the key performance indicators. I note in Budget Paper 4, Volume 3 (page 9.9) that the key performance indicators that have been used in the past are not to be used in the future. Is it the minister's intention to use the 10 key performance indicators in STI¹⁰, her 10-year vision for science, technology and innovation, and will those 10 KPIs be listed in next year's budget and will that now become the basis for measuring economic and budgetary performance, or will there be another abridged version of that?

The Hon. P.L. WHITE: I am not sure that I understand the reason for the honourable member's question, because he seems to be asking whether we have gone to the trouble of outlining a vision setting very ambitious targets and key performance indicators associated with those targets and then ignoring it. We do not intend to ignore those targets and KPIs.

Mr HAMILTON-SMITH: Will they be listed in next year's budget as the 10 KPIs under Output or program 1—science, technology and innovation?

The Hon. P.L. WHITE: It is not up to portfolio ministers to determine the format of the budget papers. That comes under the Treasurer's portfolio. However, I can clearly state to the member that we are setting out on a program of identifying our capabilities and our benchmarks, if we do not already have those benchmarks—some we do; some we don't—and we will be measuring ourselves against them. The budget papers state on page 9.9 that new indicators will be introduced.

Mr HAMILTON-SMITH: I gather that the new indicators will be the 10 KPIs listed in STI¹⁰. Is that what you are saying?

The Hon. P.L. WHITE: There may be others as well.

Mr HAMILTON-SMITH: So there will be more than 10. Very good; we will look forward to that.

The Hon. P.L. WHITE: There may be.

Mr HAMILTON-SMITH: That would be a very good measure of how we are going.

Mr KOUTSANTONIS: From memory, I refer to Budget Paper 3, Chapter 2, page 2.34. Can the minister provide detail on the expansion of the Thebarton Bioscience Precinct, given

it is situated in my electorate, and advise how it will facilitate the further growth of the bioscience industry in South Australia?

The Hon. P.L. WHITE: The government has approved almost \$6 million to help triple the size of the Thebarton Bioscience Precinct. The land acquisition of 4.8 hectares at West Thebarton Road has been added to the original 2.2 hectare site, bringing the total area of the precinct to seven hectares. Land at the former Michell Australia site in West Thebarton will become the site of Australia's first dedicated bioscience business incubator facility. That is an important step forward for our biomedical capability in this state and, indeed, in this nation. The government's contribution includes the purchase of the land and the road infrastructure and site development. As Minister for Science and Information Economy, I hold the title to the land, so I am responsible for its development, which is delegated to BioInnovation SA. Demolition, remediation and subdivision of the site will begin shortly, and it is expected that the plans for the construction of the \$9 million purpose-built facilities will be finalised within the coming months. The incubator will provide laboratory and office accommodation to early stage bioscience companies, along with specialised business development support to assist their growth.

The government has allocated nearly \$2.4 million over four years towards rental subsidies for start-up companies operating from the new incubator. This will support as many as 25 new companies which have been established in South Australia in the past three years. The precinct is Australia's only dedicated biomedical precinct. It houses eight commercial medical bioscience companies and employs more than 300 staff, and we expect that number to grow to 480 within the next three to five years. International experience has demonstrated that incubators assist start-up companies to achieve fast growth and strong economic returns. As I mentioned earlier, Dr Maire Smith, the Adelaide thinker in residence and CEO of the highly successful Manchester Innovation in the UK, reported to us and cited the benefits of the incubator in enticing venture capital and encouraging an entrepreneurial culture and job creation in the bioscience centre, which is what we are looking to achieve.

The precinct represents more than \$30 million in capital investment and, with the expansion, it could attract another \$60 million during construction over the next five years. Formal responsibility for the development of the site was transferred in February this year to BioInnovation SA from the Department for Business, Manufacturing and Trade.

The Hon. D.C. KOTZ: I have a supplementary question. Minister, in Budget Paper 5, under Capital Investment, with regard to the Thebarton Bioscience Precinct, it shows the completion date as 2006. The papers also show that some \$340 000 has been allocated this year from a total project cost of \$5.9 million and for the acquisition of 4.8 hectares of land and development to expand the existing bioscience precinct. What portion of the \$5.9 million project cost has already been expended; what was the cost of the 4.8 hectares of land, and has that purchase been concluded; and, interestingly, why will the project take two years to complete?

The Hon. P.L. WHITE: The amount of \$3.3 million was expended on the land sale, and that was concluded last year; \$1.6 million for demolition, remediation and subdivision, the bulk of which will be spent next year; and we are currently awaiting development approval.

Mr KOUTSANTONIS: I refer to Budget Paper 4, Volume 3, page 9.8, program 1. Can the minister inform the

committee what the state government is doing to promote and encourage collaborative research in information and communication technology in South Australia?

The Hon. P.L. WHITE: This relates to something that the shadow minister mentioned in his remarks: the need to harness better the capabilities we have at the Defence, Science and Technology organisation. The state government has allocated \$800 000 over four years to support the development of an information and communications technology research and education cluster in South Australia. It is a collaborative partnership between the state's universities, the DSTO and local industry and is a strategic initiative to grow the sector by increasing the level of new product development from the state's intellectual property.

A feasibility study has been commissioned to collect information about the ICT research community in the state, and identify successful examples of ICT research clusters in Australia and overseas. The study will also quantify current demand for, and supply of, ICT research in the state, and develop initial models and methodology for the establishment of such a cluster. The project will establish the ICT research cluster using a model and methodology defined by the feasibility study in consultation with industry and the research community. Ongoing funding will be used to employ an executive officer to coordinate and develop cluster partner initiatives. I think this is a very important initiative because, while we have had such a great resource in our state with the Defence Science and Technology Organisation, which is a commonwealth research organisation, our success in leveraging that capability in the past has not been what I think it should be strategically for the state. However, I think what has been missing is a dedicated person to drive that coordination, and that is what we are now negotiating; and certainly the universities, the DSTO and I are very excited about the initiative.

Mr KOUTSANTONIS: I refer you to Budget Paper No. 4, Vol. 3, page 9.8. Minister, can you inform the committee of the state government's progress with the broadband development fund launched in December 2003?

The Hon. P.L. WHITE: Yes. I am pleased to announce that the state government will be providing assistance to fund the construction of new broadband infrastructure to support communities in the southern Yorke Peninsula region and the City of Salisbury. There has been an excellent response to the state government's broadband development fund, with almost half the proposals seeking to improve broadband access in regional areas of the state. As members would be aware, broadband telecommunication allows users fast, continuous, online access to digital content, and a range of services such as education, health services and business services. The broadband development fund allocates \$7 million over four years to provide vital infrastructure that maximises economic development and flow-on benefits to business clusters and the general community.

In September last year, the government assigned my department responsibility and budget for broadband as the Broadband SA program. It contained \$8.4 million over four years to develop a state broadband strategy and infrastructure development program. Following widespread advertising in metropolitan and regional newspapers, 43 discrete projects were registered by the due date, seeking total funds in excess of \$35 million—that is always the way.

Mr Koutsantonis interjecting:

The Hon. P.L. WHITE: Discrete, yes. Registrations have been received from areas such as the Yorke Peninsula,

Kangaroo Island, Victor Harbor, and parts of the Upper South-East. In fact, there was broad interest in this particular fund. The broadband development fund has been instrumental in leveraging additional commonwealth funding for the Yorke Peninsula. The District Council of Yorke Peninsula has been promised \$250 000 from the state government. It has now been able to leverage \$630 000 from the commonwealth to install broadband infrastructure to assist small business and the agricultural community in the area around Maitland, Minlaton, Warooka and Yorketown. The City of Salisbury will receive \$520 000 from the state government to install broadband to service local, small to medium size enterprises with flow-on community benefits including residential users. The project will deliver broadband services in areas where there are black spots currently, and provide additional band-width to meet industry needs.

The fund is also providing funding to applicants from the Kangaroo Island Development Board—their particular project is a satellite, wireless communications capability. Funds are also going to the Coorong District Council—again, its interest is in a wireless, broadband capability to that area of the state. The response to the broadband development fund confirms that the state government is targeting resources towards rural infrastructure need, needs of business and needs of the community in South Australia.

Mr HAMILTON-SMITH: Looking at Bio Innovation SA and Playford Capital, could the minister list, for each organisation, the number of people employed within those organisations and their total remuneration package? In addition, how many grants or funding approvals have been approved or provided by each organisation in 2003-2004, and what is budgeted to be granted or provided in 2004-2005, and is that an increase or a decrease? So, the number of people, their packages, and how many grants or investments have they each made?

The Hon. P.L. WHITE: I will start with Bio Innovation SA—and I mentioned some of these before. I will have to take the staffing questions on notice and bring back a response. I mentioned before that Bio Innovation has facilitated the creation of 11 new bioscience companies in South Australia, and that is a significant achievement. It has awarded \$1.9 million to early stage bioscience companies in pre-seed grants, and that investment has leveraged \$11.5 million of federal funding, plus associated private funds, so that has been significant. I think each year Bio Innovation looks at its grants and reviews, monitors and fine tunes, and I anticipate that it will do exactly the same again. I can tell the committee that there has not been any decrease in funding, but I would have to take on notice exactly what the breakdown is because there are a number of programs.

I understand that Playford Capital has 8.5 full-time equivalent staff, which is a \$1 million salary spend. I will hand over to Amanda Heyworth, the acting chief executive of Playford Capital, to give an outline of its investment performance this year, the sorts of companies in which it has invested and also a little bit about its strategies in terms of those investments.

Ms HEYWORTH: To date this financial year we have committed BITS funds to 10 companies, a total of \$1.2 million. Eight of those were new deals and two were top-ups of existing investments. The actual result for this financial year is not entirely clear at the moment because we have two term sheets outstanding, although I think at this

point it is unlikely that they will settle before 30 June. They account for another \$400 000 worth of investment.

The types of investments that we have made vary considerably throughout the ICT industry. The main theme is a strong interest in investing in companies with a rich vein of intellectual property which gives them a strategic competitive advantage in whatever market they compete. Combined with that, we look for companies that have strong management teams, sustainable products and high market growth opportunities.

In relation to factors that have affected our investment spend for this year, I think it is worth bearing in mind a number of points. The first is that our estimates for investment spend in the past were based on our best estimates at the time, and it is fair to say that the ICT industry has experienced some difficult times in the last couple of years with the tech-wreck and the slowdown in corporate expenditure on ICT, particularly in the United States.

The second point is that we have made all of our milestones to invest in the number of companies but the average investment that we have made has been smaller than we originally anticipated. In many instances we expect to top up the investment that we have made. We have put a relatively small amount of money in and, assuming that the company progresses in the way that we and they hope it progresses, we expect to put in further funds down the track.

The Hon. P.L. WHITE: Ms Heyworth is a probably a bit too modest to say this, but Playford Capital has been performing well as a seed capital investor in technology companies in this state. In fact, in 2003-04 (this current financial year) companies backed by Playford Capital raised over \$6.7 million in private investment, leading to a total co-investment attracted to date of \$21.4 million, which is a significant investment in this state.

The other point to note is that Allen Consulting, on behalf of the federal government, reviewed all 11 incubators in the commonwealth's Building on IT Strength program (the BITS program) and Playford was one of only three BITS incubators which received the top quality rating of excellence. That is fine praise for our South Australian centre.

I raise that also to point out to all members of the house that Playford Capital is currently bidding for further commonwealth BITS funds, and the final outcome, obviously, for 2004-05 will depend on the result of that bid. So, I take the opportunity to urge members, and particularly members of the opposition who may have some sway with federal ministers, to do what they can to encourage the federal government to recognise our strengths, capabilities and also potential in harnessing that investment in South Australia.

Mr HAMILTON-SMITH: I acknowledge on notice the grants details of Bio Innovation SA and the salary and staffing details; so thank you for that. In relation to Playford, I note in Budget Paper 4, page 9.9, that you are budgeting \$3.37 million from BITS. I gather you are saying that it is really a hope, if you like, that that money will be forthcoming. At this stage it is not confirmed. Do I understand that correctly? Is that what you are seeking, when you made that remark about your hoping to get BITS funding?

The Hon. P.L. WHITE: I will ask Ms Heyworth to respond to that.

Ms HEYWORTH: The figure in the budget papers reflects an assumption made at the time of putting our budget papers together, that is, that we would get BITS rollover of the unexpended funds for one more year, and that would be the amount left. Clearly, we have since secured rollover for

another two years, and we are bidding for further funding. We will need to revisit our investment strategy for this financial year when that occurs, and I expect that to be in August or September.

Mr HAMILTON-SMITH: I gather that figure reflects the shortfall on page 9.9 of your targeted investment of \$4.61 million but your achieved investment of \$1.53 million. Is that part of the rollover of unexpended BITS funding? Are you saying that you expect more?

Ms HEYWORTH: I would not like to predict the federal government's decision as to anticipating more, because clearly that is a decision it will make. Given our very strong performance to date, we like to think we are a strong candidate for further funds.

Mr HAMILTON-SMITH: At the very least you have that \$3.37 million. That is rollover money, and you are hoping to get another dollop on top of that.

Ms HEYWORTH: We are hoping for further funds on top of the rollover.

Mr HAMILTON-SMITH: I am sure they will be most gracious, as they always have been.

The Hon. P.L. WHITE: I think that will depend on the level of lobbying from all members of this house.

Mr HAMILTON-SMITH: Exactly; and heaven forbid what might happen were there to be a change of federal government. I gather there is no matching state funding intended for investment. In other words, this fund relies wholly on BITS funding. I know that the state government provides funding for administration. But, for example, you are not intending to match that with any funding, for example, from the \$12 million Premier's Science and Innovation Council or any source. You are relying wholly on commonwealth funds. This is a commonwealth program in terms of investment.

The Hon. P.L. WHITE: My understanding is that the state government funds all Playford's operating costs. I will hand over to Ms Heyworth for further detail.

Ms HEYWORTH: That is correct. The Allen Consulting report singled out Playford Capital and the state government's contribution as an excellent model for the BITS program, and suggested that some others should consider adopting the same model where the investment capital was coming from the federal government and the operating costs subsidised by a large owner—in this case, the South Australian government.

Mr HAMILTON-SMITH: I ask that question because, I suppose, the state government would have the option to match that BITS funding to create an even bigger fund, if it chose to. That would be a policy option it has, but I will not bother asking whether that is a policy option you are exploring, because you have virtually answered that question.

I will ask a question about page 9.9 of the budget papers. I notice in budget estimates on 16 June that the Treasurer, in relation to a question on a review of Playford Capital, referred to consultants Frontier Economics headed by—

The Hon. P.L. WHITE: Are you talking about these estimates or last year's estimates?

Mr HAMILTON-SMITH: This year, just last week. He mentioned that consultants Frontier Economics headed by Mr Danny Price had been involved in a consultancy. What is the cost of that consultancy? What were the contractual arrangements of the consultancy? Were all government guidelines followed in respect of the letting of the consultancy?

The Hon. P.L. WHITE: Are you after the cost of the consultancy?

Mr HAMILTON-SMITH: The cost. What were the contractual arrangements? Were all government guidelines followed in respect of letting the consultancy to Danny Price?

The Hon. P.L. WHITE: There was a tender process and there were four tenderers. Obviously, Frontier Economics was the successful tenderer. The final cost was \$109 143, according to the advice given to me by my department.

Mr HAMILTON-SMITH: Were there any contractual arrangements associated with that consultancy of which you would like to make the committee aware? What was the purpose of that consultancy?

The Hon. P.L. WHITE: Have you something in mind when you ask that question? We are not following what you are chasing.

Mr HAMILTON-SMITH: What was the purpose of the consultancy? What was it required to produce for government? What were the terms and conditions of the consultancy?

The Hon. P.L. WHITE: You must understand that this predates my time as minister, but my advice is that the objective of the review was to assess the current effectiveness and operational efficiency of Playford Centre in delivering value to support South Australia's ICT industry; to assess the basis of any ongoing financial or other support by the state in order to sustain and/or expand Playford Capital's present activities; from a state public policy perspective, to evaluate the current purpose and role and provide recommendations to government to allow it to determine the future purpose and role of Playford Capital in support of ICT industry development; to identify the specific public benefits generated by the state government's investment in Playford; and to advise and recommend on any improvements or changes in regard to the foregoing matters. There were some key terms of reference. I can give the honourable member those. I am advised that the key terms of reference include:

- to review the strategic intent and current business model of Playford Centre/Playford Capital, including in the context of current BITS funding and associated contracts;
- to evaluate the execution of this strategy by examining achievements thus far, in particular whether Playford has successfully fulfilled a role in the area of market failure in very early stage capital and where such failure still exists;
- to examine the cost effectiveness of Playford Centre/Playford Capital operations evaluating the return on state investment;
- to evaluate the operational efficiency of Playford Centre/Playford Capital in delivering its services;
- to evaluate the operations of Playford Centre/Playford Capital in the light of the newly proposed State Venture Capital Board and any future implications that arise as a consequence;
- to assess relevant commercial risks and other risks arising from the operations of the organisation and the effectiveness of established risk management strategies;
- to establish the public benefits generated by the state government's investment in the organisation; and
- to recommend any changes or improvements from the perspective of the state's ongoing investment and support of Playford Centre/Playford Capital taking into account any other national or local initiatives that may overlap with Playford Centre/Playford Capital interests.

I am advised that an end purpose was outlined, which was that the review must clearly inform the government whether or not and in what way the state has achieved benefit from its

support of Playford Centre/Playford Capital; whether or not and in what way the state should amend the quantum or form of its support for Playford Centre/Playford Capital; and must set out the jurisdictions for any ongoing financial and other support indicating how this would best be made and over what term, taking into account any other national or local initiatives that may overlap with the interests or have synergy with Playford Centre/Playford Capital.

Mr HAMILTON-SMITH: Thank you, minister. In the interests of openness and accountability, would you be kind enough to make that consultancy report available to the opposition?

The Hon. P.L. WHITE: I suspect that, given that there is a great deal of commercial in confidence information in this report, it will not be made available publicly. What I could offer the honourable member is a briefing on the review.

Mr HAMILTON-SMITH: Thank you, I accept. I look forward to hearing from the minister.

The Hon. P.L. WHITE: I will ask Mr Kowalick, who was the chair of that review committee, to provide that for the honourable member.

Mr CAICA: I realise that the minister touched on this particular subject briefly, but I know that the committee would be anxious to hear more. Will the minister advise the committee what the state government is doing to locate a greater share of major national research facilities in South Australia?

The Hon. P.L. WHITE: The state government has set a clear target to establish South Australia as a major national research centre. The aim, according to our State Strategic Plan and our STI10 vision, is to have either the headquarters or a major node of at least 40 per cent of existing cooperative research centres major national research facilities and centres of excellence based in South Australia within five years. That is a very ambitious target but one which we are aggressively working towards. The Cooperative Research Centres (CRCs) program is a commonwealth research/industry collaborative program established to improve the effectiveness of Australia's research and development effort.

The commonwealth has called the ninth round of bidding for CRC funding. This is a biannual event. Currently, there are some 71 cooperative research centres nationally across six industry sectors, and approximately 32 of these have some presence in the state. Some five are headquartered here, others have significant nodes and the remainder have more limited activity. Following the multistage process, some 33 CRC bids are believed to be still active in the ninth selection round, with some 15 to 18 likely to be funded. Of these 33 South Australian institutions or entities are believed to be participating in 20 bids, with at least two seeking headquarters here in the state.

Of these 20 it is believed that state government departments/agencies are involved in about 12. The applications for that second round of bids are due 2 July. We will know in July how successful those have been. A number of South Australian based institutions or entities acting within consortiums have applied for CRC funding in this staged process as defined under the revised CRC guidelines. In addition, cabinet has approved some revised CRC guidelines for state participation in this field of endeavour.

In addition to departmental resources being committed to various CRC bids, such as the CRC for Internationally Competitive Pork Industry, the CRC for Wine and e-Water CRC, the state has provided an additional forward commit-

ment of \$4.2 million over seven years from 1 July 2005. That is there to bolster further support in the ongoing ninth round of CRC bids. That is very concrete evidence that this government is prepared to commit resources to major research facilities of importance to the state in seeking to meet the targets in the State Strategic Plan, as well as in our 10-year vision for science technology and innovation. I think that I said earlier that we would expect to know in July—I should not have said that. We would expect to know around about December of success or otherwise. These are four CRCs that would begin operation on 1 July 2005.

Mr CAICA: As a link to the previous question, can you advise the committee how the state government is addressing the issues of access to major bioscience equipment and facilities for researchers in South Australia?

The Hon. P.L. WHITE: We were talking earlier about various grant moneys (or seed moneys) to build capability in the state in the bioscience area. There is a new program—the Adelaide Integrated Bioscience Laboratories—which started up last year to assist the development of and access to major bioscience equipment and core technology facilities in four strategic locations (or nodes) across Adelaide. The development of strategically located laboratories is intended, firstly, to increase the quality of bioscience research; secondly, to foster collaboration around research equipment; and, thirdly, provide technical services and equipment in a good laboratory practice environment. AIB Labs is currently comprised of four key laboratory centres (or nodes) located at Flinders University, North Terrace in the CBD, the Waite campus, and Mawson Lakes. The first five AIB Labs facilities are Bio Mass Spectrometry SA at Flinders University, Bio-Interface Technology at the Ian Wark Research Institute, Adelaide Proteomics Centre at the University of Adelaide, Adelaide Microarray Facility at the Hanson Institute, and the Centre for Pharmaceutical Research Pre-Clinical Evaluation at the University of South Australia.

Each of those nodes will possess specialised biotechnology research equipment and expertise that will allow facilities sharing and coordination of equipment purchase to achieve savings across the system. The AIB Labs concept is a joint initiative between Bio Innovation SA, the state's three universities, and key bioscience research institutes. To the best of our knowledge, this initiative is a first for Australia, and we are yet to identify anything similar in other parts of the world; so, it is a significant aid to our research effort in the bioscience sphere. The AIB Labs web directory was launched by Bio Innovation recently, and it provides the bioscience community with detailed information on the availability of major equipment and core facilities across Adelaide. The initiative will help create vital links between industry and academia, and it will be broadened in the near future to include other research support infrastructure such as bioinformatics and clinical trials.

Mr CAICA: My final question focuses on promoting our state's bioscience capabilities. I know that my colleague the member for West Torrens is extremely interested, given the role that we both play on the Public Works Committee. Minister, can you inform the committee of what the state government is doing to promote the state's bioscience capabilities nationally and internationally?

The Hon. P.L. WHITE: One major advance in the promotion of South Australia's bioscience activities is that the South Australian government has recently joined the Australian Biotechnology Alliance, which now involves all Australian states, the ACT and New Zealand in a cooperative

effort to promote our biotechnology industries internationally. South Australia joined the alliance when the Premier signed the memorandum of understanding at the recent BIO2004 conference in San Francisco, along with the premiers of Queensland, New South Wales and Victoria, and the federal science minister, Ian Campbell. That Bio conference is the world's biggest biotechnology event and this year it had about 17 000 registrants.

South Australia had some 38 delegates at the conference, including representatives from the University of Adelaide, the Queen Elizabeth Hospital, the Australian Centre for Plant Functional Genomics, and local bioscience companies with high export potential. Bio Innovation SA provided five scholarships of \$5 000 each for promising South Australian researchers to attend BIO2004. Preliminary feedback from the South Australian delegates suggests that the event was highly valuable. Numerous contacts were made and international interest was expressed in South Australian biotechnology capabilities. Some good business was done at that event and in the follow-up from that event.

Of course, these recent events follow on from the success of the AusBiotech 2003 Conference held in Adelaide in August last year. That particular conference is the key biotechnology industry event. It attracted 1 200 delegates to Adelaide, including 140 from overseas. Bio Innovation SA played a key role in working with conference organisers to ensure a strong speaking program and exhibition. Bio Innovation SA sponsored three international bioscience industry experts to speak at the conference: Dr Maire Smith, chief executive of Manchester Innovation in Manchester, UK, who was in Adelaide at that time as part of the Thinker in Residence program; Dr Klaus Ullrich, CEO of BioCentiv in Jena, Germany; and Professor Huajian Gao, Director of the Max Planck Institute for Metals Research in Stuttgart, Germany. Biotechnology is obviously a global industry and, as is evident from the 61 countries that were represented at BIO2004, the state government, through Bio Innovation SA principally, is working successfully to lift South Australia's profile and build collaborative relationships and research and development with the rest of the world.

I might say also that last year BioInnovation coordinated a South Australian exhibition at that trade show in August, which included representation from government agencies, research institutions and start-up companies. That unified approach presented a strong message on the state's bioscience capabilities. They are just some of the things that have been done recently to promote our bioscience capability, promote our interest, and promote the unified front in our quest to attract foreign and interstate dollars to industry in this field here in South Australia.

Mr HAMILTON-SMITH: Referring to Budget Paper 4, Volume 3, page 9.99, I just want to get back to Playford Capital. The opposition is a big supporter of Playford Capital, and notes the outstanding performance of Playford Capital, but I do want to raise some concerns that have been put to the opposition by industry from people who have been both successful and unsuccessful in grant applications and assistance from Playford, and I want to gauge the minister's response on these criticisms.

One is that Playford only invests in companies when it has already had offers of investment from local business angels; second, negotiations with Playford over terms and conditions are always more fraught than with other investors; third, Playford provides less hands-on assistance than other investors; fourth, Playford's handling of negotiations are not

on a commercially realistic basis compared to other investors; and fifth, Playford demands uncommercial terms and conditions from investees, including the right to sell the investee company at whatever price they choose and to force all other share holders to sell at that price. I just ask your response, minister, to those criticisms from industry. How many such complaints have been received, either by Playford or by you, minister, in writing or by phone or in person, from whom have they been received, and have any been referred to the ombudsman, the minister or any other party? What is the process for dealing with complaints from industry about Playford's processes?

The Hon. P.L. WHITE: Thank you, member, for your question. I as minister, albeit I have been in the job for only a few months, have received no complaints. My Chief Executive of DFEEST informs me that he has received no complaints. I personally am not aware of any complaint along those lines. If the honourable member has some specifically, I invite him to raise them with me, perhaps at another time. With the claim that Playford does not get very hands-on in assistance for companies, what I can say to that, from what I have seen, and while my dealings have been very recent with Playford, that could not be further from the truth. In fact, I attended the launch recently of a new venture called Community E. The feedback from the proponents there and also my own knowledge of the interaction between Playford and that particular organisation was that it was very hands-on, very appreciated, and very valuable.

Mr HAMILTON-SMITH: Minister, the main concern seems to be about the amount of paperwork and the processes involved in dealing with Playford. The whole process of dealing with Playford, in the view of some industry players, is far more complicated, far more bound in red tape and far more difficult in the way of hurdles to jump than with other investors. This is the criticism that is made. It is that one specifically.

The Hon. P.L. WHITE: I have not had that put to me. This is the first time this has been raised with me, so I will not make comment on that; other than to say that my expectation would be that probity and the prudence put and the attention paid by Playford to its activities would be of a standard that would concur with the expectations of our state government. This is in terms of the duty it has in making sure that it investigates properly the ventures that it is about to invest in and that all matters in terms of conflict of interest, and that it handles those investment dollars on behalf of government properly. I will now hand over to Ms Heyworth to expand in detail some of the points you raised.

Ms HEYWORTH: I would like to deal with two points, the first is the suggestion that we always apply co-investment in our potential investments. Looking at our portfolio, in about 40 per cent of cases, Playford has been the only major investor coming into the company, apart from very small amounts of money being put in by the founders. However, in many cases, the amount of money that we can put into the company, which is capped, is not nearly enough for the company to be able to finish its product development and achieve the market development that it needs to achieve substantial sales and get to cash flow positive. Finding other investors who are interested in investing in what is admittedly a very high risk space is a very important part of our job. The second point I would make is that it is true that we have to follow a fairly strict process because of our government ownership, but I can say with confidence that I do not think our processes are more difficult than it would be to deal with

a venture capital investor. I would be very surprised if anybody who had actually been through a full venture capital venture fundraising would think that.

[Sitting suspended from 1 to 2 p.m.]

Mr SCALZI: I refer to Budget Paper 4, Volume 3, page 9.9. How is South Australia performing in producing the required number of IT trained graduates from TAFEs and universities compared with Queensland, Victoria and New South Wales, and how is the quality of such training in South Australia being benchmarked?

The Hon. P.L. WHITE: In terms of the numbers of graduates, I will have to take that question on notice and come back to you.

The Hon. D.C. KOTZ: I refer to Budget Paper 4, Volume 3, page 9.9. Does the government intend to respond to industry calls to lift the tender limit for IT and other communication technologies goods and services contracts from the benchmark of \$20 000 to \$100 000? This request, I am sure the minister knows, flows from the requirement to prepare at considerable expense the exhaustive tender papers for these very small contracts.

The Hon. P.L. WHITE: That particular aspect of government procurement comes under DAIS. So, I suggest that the honourable member refer her question to the Minister for Administrative Services.

The Hon. D.C. KOTZ: As a supplementary question, does the minister have no input into any of that area?

The Hon. P.L. WHITE: Cabinet has specifically assigned it to the DAIS minister.

The Hon. D.C. KOTZ: How many contracts have been let to provide for the government's IT requirements, and will the minister provide the details of each contract and what services it provides to government and the overall total of each of the contracts let?

The Hon. P.L. WHITE: That information is collected not by my department but by the administrative services minister who is responsible for government procurement in that area.

The Hon. D.C. KOTZ: I ask a supplementary question. There is no interlink at all between your responsibilities and that of the pure tender and contract processes?

The Hon. P.L. WHITE: If I understand correctly, you are asking about IT contracts across government. That does not come under my portfolio. I do not have access to that information.

Ms BREUER: I refer to Budget Paper 4, Volume 3, page 9.8—Program 1—science, technology and innovation grants and subsidies. What is the state government doing to increase the rate of participation in science and mathematics education in South Australia?

The Hon. P.L. WHITE: In my former role as the minister for education, I had the pleasure of launching the state governor's \$2.1 million Strategic Directions for Science and Mathematics in October last year. As Minister for Science and Information Economy I am now pleased to report on two particular initiatives of that strategy that come under my current portfolio: the teacher professional development program and scholarships to the Australian Science and Mathematics School. Funding of \$50 000 per annum for the next three years is allocated in the science, technology and innovation budget to support the scholarship program through the ASMS. Scholarships are provided to students from regional areas who are gifted and yet disadvantaged to receive supported placements. There is funding of \$2 500

each for 20 students to be used for travel, accommodation, school fees, curriculum projects and other support for students to attend the school as full-time students or as participants in curriculum enhancement programs.

The Premier's Industry Award for Teachers in Science and Mathematics is allocated funding of \$450 000 over three years for short-term industry placements and experience for science and mathematics teachers across the state. That funding will contribute towards the appointment of temporary teachers to cover teachers on industry placements. Each year, 36 teachers will take time out from the classroom to broaden and expand their skills and knowledge with companies including: the Transport System Centre, the Adelaide Botanic Gardens and Jurlique International, to name a few. These industry placements are negotiated through a partnership between the state government and Business SA and, to date, 18 teachers have commenced their placements. These teachers will be preparing today's students to be innovative thinkers with skills in advanced fields such as electronics, engineering and bioscience, disciplines which are underpinned by a knowledge of maths and science.

Mr HAMILTON-SMITH: Given that there are only 25 minutes left, will the minister consider allowing the opposition to ask its questions rather than prepared questions from the government in the interests of getting across some of our important questions.

The Hon. P.L. WHITE: I just answer the questions. What about the government asking one more question and the opposition having the rest?

Mr HAMILTON-SMITH: Okay.

Ms BREUER: I again refer to Budget Paper 4, Volume 3, page 9.8—Program 1. Will the minister inform the committee of what the state government is doing to promote the state's information and communications technology capabilities on the international scene?

The Hon. P.L. WHITE: Recently, the state government provided funding of \$27 500 to support South Australia's presence at the World Congress on Information Technology 2004. That South Australian delegation was led by Solution City, which is a concept that evolved out of an industry-wide workshop facilitated by the IT Council in 2002. It was agreed then that there was a need for ICT businesses operating in Adelaide to differentiate themselves globally. There are now almost 50 paying members of Solution City, and the group stages a number of useful activities, including information forums and technology showcases, as well as facilitating SA ICT industry representation at trade shows and exhibitions.

The eight-member delegation that attended the World Congress in May promoted Adelaide as an ideal location for ICT investment in the Asia-Pacific region, based on the results of the recent KPMG report, as well as the capabilities of the state's ICT industry under the Solution City banner. More than 700 delegates attended the congress, and prospective business partnerships were established, with representatives from the US, India, Greece, UK, Malaysia, the Republic of Macedonia and Belgium. Relationships were also established with a number of US organisations to explore possibilities for collaborative ICT ventures which could lead to investment in South Australia and others which could benefit government ICT-related programs.

The government recognises the importance of the ICT sector in reaching the many challenging targets set in the state's strategic plan. The state's ICT industry has grown at 12 per cent a year, which is one of the fastest in the Asia-Pacific region. This financial year, ICT sector revenues are

expected to rise by 13 per cent, which is nearly double the 6.7 per cent level of 2002-03. Accordingly, the state government has allocated \$125 000 to fund ICT Council operations for the 2004-05 financial year, and up to a further \$125 000 may be allocated to the council to fund specific projects, subject, of course, to acceptance by the government and the business case for each project.

Mr HAMILTON-SMITH: I refer to page 9.6, Budget Paper 4, Volume 3, again in relation to Playford Capital. Can the minister add to the information she provided me this morning regarding administration, salary, supplies and services at Playford? I think it was mentioned this morning that there was a \$1 million package of salaries. How much in total did the government spend in 2003-04 on administration and rentals—the whole package of administrative support?

The Hon. P.L. WHITE: I am advised that the total appropriation is \$1.4 million and the total expense is \$1.7 million, which includes some revenues.

Mr HAMILTON-SMITH: Am I correct in understanding that last year Playford Capital spent \$1.7 million administering itself (salaries and so on) but invested only \$1.53 million, which is the budget stated result for 2003-04?

The Hon. P.L. WHITE: I will ask Miss Heyworth to answer that question.

Ms HEYWORTH: The numbers are broadly correct. We expect, of course, to put more funds into some of those existing investments as those companies progress in later financial years.

Mr HAMILTON-SMITH: I think that is an extraordinary outcome. It is an area we will question next year, because one looks for a return on the investment. It mirrors the experience with the Venture Capital Board, which spent \$1.5 million on its administration and which did not invest anything at all. However, I will move on. I refer to Budget Paper 4, Volume 3, page 9.9. What funding does the government plan to provide to the IT Council of South Australia over the coming four years and, in that context, does the minister have a four year vision to support the IT Council of South Australia to provide that interface and Solution City, or is it just a one-year horizon?

The Hon. P.L. WHITE: As the member is probably aware, the government is negotiating a new funding arrangement with the IT Council. As I said in my previous answer, a budget of \$125 000 is approved in this budget, plus an additional \$125 000 is available for projects, obviously dependent upon suggested projects and their assessment. So, \$125 000 is available to the IT Council in the next financial year, subject to satisfactory projects being put forward. As I have indicated, the department is negotiating a funding performance agreement with the ICT Council at the moment.

Mr HAMILTON-SMITH: Getting back to Playford, I refer to Budget Paper 4, Volume 3, page 9.9. Can the minister advise how many applications or inquiries for investment were received by Playford in 2003-04 and how many subsequently resulted in an investment being made? I think the minister provided earlier the latter part of the information, but can the minister put it in the context of the number of applications received? Further, what is the increased target for Playford in 2004-05, relative to this year? It is alluded to in footnote (c) on page 9.9. How are we expected to perform in the coming year, how many applications were received and how many were successful?

The Hon. P.L. WHITE: As I set out to answer that, I just want to pick up one point that the honourable member made in his previous statement, and that was about the Venture

Capital Board. I reiterate my earlier point: the complaint from the honourable member was that the Venture Capital Board has not invested, and I point out again that it is not its role to be an investment partner. It has a different role. Playford does invest in companies but it also has a fairly unique role that has not been fulfilled, particularly in this state, before its existence. It performs a very useful function in terms of attracting venture capital, using venture capital and investing—taking equity in companies. As to the numbers of approaches, Playford's attitude and how they assess those approaches, I will ask Ms Heyworth to comment.

Ms HEYWORTH: We receive around 150 serious inquiries, of which approximately one third turn into full applications with business plans. We require a business plan in order to make an assessment as to whether or not we will make an investment, and we go through a formal procedure to consider that.

The Hon. P.L. WHITE: Could I also point out, in speaking to this that, if the opposition is saying that it wants to see 100 per cent success from those investments, then you are probably promoting a capability that could be done elsewhere. Part of Playford Capital's role is to invest with a certain amount of risk. That means that some of those investments will be failures. It means having a very clear strategy for how you go about those investments, what your risk profile will be, and how many high risk and medium risk companies you will support and invest in. The answer is not to strive for one end of the scale or the other: it is about having the right investment risk profile.

Mr HAMILTON-SMITH: Minister, on page 9.6, Budget Paper 4, Vol. 3, in relation to the Premier's Science and Research Council, how many council meetings have been attended by the Premier, how many by the former minister the member for Adelaide, and how many have you attended?

The Hon. P.L. WHITE: There has only been one meeting since I took over responsibility for this portfolio, and I attended that meeting. The Premier also attended that meeting. As you are asking a question about another minister, I am not really expert to answer that. The advice that I am given is that the Premier has attended all except one meeting.

Mr HAMILTON-SMITH: Minister, I refer to page 9.9 of the same budget paper. Since the Centre for Innovation, Business and Manufacturing has closed—I understand that that is under a different minister but it administered a lot of support to small IT and biotech companies in which your portfolio has an interest—what feedback have you had regarding support for small IT and biotech companies? Is the Business Enterprise Centre system working to support small start-up companies and IT businesses and, if so, is any funding coming from your portfolio to help small start-up companies (other than what we have heard already) to replace those sorts of services that they were getting from CIBM?

The Hon. P.L. WHITE: You are asking a question that comes under the portfolio of responsibility of another minister. Those functions were not assigned to this portfolio. Apart from Bio Innovation SA and Playford Capital, the IT council and the Information Advisory Board are the mechanisms through which assistance is offered via my portfolio. Really your question is one for the other minister.

Mr HAMILTON-SMITH: Minister, regarding Budget Paper 4, Vol. 3, what is the cost of Bio Innovation SA's premises on, I understand, King William Road, in terms of lease and fit-out costs? What is their all-up and total cost for salaries, administration, cost of services, etc.?

The Hon. P.L. WHITE: I will have to take that question on notice.

Mr HAMILTON-SMITH: Getting back to Playford Capital (page 9.9)—and I am not sure whether it was provided earlier—what was the average investment size of Playford Capital's investments in 2003-04? I think you mentioned that there was an average cost, but I am not sure whether I caught it.

The Hon. P.L. WHITE: I will ask Ms Heyworth. We will take that question on notice and get you an average figure.

Mr HAMILTON-SMITH: My next question relates to the same budget paper. There has been some talk of funding fellowships in our universities and attracting key academics here, and I know Bio Innovation has been involved in that. What is your vision in regard to fellowships? Is any new money coming into the budget for fellowships? What has been the result for the last year and what is planned for the coming year?

The Hon. P.L. WHITE: Adelaide University, for example, has just won one of the federation fellowships. I have had discussions with Bio Innovation SA and it has offered fellowships. One of the advantages of such schemes is that they provide an opportunity to bring into our state renowned expert researchers who often act as a drawcard for other students and researchers, which is often a very good magnet for funding because of their ability to attract federal government funds as well as private sponsorship. This is also a matter that is currently before the Premier's Science and Research Council in terms of the funding that is available to that council.

Mr HAMILTON-SMITH: My next question relates to the same budget paper at page 9.6. What strategy does the government have in place to use DSTO and CSIRO as centres of excellence for leverage? I know the minister mentioned it in general terms, but I specifically want to know what written agreements, if any, have been reached with these organisations or the commonwealth to enhance their interaction with state government agencies and businesses here, or whether models have been established for commercialisation or whether any particular strategies have been mapped out to take DSTO and CSIRO capabilities to market here in South Australia.

The Hon. P.L. WHITE: I am aware that the Premier has fairly recently met with the CSIRO in regard to its flagship projects. We also have in place a recent agreement between the government and the three universities (the South Australian Consortium of Information Technology and Telecommunications). We have talked about the alliance with DSTO, and that is a very important and significant alliance. The technology and research capabilities which are generated in our backyard have not been fully harnessed in the past, one of the obvious reasons being the security implications for a researcher working for an organisation where there are security constraints. However, many of the defence technologies also have applications in the non-defence arena, and harnessing that expertise will provide us with an even more significant critical mass of research capability. We have some outstanding researchers in South Australia. The important strategy for this state is to harness them in a way that leverages that opportunity in research.

The other important link between government, the universities, the DSTO and CSIRO, being the bodies that you mentioned, is that they are all represented on the Premier's Science and Research Council, so they are regularly brought together with government to talk about research capability,

strategy and industry development in this state.

Mr HAMILTON-SMITH: My next question relates to the same budget paper at page 9.9. What are the government's future plans to use Bio Innovation SA funding for the Thinkers in Residence program? How much money from Bio Innovation SA (or Playford Capital, if it is relevant) has gone out of other programs into the Thinkers in Residence program since March 2002, and is it planned to spend more money from Bio Innovation SA or Playford Capital on Thinkers in Residence in 2004-05; and, if so, how much?

The Hon. P.L. WHITE: I am advised not in 2004-05. The Adelaide Thinkers in Residence program is run by the Department of Premier and Cabinet and is really about bringing world leading thinkers to South Australia to look at what we are doing; to identify any capabilities that we have that we should harness and promote; to identify gaps in our capability; and to suggest ways to improve as a state strategically. Bio Innovation SA has invested \$28 000 in Dr Maire Smith's appointment and has allocated \$45 000 towards Baroness Professor Susan Greenfield's visit.

Dr Maire Smith, who was in Adelaide in August last year and will be in Adelaide in August this year, is the Chief Executive of Manchester Innovation. She is responsible for the establishment and operation of the highly regarded Manchester Bioscience Incubator. She is an acclaimed expert in the commercialisation of bioscience research, with many years in various commercial and product development roles with major pharmaceutical companies. When she was here she conducted a series of community consultation sessions to consider the benefit of incubators and bioscience commercialisation, strategies for successful growth of early stage companies and attracting venture capitalists to invest in regional locations. She has assisted, and will continue to assist, by critically reviewing the state's strategy for developing incubators, particularly at Thebarton and Waite.

Following her visit last year, Dr Smith submitted her report to the Premier recommending the construction of the bioscience incubator at Thebarton, which is aimed at assisting in the growth of the bioscience industry here in South Australia. She has achieved strong commercial success by establishing a bioscience incubator facility. In five years it has created 300 jobs, secured £50 million of investment in venture capital funds and attracted companies from the UK and Japan. Of course, that led to the \$9 million investment by our state government into the bioscience universe.

Baroness Professor Susan Greenfield is presently in Adelaide; she will be here until September and she will be returning in March and April next year. She is a world expert on the human brain. She is a well-known science media commentator but, while she is in Adelaide, she will be helping us develop strategies for managing degenerative diseases of the ageing. She will be critically reviewing our local neuroscience research against international trends (as part of the proposed South Australian Neurological Institute) and she will be commenting on the impact of learning styles in education.

There is quite a lot of very exciting work from a world leader. I think that these particular investments have been very small investments by the state from my portfolio, but I think the outcomes of those investments are clear and will become even clearer in the future.

The ACTING CHAIR: There being no further questions, I declare the examination of the vote completed.

Transport Services, \$51 892 000
Administered Items for Transport Services, \$67 600 000

Membership:

Mr Brokenshire substituted for Mr Hamilton-Smith.
Mr Venning substituted for Mr Scalzi.

Departmental Advisers:

Mr T. O'Loughlin, Chief Executive, Department of Transport and Urban Planning.

Mr F. Steele, Acting Executive Director, Transport SA.

Ms T. Meakins, Executive Director, Transport Planning Agency.

Mr D. Walker, Manager, Building and Investment Management, Transport Planning Agency.

Mr M. Elford, Director, Investment and Planning, Transport Planning Agency.

The ACTING CHAIR: I declare the proposed payments open for examination and refer members to appendix C, page C3 in the Budget Statement and Portfolio Statements Volume 3, Part 8, in particular pages 8.24 to 8.52. We have new advisers so I will check through a couple of things from the opening statement.

Minister, we had your advice earlier about a proposed timetable for the rest of the day. Member for Mawson, I need to check that you have an amended timetable which has a dinner from break 5.45 p.m. to 6.45 p.m., proceeding then from 6.45 to 7.45 p.m.

Mr BROKENSHIRE: That is correct, except that there will be a change at 5.45 p.m. to the member for Davenport for planning.

The ACTING CHAIR: Advisers, I remind you that questions are directed to the minister and that the minister may invite you to answer questions on her behalf. I remind members that any questions not asked may be submitted for inclusion on the House of Assembly *Notice Paper*. Would the minister like to make a brief introductory statement?

The Hon. P.L. WHITE: Yes. The Transport SA division of the Department of Transport and Urban Planning's business is roads. The safety and efficiency of our road system is central to strong economic growth and community confidence, and the government's high priority is road safety. The capital investing budget for 2004-05 is \$222.9 million, which has seen an increase by \$38 million on the previous financial year. The increase is due to a combination of new works and increased expenditure on current works in progress. The accrual expenditure budget for 2004-05 is \$648 million compared to \$591 million last year, with an operating budget of \$424.9 million to be spent on delivering outputs, and \$222.9 million being allocated to investing works.

When adjusted for the effects of depreciation, the operating budget is \$282.6 million. This year we are focusing on road safety, supporting freight and responsible investment, that is, making every dollar count. Safety initiatives include \$1.7 million for the expansion of the existing red light and speed camera network by acquiring eight new digital red light and speed cameras; \$2.2 million to upgrade vehicle inspection facilities and checking stations in order to treat significant high risk occupational health, safety and welfare hazards; and shoulder sealing on rural arterial roads, which reduces the potential of crashes (I am told) by more than 40 per cent by providing additional margins where vehicles run off the road because of driver fatigue or errors in judgment.

An extra \$4.523 million will be allocated (an increase of 10 per cent from 2003-04), which is part of our ongoing

responsive road safety strategy; and more overtaking lanes will be constructed on strategic state/regional arterial roads to improve passing opportunities, and this will reduce the number of head-on accidents and improve travel times on rural roads. Supporting freight is part of this budget. Part of this budget includes a number of important projects, such as building the City West connector and completing Portrush Road.

We will be commencing planning in consultation quite soon on a number of projects, which include the Bakewell Bridge, the Britannia roundabout and improvements to South Road (that is, Grange Road to Torrens Road). There will be \$8.8 million in additional works for the Port River Expressway Stage 1 to construct a new four lane road between the Francis Street/Salisbury Highway/South Road connector, including road bridges over Eastern Parade, South Road and Hanson Road. The government has a key responsibility to protect the community's investment in the existing road infrastructure in order to preserve its value for future generations.

Timely maintenance is more economically and environmentally effective than continually constructing new roads to replace old and deteriorated roads. To this end the government will be spending an additional \$8.5 million on a range of road maintenance activities towards the end of this financial year. We will seek to supplement the current 2004-05 budget where possible throughout the year. The budget for maintenance activities across routine and periodic maintenance, guard fence and replacement and other road-related assets has increased for state roads to \$63 million.

Compare that with the disappointing announcement made by the federal road minister responsible for transport on 7 June, when we saw a strong bias towards the eastern seaboard states with 85 per cent of AusLink funding going to the East and South Australia's receiving a paltry 3.5 per cent of the federal cake, which is the lowest we have ever received.

Other key initiatives in this budget include a \$4 million increase to fund the construction of the Mawson Lakes public transport rail and bus interchange within the new urban community development. Also, there is an \$8 million increase to construct section 2 of the new arterial road between the Salisbury Highway and Main Street as part of the Mawson Lakes Road and bridge development. Expenditure for cycling has increased in that \$842 000 will be invested in cyclist improvements on urban arterial roads and the State Bicycle Fund.

The ACTING CHAIR: Thank you, minister. Member for Mawson, do you wish to make a statement?

Mr BROKENSHIRE: A very brief statement, Madam Acting Chair. First, the opposition acknowledges the hard work of the CEO and his staff in Transport SA and appreciates the work that they do. However, it was interesting to listen to the acting transport minister recently at a function where he said that successive federal governments, both Liberal and Labor, had failed to give sufficient funding for roads to South Australia. We all want to see more money for roads and infrastructure, but I and a lot of the South Australian community find it interesting that the forward estimates from the last budget when we were in government (2001-02 budget) show \$4 554 million of additional revenue over that period to this state government, and that virtually no money has been allocated to catch up on even the backlog of urgent maintenance needed to the tune of about \$160 million.

Whilst it is easy for the government to continue to blame everyone else, it is pretty disappointing that, at a time when

we have a state Labor government which has the record of being the highest taxing government in the history of this state, together with the earlier than anticipated enormous GST benefits that it will get from the feds (albeit that they opposed the GST), it is not focused on key things for the South Australian community such as roads. It is very difficult for a department to do its best when it is simply not getting enough funding from the state government.

Minister, are you and your department of transport and, in particular, the Office of Passenger Transport satisfied with the current policies in respect of drug and alcohol testing for public transport drivers? I would like an answer to this. Further to that, I would like confirmation as to whether or not you and/or your office, Transport SA, or indeed the Office for Public Transport, are aware of an allegation of which I have been advised; that is, in late May or early June, four drivers were detected through OPT for consuming cannabis during the time when they were waiting for the bus changeover at the AAMI Stadium. I would like advice on whether or not anyone in the department can confirm this matter, as I have heard serious allegations from very good sources that four drivers were caught consuming cannabis.

The Hon. P.L. WHITE: Were these bus drivers or car drivers?

Mr BROKENSHIRE: These are bus drivers who wait in the terminal area after they have taken the passengers to the AAMI Stadium. They wait there until the end of the game. The advice to me is that four of them were caught consuming cannabis.

The Hon. P.L. WHITE: To start with, I am happy to answer that question now, but I point out that we have a timetable for this: the Office of Public Transport is not until later this afternoon, consequently the officers from that particular office are not here. I have just conferred with—

The ACTING CHAIR: Is that the line that is open for the Office of Public Transport?

The Hon. P.L. WHITE: The line is not open, so that is why we do not have officers here. I can say in response, though, that neither I nor my chief executive are aware of any allegations, but I am informed that the Office of Public Transport has a policy of zero tolerance when it comes to drug use amongst drivers and their subsequently performing the task. If the member would like to wait until that budget line is open and the relevant officers are here, we can address this again. In terms of something of that nature having been brought to my attention or the attention of my chief executive, the answer is no.

Mr BROKENSHIRE: As a supplementary—

The ACTING CHAIR: Member for Mawson, this line is not open. Can you wait until the line is open?

Mr BROKENSHIRE: I will wait for those public servants to come.

Mr Koutsantonis interjecting:

The ACTING CHAIR: Order!

Mr BROKENSHIRE: I gather that the minister would expect to be advised of this matter.

The Hon. P.L. WHITE: I concur with the policy of the department that there should be zero tolerance.

Mr BROKENSHIRE: Minister, you would expect to be advised if, in fact, there were allegations?

The ACTING CHAIR: Member for Mawson, would you please proceed to ask questions relating to the lines that are open?

Mr BROKENSHIRE: Minister, will you agree to review all the 50 km/h speed zones outside those located in the back

streets across South Australia. My explanation for this question is that, whilst the parliament (including the opposition) agreed that back streets should be at 50 km/h, it has come to the attention of the opposition on numerous occasions that it is a dog's breakfast out there, quite frankly, when it comes to what has happened outside the back streets with the 50 km/h zoning. An example of this is one main road through a town in the Adelaide Hills where, if you are heading south along that road, it is 60 km/h, and on the same road heading north it is 50 km/h. I have been contacted by a constituent in the member for Colton's electorate who highlighted to me the same situation on another road. We are getting inundated with concerns from the community.

Given that the previous shadow minister (Hon. Malcolm Buckby) and councillor Anne Moran reached agreement with you, Minister, to review the 50 km/h zones within the CBD, for which I commend you and your department, will you now agree to a review right across the state to address this matter and get it sorted out once and for all?

The ACTING CHAIR: Order! Member for Mawson, can we have a reference for that, please?

Mr BROKENSHIRE: The reference is Budget Paper 4, Volume 3, page 8.25.

The Hon. P.L. WHITE: I would be interested to hear what is the opposition's position on 50 km/h zones. It sounds as though it is not supported by the opposition. I would say that, in defence of the 50 km/h speed limit in South Australia, it was introduced on 1 March last year. Firstly, it was part of a national move. So, the opposition in not supporting that change in speed limit is swimming against a national tide. It was introduced as a new default urban speed limit. All states now have a default speed limit of 50 km/h. The evidence in favour of the new speed limit was very clear at the time and it is still clear. For example, New South Wales recorded a reduction of 23 per cent in all crashes and Victoria recorded a reduction of 13 per cent in serious casualty crashes on affected streets where there was a change from 60 kilometres to 50 kilometres.

The rule is a simple one for drivers to understand: if there is no sign on a road in an urban area, the speed limit is 50 kilometres; just as if there was no sign before, it was 60 kilometres. Nevertheless, the introduction of the 50 kilometres speed limit was a major initiative and the government undertook the relevant education campaign at the time. However, the member should be aware of a report from the centre—

Mr BROKENSHIRE: Madam Acting Chair, I rise on a point of order and refer you to standing order 98. The question was not whether the opposition supported 50 km/h. The question was: given the dog's breakfast in designating those roads, will the minister agree to a statewide review? That was a simple question.

The ACTING CHAIR: There is no point of order.

The Hon. P.L. WHITE: The decision has been made, member for Mawson. The default limit is 50 km/h, and that decision stands. If the opposition does not agree with it, they should say so.

Mr BROKENSHIRE: I am telling you that it needs a review.

The Hon. P.L. WHITE: You do not agree with the 50 kilometre zone—

Mr BROKENSHIRE: No, that is not what we are saying.

The Hon. P.L. WHITE: Excuse me; one of you is saying that and one of you is not. It seems to me that the opposition cannot make up its mind on the 50 kilometre speed limit.

Members interjecting:

The ACTING CHAIR: Order! The minister has the call.

The Hon. P.L. WHITE: In the view of the government, the 50 km/h speed limit decision was taken a year ago and it stands. In justification for that, firstly, it is a national move: it is not just South Australia. If members of the opposition want to change that circumstance, they should say so. Secondly, a report from the Centre for Automotive Safety Research at the University of Adelaide has shown that in the 10-month period after the introduction of the 50 km/h speed limit in March last year, there has been a substantial reduction in serious crashes on roads where that speed limit was reduced. I am informed that casualty rates fell by 23 per cent and hospital admissions fell by 15 per cent. That is significant. That is the driver, if you will excuse the pun, behind the move to decrease the speed.

The messages about speed limits and speeding are being understood by many drivers. SA Police has reported a 32 per cent reduction in speeding detections from 2002-03, and that is a very welcome change in driving behaviour. The reduced incidents of speeding are consistent with the reduction in casualty crashes that has occurred. In country towns, some councils and local communities have expressed concern about the continuation of a speed limit of 60 kilometres on arterial roads going through busy parts of the town. Where that has occurred, the government has understood the concerns of those communities and a 50 km/h speed limit has been installed, where appropriate, on those roads in towns. Those sections with the lower speed limits are clearly identified and signed.

The long and the short of this issue is that the 50 km/h policy is a good one. The opposition may not agree with that.

Mr Brokenshire interjecting:

The Hon. P.L. WHITE: The opposition should say where it stands on 50 km/h. A moment ago, we had one member saying 'Yes'; one member saying 'No.' One member saying that it is a joke; one member saying that they support it. It is clear that it is the opposition that is divided on the question of 50 km/h. As far as the government is concerned, that decision has been made and it stands.

Mr BROKENSHIRE: Minister, given the enormous cost escalation of the Labor government's first infrastructure project, namely the Glenelg Tram Project, will the minister confirm whether the cost has increased by \$13 million, or in fact will it be more; and why did the minister state on page 2 276 of *Hansard* of 27 May 2004 that, 'Infrastructure works will be accomplished within the original budget.'? Will the minister also provide to the house details of—

The ACTING CHAIR: Order! Member for Mawson, you may not refer to *Hansard* during this session.

Mr BROKENSHIRE: I hear your ruling, Madam. Will the minister also provide to the house details of dramatic increases in the price of trams worldwide?

The Hon. P.L. WHITE: The statement I made to parliament I believe is correct, and the statement about the infrastructure costs coming in within budget is the advice provided by my department. That is our expectation.

Mr BROKENSHIRE: Are you saying \$56 million, minister, because your predecessor put out a ministerial press release saying that the whole project would come in at \$56 million? We are now seeing budget figures of \$71 million at least. There are rumours that we have a half-baked tram project at an enormous cost escalation. We need to know the answers, minister.

The Hon. P.L. WHITE: As I said in my ministerial statement, there is an infrastructure component and then there are the trams. The infrastructure component is the rails, the platforms and that sort of gear.

Mr BROKENSHIRE: The trams have blown out big time.

The Hon. P.L. WHITE: The trams have cost more than initially anticipated, which was what I stated to parliament in my ministerial statement on the date you gave.

Mr BROKENSHIRE: I have a supplementary question. Now I understand that the infrastructure, that is, the platforms and the rail lines, are on budget, but the actual purchase of the trams has blown out considerably. Can you confirm whether or not they have blown out by more than \$13 million?

The Hon. P.L. WHITE: That was the whole point of my ministerial statement to the house. It was reported in the newspaper; it was reported to the house. What is your point?

Mr BROKENSHIRE: Will the minister inform the house whether this cost blowout of at least \$13 million will be the only cost blowout in the purchase of these trams?

The Hon. P.L. WHITE: According to the information I have been given, yes. That is what my statement said. My statement said that there had been an increase in the cost of the tram project, which there has been, and that that is due to the purchase of the trams themselves. We are in the final stages of negotiation of that contract.

Mr BROKENSHIRE: As a supplementary question: will the minister advise the committee what a dramatic increase in the price of trams worldwide actually means? Is there any evidence that there has been a dramatic increase?

The Hon. P.L. WHITE: They are costing everyone more.

Mr BROKENSHIRE: In just six months we have seen a huge increase of over 23 per cent in the cost of these trams. That is well above any increase in the CPI.

The Hon. P.L. WHITE: I do not know how many other ways to explain it: they are costing more, yes.

Mr BROKENSHIRE: Does the minister intend to proceed with the previous minister's commitment to get rid of registration discs on motor vehicles and trailers and, if so, does she also agree with the previous minister's statement that this will result in a saving of \$200 000 per annum?

The Hon. P.L. WHITE: Since that matter was raised by the previous minister, all of the other states have decided to go down that path, so we will wait and do it in concert with them. With cross-border registrations there are a lot of issues involved, so we will delay its introduction because there will be a national approach.

The Hon. D.C. KOTZ: Supplementary to that, the minister mentioned that there could possibly be cross-border problems or issues. Will she provide an example?

The Hon. P.L. WHITE: I will ask my chief executive who has been working on these issues to provide a couple of examples.

Mr O'LOUGHLIN: It goes to the issue of the enforcement of registration of vehicles. There is a problem at the moment across Australia with people driving unregistered vehicles. The Standing Committee on Transport which reports to the Australian Transport Council has agreed that this needs to be progressed in such a way that the operating procedures for police and transport agencies can be as uniform as they can be across the various states. For example, if someone is speeding and they are pulled over, in one state they might get their sticker inspected as well as radio contact being made with the database, whereas in another state there

might be a different procedure because they do not use registration stickers. The idea is to get uniformity, eventually.

Mr HANNA: I refer to two possible infrastructure projects in the electorate of Mitchell. I looked carefully at page 8.25 of the budget papers to see whether they are listed as highlights for the coming year, but I could not find them. One is the proposed extension of Lander Road to facilitate the development of the Hallett Cove Shopping Centre. Some residents would be happy to see this project go ahead while others would not. Has any money been set aside in the budget for this coming year for that project to proceed?

The Hon. P.L. WHITE: I recently had a look at that part of the world in relation to the proposed development at Hallett Cove. There were a couple of traffic issues associated with the project, one of which was the request to put through a road. Some money has been allocated to that road in the 2004-05 budget. The project will be funded not just by the state government but jointly by the developer and the local council, and there will be some federal funding through special local roads funding directly to the council. It is not just state government funding, but there is an allocation in the 2004-05 budget.

Mr HANNA: I have a supplementary question. How much state government money is involved and can I understand from the minister's answer that it has state government approval?

The Hon. P.L. WHITE: This is still under negotiation. The state government allocation is \$1.1 million. However, if the rest of the money falls through, that would put us on a different footing. I understand that the local council is still negotiating with the federal government over its share of funding.

Mr HANNA: My second question is in relation to a project which has been on the drawing board for a long time, that is, the so-called Oaklands crossing. This refers to the junction of Morphet and Diagonal roads and the Noarlunga railway line, a highly congested intersection, where, to a small extent, some remedial work was done under the ministry of the Hon. Diana Laidlaw. It is an issue about which I wrote to the Hon. Diana Laidlaw and about which I know the member for Morphet has written to minister Wright. The latest information I have is that it formed part of long-term planning, but it seems to be one of those projects which is continually being put off as a low priority project. However, thousands of people in the marginal seat of Mitchell would appreciate the fixing of that intersection so that they do not have to queue for 10 minutes to get through at the busy times of the day.

The Hon. P.L. WHITE: We will have a look at that project. I am told by my officers that this matter is being analysed actively by the department, so perhaps the honourable member and I could have a further discussion about his vision for what should happen in that part of his electorate, and we will see what we can do.

The Hon. D.C. KOTZ: Minister, in Budget Paper 4, Volume 3, page 8.27, under the heading 'Noarlunga-Victor Harbor Road', it appears that an article in the *Sunday Mail* announced a certain amount of funding for this road. However, given that the budget papers show no funding for the Noarlunga-Victor Harbor road for 2004-05, can the minister advise where the announcement came from, as we are talking about a figure of \$2.6 million?

The Hon. P.L. WHITE: It is coming out of a budgetary allocation of \$5 million for overtaking lanes. The announcement on the Victor Harbor road was for overtaking lanes.

The Hon. D.C. KOTZ: I refer to page 8.28 of Budget Paper 4, Volume 3, under 'Long-Term Plant Requirements'. There appears to be a considerable amount of slippage from the 2003-04 budgeted amount of \$29 million, with a \$50 million slippage. Can the minister advise why the slippage has occurred and where the \$14 million has now been placed? Will the minister also give details on the rearrangement of the plant contract from AH back to Transport SA and what the savings might be on that contract?

The Hon. P.L. WHITE: From looking at page 8.28 of the budget papers, I can understand why the member might draw that conclusion. However, upwards of some 80 per cent of that budget in contracts were let last month and this month, with the majority of the remaining contracts in the first quarter of 2004-05. So, whilst it appears that there has been significant slippage, the contract commitments have been made, and we are expecting plant deliveries directly following in the first quarter of 2004-05.

The Hon. D.C. KOTZ: I have a supplementary question. If the minister has further information which updates what is in the budget papers, what is the amount being held over for next year?

The Hon. P.L. WHITE: I think the member misunderstands the way in which the budget accounting works. Because that money has not been expended, it has not been incorporated at this time. However, it has been committed.

The Hon. D.C. KOTZ: The outstanding \$50 million?

The Hon. P.L. WHITE: Approximately 80 per cent has already been signed. So, it is committed funding, even though it has not been expended. Once we get the plant, which, I am advised, will be during the first quarter of 2004-05, we will pay the bill.

The Hon. D.C. KOTZ: I also asked about the details on the AH plant contract that apparently went back to Transport SA and the savings that might be made from that.

The Hon. P.L. WHITE: That company was the original owner of the plant. Those contracts went out to tender, and that company bid for part of the work, and I am advised that it was awarded contracts of approximately \$1 million.

The Hon. D.C. KOTZ: And the savings that were made from that new arrangement?

The Hon. P.L. WHITE: What are we doing with the savings, you mean?

The Hon. D.C. KOTZ: What were the savings?

The Hon. P.L. WHITE: I understand that the savings were of the order of \$7 million. That is the advice that I have.

The Hon. D.C. KOTZ: Minister, in Budget Paper 5, Capital Works, page 29, under the heading 'Shoulder Sealing Program', the subject matter talks about an extension of the shoulder sealing program. Will the minister confirm that the shoulder sealing program has been extended by one year, and that the additional \$6.8 million allocated is not over and above what had already been allocated?

The Hon. P.L. WHITE: The shoulder sealing program had not been established in 2006-07, and this current budget inserts \$6.8 million in that year.

The Hon. D.C. KOTZ: In which year, minister?

The Hon. P.L. WHITE: There is currently no money in 2006-07, and we have inserted an additional \$6.8 million in forward estimates.

The Hon. D.C. KOTZ: Well, then, in relation to the question that I asked—that the shoulder sealing program has been extended by one year—is that a correct statement?

The Hon. P.L. WHITE: Sorry. What do you mean? Are you quoting from something? I am not sure. You have asked if the statement—

The Hon. D.C. KOTZ: Judging by the budget papers, it would seem—

The Hon. P.L. WHITE: Could you give me a reference again so I can see what you are talking about?

The Hon. D.C. KOTZ: Yes. Budget Paper 5, Capital Works, page 29, heading 'Shoulder Sealing Program', which states, 'Extension of Shoulder Sealing Program'.

The Hon. P.L. WHITE: It is extending it into 2006-07. There was no money for shoulder resealing in 2006-07, and in this budget we have increased that expenditure to \$6.8 million. That is clearly indicated in the budget papers.

The Hon. D.C. KOTZ: Thank you for that advice, minister. In the same budget papers, under the same area, Budget Paper 5, Capital Works, under the heading, 'Unsealed Rural Arterials', again, funding for unsealed rural roads—will the minister advise if the \$1 million for the unsealed rural roads completes the program and, if not, how much is left from the \$73 million that was allocated?

The Hon. P.L. WHITE: It is an extra \$1 million on what was announced in the 2003-04 budget.

The Hon. D.C. KOTZ: An extra \$1 million, over and above the \$73 million that was the original budgeted allocation in this area?

The Hon. P.L. WHITE: What I can tell you is that it is an extra \$1 million over the allocation up to last year. In terms of the total figure that that brings it to, I will have to take that on notice.

The Hon. D.C. KOTZ: Minister, I have a supplementary question. If, in fact, this happened to be the last \$1 million of the program, then the question would be: has there been any money set aside in forward years to have this project continued? That is why it is important to know just exactly what this \$1 million is, in terms of the original amount allocated?

The Hon. P.L. WHITE: Really, you are asking about what is going to be in next year's budget, and no minister has the authority to say that. That is a cabinet decision that will not be taken until preparations for next year's budget.

The Hon. D.C. KOTZ: This government has, in most of its budget papers and in most of its projects, looked at four-year projects. This is a huge budgeted allocation. It is an extremely important project for this state. We have seen rural roads funding cut to absolute abysmal numbers, and here we have an amount of \$73 million now expended, and there is \$1 million put in for this year, and no expectation for further years' allocation, minister. That would be an absolute disgrace if that was the case.

The Hon. P.L. WHITE: The honourable member's statement that rural road funding has been cut is not correct at all. The premise she seems to be taking is that I should know, ahead of time, what is going to be in next year's budget. The government has allocated \$1 million in this budget for the unsealed rural arterials. The member's question is about next year's budget, in 2005-06. As I say, that is a matter for next year's budget.

The Hon. D.C. KOTZ: Rural roads do not have any money in the forward estimates from this government, and you as minister cannot give an answer to that. Has it been looked at?

The Hon. P.L. WHITE: The member might recall that in the previous budget it was announced that that program

was coming to an end. It has a \$1 million allocation in this budget, and that is the situation.

The Hon. D.C. KOTZ: It is disgraceful.

The Hon. P.L. WHITE: That is not the total amount of funding on rural roads by any means. We have a shoulder sealing program, a state black spot program, an overtaking lanes program, and a road safety program that is putting extra funding into rural roads. We have individual programs funded in our capital works program and we have a maintenance program. So, for the member to infer that the total allocation to rural roads is \$1 million is not correct.

Ms BREUER: I refer to Budget Paper 4, Volume 3, page 8.55, under 'Highlights' and 'Safety and Security' dot points two and four:

- Completed implementation of Phase 1 of the Government's Road Safety Reform Package. . .
- Developed a draft Phase 2 Road Safety Package for the Government's consideration.

I ask this question in view of the ridiculous questions asked by members opposite. The minister has already talked about some of these issues, but will she describe the initiatives by the government that demonstrate its serious commitment to road safety?

The Hon. P.L. WHITE: Indeed, the government is committed to road safety, reducing road trauma and achieving the nationally agreed 40 per cent reduction in fatalities by 2010. The introduction of the 50 km/h speed limit in South Australia on 1 March last year was part of a national move by all states to introduce a new default urban speed limit. The policy is directly linked to improving road safety and, for a relatively small drop in travel speeds, there is linkage to a substantial drop in the road toll and associated improvement in community wellbeing.

I spoke earlier about CASR (the Centre for Automotive Safety Research) at the University of Adelaide and, from its research, it reports a fall in casualty rates of 23 per cent and a drop in hospital admissions of 15 per cent in the first two months of the operation of the lower speed.

Additionally, my department's shoulder sealing program, which is a very targeted safety treatment, addresses crashes on rural roads as a result of loss of control and unsealed shoulders or run-off road crashes and fatigue. That particular program began a couple of years ago and is expected over five or six years or so to deliver over 700 kilometres of sealed shoulders, which will result in savings in crash costs to the community of over \$100 million, if you want to put it in economic terms.

In a South Australian first, a new joint funding arrangement between state and local governments was established to fund black spot upgrades on local roads, and part of that funding is for a new initiative known as the Safer Local Roads program, which guarantees that 25 per cent of our state black spot funding will be directed towards local roads in a council-puts-in-one-third and government-puts-in-two-thirds arrangement. So, both state and local government are contributing to the cost of the black spot project.

In early May this year this government installed an advanced traffic management system on the Adelaide to Crafers freeway. The freeway was funded by the Keating government in 1995, and this system will instantly communicate with motorists via real time message and variable speed signs warning motorists of incidents or potentially hazardous conditions ahead.

Today I announced that the government is moving on 1 August to implement a significant public health and road

safety measure to ensure that motorists who are fined for using hand-held mobile phones while driving also attract three demerit points on their licence.

So, the government is taking action to stamp out such practices. Those are just some of the initiatives, as well as others, that are under consideration by the government at this point in time.

Ms BREUER: Will the minister describe the impact of limited funding provided through AusLink on the freight and transport initiatives proposed in the state budget? I refer to Budget Paper 4, Volume 3, Transport Services, at pages 8.27 and 8.28.

The Hon. P.L. WHITE: Of course, since we have had these budget papers printed, the federal government on 7 June this year released its white paper on the AusLink funding arrangement, which directs most of its funding towards the eastern seaboard. South Australia's share of that investment appears to be in the order of \$213 million for five years, which represents only 3.5 per cent of the total investing AusLink budget. That compares with a situation where South Australia has 8 per cent of the population and 15 per cent of the national highway network. The very least—

Mr Venning interjecting:

The Hon. P.L. WHITE: Actually, member for Schubert, more than you.

Members interjecting:

The ACTING CHAIR: Order! We have had enough.

The Hon. P.L. WHITE: No matter how much—

Members interjecting:

The ACTING CHAIR: Order! That is enough: members have had a little go.

The Hon. P.L. WHITE: No matter how much the opposition will defend this decision by the federal government, it is there for all to see. The federal government is committing \$11.8 billion for AusLink over the next five years—that is investment and maintenance dollars. Out of that, on the investment side of the ledger, \$6 billion has been allocated—and we are just not getting our fair share: just 3.5 per cent of that. At the very least one would expect an 8 per cent population share. What we really should be getting is our 15 per cent share of the national highway portion of the funding.

Also of concern is the absence of funding from the federal government for critical planning works in 2004-05. The bulk of that AusLink funding does not kick in for this state until 2006-07. The state government submitted a number of projects to the federal government for potential AusLink funding, but they were unsuccessful. The projects included the Port Wakefield Road-Waterloo Corner Road to Salisbury Highway widening, \$110 million; the Adelaide Metro and Barossa Mid-North rail standardisation, not funded; the Gepps Cross grade separation, not funded; the South Road-Wingfield rail crossing grade separation, not funded; the South-East rail standardisation, not funded; and the Main North Road-Smithfield to Gawler pavement widening, not funded. While funding has been allocated to road maintenance in 2004-05—it has not been reduced—it does not allow this state to address the significant work that we need to do here in South Australia; nor does the future look promising given that the national network has been enlarged by the inclusion of significant eastern state transport links, all competing for that dwindling maintenance dollar in the federal bucket.

Our state government has sent a letter of protest to the Prime Minister, expressing our concern over the inequitable

distribution of funding and suggesting options for increased funding projects to this state. It is vital for the development of the state that members opposite join with us in lobbying their federal colleagues. We have four federal ministers. Out of our South Australian federal MPs, we have four federal cabinet ministers, yet we got a trifling amount from the federal government. It is vital that politics is put aside and that members of the opposition join with us in lobbying the federal government for vital funds. South Australia has never got its fair share of funding, and it is time that the opposition stopped playing politics at the local level and joined with us to promote a united front to say to the federal government, 'We need a better go.'

Ms BREUER: In relation to road safety and accidents, I refer to Budget Paper 4, Volume 3, page 8.25, Targets 2004-05, Safety and Security:

- Reduce fatigue as a cause of heavy vehicle crashes by monitoring heavy vehicle movements throughout the state using Safe-T-Cam.

Will the minister report on progress of those systems?

The Hon. P.L. WHITE: The Safe-T-Cam project has been started. It has been approved. Significant research has been undertaken on new camera technologies, followed by the processes of expression of interest, request for proposals and contract negotiation, and testing for that particular initiative. The contract for supply of the cameras to interface to the systems has been let. The first site has been installed and the remaining sites will be installed progressively. The budget for 2003-04 has been committed and the project is expected to be completed during this year, as originally planned.

Mr BROKENSHIRE: I have a supplementary question. In relation to the Safe-T-Cams, will the minister confirm that the government expects to get an additional 2 150 expiation notices from the Safe-T-Cam? If that is the case, in dollar terms how much of the extra \$17.5 million budgeted for from fees, fines and penalties does the government expect to receive by virtue of the additional 2 150 expiation notices?

The Hon. P.L. WHITE: Could the honourable member provide me with a reference?

Mr BROKENSHIRE: Budget Paper 4, Vol. 3, page 8.31.

The Hon. P.L. WHITE: I cannot see that figure of 2 150 on that page.

Mr BROKENSHIRE: I will provide that to the minister later because, in the next 20 minutes, I would like to put some questions to the minister.

The Hon. P.L. WHITE: I cannot see any figure.

Mr BROKENSHIRE: It is in there, because I read the fine detail of all budget papers over the weekend. I can tell the minister that it shows 2 150 expiation notices from Safe-T-Cam. I would like to put some other questions to the minister, so I will proceed with them and I will get that information for the minister.

The Hon. P.L. WHITE: I will take that question on notice and get the honourable member an answer.

Mr BROKENSHIRE: What is the estimated number of unlicensed drivers, unregistered vehicle trailers and the like in South Australia at the moment?

The Hon. P.L. WHITE: I do not have that information. I will take that question on notice.

Mr BROKENSHIRE: You will take it on notice?

The Hon. P.L. WHITE: Yes.

Mr BROKENSHIRE: What funding commitment has the government made to the deepening of the Outer Harbour? This is a very important question, as I have been advised that

the net cost benefit analysis for an investment of around \$60 million is up to \$1.9 billion for South Australia up to a 20-year period; and, given that Victoria's Premier Steve Bracks has made significant announcements and, indeed, investment into the deepening of the port of Melbourne—

Mr Caica interjecting:

Mr BROKENSHIRE: Yes, he has. Steve Bracks has. A lot of money is being invested by both the federal and state governments on a bipartisan basis, given that we started a lot of this strategy when we were in government. However, a range of peak bodies throughout South Australia have raised with me their concerns about what they see as a lack of state government commitment to the deepening of the Outer Harbour channel so that we can capitalise on the investment of that area.

An honourable member interjecting:

Mr BROKENSHIRE: Yes, it is true. I have had two lots in my office recently. Do you want to sit in on the briefings?

The Hon. P.L. WHITE: That matter comes under the portfolio of the Minister for Infrastructure rather than my portfolio. However, I do understand that the feasibility study—including the financial analysis—for that project has not yet been completed. That is a cross government/industry exercise. I suggest that the honourable member direct that line of questioning to the infrastructure minister.

Mr BROKENSHIRE: As a supplementary question and given that it is on page 8.55 of your budget papers under 'Freight', I am wondering whether the minister has any knowledge at all whether the government does have a commitment to put in any funding to the further deepening of the Outer Harbour channel.

Ms Breuer interjecting:

Mr BROKENSHIRE: Well, we should know. We are parliamentarians and we have a right to know on behalf of our community. That is what estimates is all about.

The Hon. P.L. WHITE: My department provides the service to the rest of government, and the particular line in the budget papers to which the honourable member refers states that my department will work with government and industry to facilitate those port improvements. That is the role of my department, but the financial analysis is an issue for the Minister for Infrastructure.

Mr VENNING: Is the decision final to have lifting bridges rather than fixed?

The Hon. P.L. WHITE: The tender for that particular work is already out and will be closing in August. Our government is trying to get some clarification from the federal minister as to what conditions he is putting on any offer of funding. A figure of \$80 million was put forward in the AusLink white paper on 7 June, which was, of course, after the Infracorp board had taken the decision to go to the market on this exercise—and this is after an extended period of waiting to see what funding contribution the federal government would make. As of today, as far as I am aware, unless there has been some communication over the last 24 hours, we are yet to hear back from the federal minister as to exactly what conditions apply to that funding offer.

Mr BROKENSHIRE: As a supplementary question, would the minister rule in or out refusing to take the \$80 million from the federal government with this project?

The Hon. P.L. WHITE: That is an issue for the whole of government. The Minister for Infrastructure is the lead minister on this matter. However, one must know what conditions are being attached to what you are being offered

and, at this point, that is what the government is seeking clarification on, as has been reported in the media.

Mr BROKENSHIRE: It is possible that you may not take the \$80 million?

The Hon. P.L. WHITE: It would be unwise to rule anything in or out until we understand what the federal government's offer is.

Mr BROKENSHIRE: Will the minister rule in or out toll roads on the opening bridges and the rail line? What is the minister's position on a toll?

The Hon. P.L. WHITE: I refer the member to my answer to the previous question. We are awaiting clarification from the federal government on what contribution it is making and what conditions might apply to that contribution; obviously that impacts on the financial reality regarding that project. You are really moving into the area of hypotheticals here. Until we know what the federal government's offer is, that is a very difficult question to answer.

Mr BROKENSHIRE: As a supplementary question; can I take it that the state government is considering the potential for a toll?

The Hon. P.L. WHITE: The former government decided that there would be a toll on opening bridges—that was the former government's decision. The former government moved legislation in this place to enable that. There was a subsequent bill in the time of this government along those same lines. The situation has not changed during that two to three-year period.

Mr BROKENSHIRE: What are the details of the increase in commonwealth revenue from the 2003-04 estimated result of \$53 million to 2004-05 showing \$76 million on the budget papers at page 8.34? What are the details of the sales of goods and services from an estimated result in 2003-04 of \$54 million to a budget prediction in 2004-05 of \$76 million?

The Hon. P.L. WHITE: On page 8.34 there is an estimated result in 2003-04 of \$53.3 million to \$69.3 million in 2004-05. The principal explanation for that is the Port River Expressway Stage 1 for the overpasses. It is additional predicted expenditure on the overpasses associated with Stage 1 of the Port River Expressway project.

Mr BROKENSHIRE: What are the details of the sales of goods and services where we see an estimated result of \$54 million in 2003-04 to a budget prediction of \$76.599 million in 2004-05?

The Hon. P.L. WHITE: That is revenue from Treasury for the Port River Expressway, principally.

Mr BROKENSHIRE: Revenue from where?

The Hon. P.L. WHITE: From Treasury; it is an appropriation.

Mr BROKENSHIRE: Why is the supplies and services budget line \$127 million less than what it was in 2002-03? What has been cut to achieve this reduction? This is on page 8.7. This is from the actual of 2002-03.

The Hon. P.L. WHITE: Is it on page 8.07 or 8.70?

Mr BROKENSHIRE: I meant page 8.70, sorry.

The Hon. P.L. WHITE: That is the Office for Public Transport, according to our papers.

Mr BROKENSHIRE: We will ask that question later. I am happy to stick to the line. Why is the government refusing to fund an upgrade of the Victor Harbor Road-South Road T-junction where the Victor Harbor Road comes out onto South Road at Old Noarlunga, given that \$132 million was spent on the Southern Expressway? The advice at the completion of that was that, once an analysis was done of the

benefits of the expressway and the growth projections (if they came up) for the Fleurieu Peninsula, consideration would be given to that matter not just by you, Minister, but by your predecessor. I have written numerous letters requesting an upgrade to overcome the enormous traffic delay, and we are being advised that there will be no budget allocation.

The Hon. P.L. WHITE: My advice is that, while my department is aware of the traffic delay problems at this location, investigations by the department have shown that those problems cannot be satisfactorily addressed without significantly modifying the existing intersection. The department's preferred scheme, which would have to be negotiated with the local council and community, involves considerable widening and alterations to the existing intersection to provide additional traffic lanes and the installation of traffic signals; but that is at a fairly high cost, so it needs to be considered amongst statewide priorities, particularly in the area of road safety. The question is: is that the best use of those millions of dollars? In answering that question, that particular intersection is perhaps not as high a priority as some others. While the department might like to do that work, it has to take into consideration the priority of other competing intersections and road safety upgrades. However, it is not off the radar, so to speak.

Mr BROKENSHIRE: I am happy to work with you, minister, to keep it right on top of the radar screen. But in the interim period has the department considered negotiating with the City of Onkaparinga for some minor upgrades along Robinson Road, signage and a 'turn left' to bring the traffic through to the traffic lights on the Seaford Road/Main South Road corner to try and eliminate some of the problem while you look for funding?

The Hon. P.L. WHITE: I am not aware, and my department does not seem to be aware, of an approach by the member on that particular matter. Has there been one?

Mr BROKENSHIRE: I would have to check my records, because I have done quite a bit on it, but I am happy to meet with one of your officers down there, minister, and discuss a temporary alternative while we wait.

The Hon. P.L. WHITE: I am happy, member for Mawson, to receive your suggestion for that area that we could consider.

Mr VENNING: I just have a couple of quick questions, and I would appreciate quick answers. The minister should be aware of some of these. I refer, first, to the Capital Investment Statement, on page 30, under the Recreation Boating Fund, Bow Hill wharf. Is the minister aware of the very perilous condition of the historic Bow Hill wharf, and will the minister consider urgent works to upgrade the wharf to make it safe, not just for every day use, considering that the *Murray Princess* calls in there, but also considering that it is very much steeped in the history of the River Murray.

The Hon. P.L. WHITE: I would be happy to take your query on notice and have a look at it. However, the officers that are present can advise me—

Mr VENNING: It would probably be the previous minister.

The Hon. P.L. WHITE: Okay. If you would care to put your suggestion to me, I will consider it.

Mr VENNING: Under the same line, I refer to Kroemers Crossing. I am sure the minister would be aware of this one. This relates to the Orlando Wyndam's development of Richmond Grove of \$64 million. We are arguing about a very serious situation where their trucks enter the main road, that is the Barossa Valley Way. I understand your department is

in negotiation in trying to work out a new scheme to overcome this very perilous situation. Can you give us an update?

The Hon. P.L. WHITE: I think you gave the update yourself, member for Schubert.

Mr VENNING: I have heard nothing.

The Hon. P.L. WHITE: You are right; we are looking at what to try to find a satisfactory solution.

Mr VENNING: You understand—and I will put it on the record—that there are semitrailers right this very moment pulling across the railway line, waiting to get on to the main road. If the train comes along they have nowhere to go. You understand that, I understand that, and I will put it on the record. It is a very dangerous situation. It should not be allowed to occur. These are B-doubles coming out of there.

The Hon. P.L. WHITE: Have you spoken to the police about this matter?

Mr VENNING: It is not a police matter; it is a highway matter.

The Hon. P.L. WHITE: Standing across a railway intersection is a police matter.

Mr VENNING: You cannot see up the highway unless you come out, minister, because the trucks are too long. With the semis it was all right but they now protrude back over the railway line. You cannot sit back 100 yards and then enter the highway without looking first, can you.

The Hon. P.L. WHITE: This sounds like a serious safety issue and from that point of view I will ensure that my department takes what steps are necessary to try and address that problem.

Mr VENNING: My third question is on lights on the Sturt Highway. We know that the Sturt Highway has a pretty bad record for safety. Most of the intersections are very well lit in the evening except for the main intersection, the one between Murray Street, that is, the Barossa Valley Way and the highway which is not lit. We have made various representations about this matter. Can the minister say why the main intersection is not lit while all the others are? We have referred to this over several years.

The Hon. P.L. WHITE: The officers present do not have any immediate knowledge of that, so we will take it on notice and look at it.

Mr VENNING: I will send you copies of all the old correspondence. Also, there is the same issue in relation to the railway crossing between the road between Nuriootpa and Angaston. It is a very bad S-bend crossing there. It needs to have lights on it as well. Can you take that on notice as well?

The Hon. P.L. WHITE: Certainly.

Mr VENNING: Further, will the government give consideration to the sealing of the Blanchetown to Morgan Road? It was earmarked and prepared for sealing two and a half years ago, and nothing more has been done.

The Hon. P.L. WHITE: As I do not know the history of that particular road I will hand over to my Chief Executive Officer to address that one.

Mr O'LOUGHLIN: In its 2003-04 budget, the government determined that the sealing of the rural arterial road program would be completed for two roads, the Morgan to Blanchetown Road and the Lucindale/Mount Burr Road. The funds that were saved as a result of that were redirected into the establishment of the road safety program.

The ACTING CHAIR: The time allocated for the examination of these lines having expired, I declare the examination of these lines completed.

Office of Public Transport, \$173 263 000
Transport Planning, \$2 467 000
TransAdelaide, \$2 791 000

Additional Departmental Adviser:

Ms H. Hazelgrove, Director of Operations, Office of Public Transport.

Mr BROKENSHERE: Is the minister satisfied with the drugs and alcohol policy for testing public transport drivers: in particular, bus drivers? I have been advised by industry members that concerns have been raised about the practical test for drugs and alcohol. I have been told that, during the football run in either late May or early June, the OPT and/or the company that was employing these drivers discovered four drivers 'passing the peace pipe around' while they waited between dropping off passengers to the football and taking passengers back. These are serious allegations, and my sources tell me that the OPT should be aware of this matter.

The Hon. P.L. WHITE: I am concerned to hear allegations of this nature because, as I mentioned before, the department has a zero tolerance policy when it comes to drugs and alcohol. My personal view is that that policy is right: we should not tolerate any incursion into a driver's ability to perform their task (which carries a high degree of responsibility) in the appropriate way. The Office of Public Transport advises me that in this current financial year there have been no reported cases of drivers of passenger transport vehicles being under the influence of alcohol or any other prohibited substance. That is the advice from my office. I will hand over to Ms Hazelgrove in a moment to elaborate. I should point out to members that the Passenger Transport Act 1994, regulation 62(2) very distinctly provides:

The driver of a public passenger vehicle must not:

(a) drive the vehicle, or attempt to put the vehicle in motion, while there is present in his or her blood any concentration of alcohol; or

(b) consume or use alcohol or a drug or substance the consumption or use of which is prohibited by law between the time of commencing work and/or ceasing work on any day.

I am informed that the process is that, if a driver is caught embarking on this behaviour, they would be brought before the Passenger Transport Standards Committee, with a maximum penalty of \$750, with a possible loss of his or her driver accreditation. If they are caught drink driving by the police, there are state laws which control that. Even if they are pulled over by the police and register below .05 blood alcohol content, they are still taken through that process and are subject to the provisions of the Passenger Transport Act. I would be very concerned, firstly, if there were incidents and, secondly, if they were not brought to the attention of the appropriate authority. I will now hand over to Ms Hazelgrove, who will talk a little more about the issue raised by the honourable member.

Ms HAZELGROVE: I have asked someone in the office to contact each of the bus companies which provide services to football park. When they get back to me, we will provide the honourable member with further advice on that matter. There is a requirement under section 62 that 'drivers must not permit a person to consume or use in the vehicle a drug or substance the consumption or use of which is prohibited by

law.' So, even if it is not the driver, he or she should not permit anyone to use a substance in the vehicle because it is illegal to smoke in the vehicle. We have not had any reported cases, but we will check with the bus companies in relation to that matter. We can have our inspectors at football park for the next couple of weeks checking that this is not happening.

Mr BROKENSHERE: I have a supplementary question. I am happy with that, but I advise that my sources tell me—

Mr KOUTSANTONIS: Go to the police then.

Mr BROKENSHERE: Hang on a minute.

Mr KOUTSANTONIS: Go to the police. Why are you withholding core information then? You have a duty to the public as a member of parliament, don't you?

The ACTING CHAIR: Order!

Mr Caica interjecting:

Mr BROKENSHERE: No.

Mr Koutsantonis interjecting:

Mr BROKENSHERE: No, I am not. Anyway, I await a response. I have a supplementary question. Is the OPT aware of any drug or alcohol testing of trainee drivers where a trainee tested positive? Further, does the OPT conduct the drug and alcohol testing? How is that managed?

The Hon. P.L. WHITE: I understand that the Office of Public Transport does not carry out the drug and alcohol testing. However, for further detail, I will hand over to Ms Hazelgrove.

Ms HAZELGROVE: It is the responsibility of the individual companies, that is, TransAdelaide, Serco, Torrens Transit, Transit Plus or Southlink. I do not have those details with me, but I can get for the honourable member further information as to their policies in relation to this matter and how they meet their requirements under their contract with the Office of Public Transport.

Mr VENNING: I have a supplementary question. This is a favourite subject of mine: how does the minister, or anyone, police a zero tolerance policy on drugs?

The Hon. P.L. WHITE: Firstly, I will hand over to Ms Hazelgrove to talk about the Office of Public Transport, but the honourable member might also want to hear from Mr Roy Arnold, who heads our TransAdelaide authority, on that question, as it concerns our train drivers.

Ms HAZELGROVE: Under the contracts that the minister has with each company for the provision of bus services, it is the companies' responsibility to ensure that their drivers comply with the Passenger Transport Act. I do not have with me the exact details, but, as I told Mr Broken-shire, I will follow up those matters and provide the honourable member with that information.

Mr VENNING: It is a very serious matter that has been raised by the member for Mawson. If those bus drivers took drugs but did not partake of alcohol, how can you prove that they took drugs, unless you saw them doing so? They have to be tested, do they not?

The Hon. P.L. WHITE: This is a hypothetical until we establish whether this did occur. Ms Hazelgrove has indicated that her office is contacting each of the bus companies to find out, first, whether they are aware of it occurring in relation to any of their bus drivers and, secondly, if that is the case, what action has been taken and what were the circumstances of the case. So, once we have that information, we will inform the honourable member. Before moving on from that matter, I ask Mr Roy Arnold to respond on behalf of TransAdelaide employees.

Mr ARNOLD: TransAdelaide's zero tolerance of alcohol and drugs policy is audited by random checks which take

place throughout the organisation continually and to which all members of the organisation, including me, are subjected. Any employee who has any alcohol or drug is suspended immediately. The drug test is a saliva test. The alcohol test is a normal breathalyser. The saliva test only reveals the presence of a drug. That is then followed by a urine test, which then confirms whether or not the drug is a dangerous drug. Any employee is thus suspended. Any employee who then transgresses is subject to the usual disciplinary procedures, which can lead to instant dismissal.

Mr VENNING: A further supplementary, Madam Acting Chair—

Ms Breuer: How many supplementaries have you had?

Mr VENNING: This is a very important line; and I think we are getting somewhere. I note that you used the word 'saliva test'. I understand that that is the same as the swab test that is currently being used by the Victoria Police. Is this a proven science, and why do you not include blood tests?

The Hon. P.L. WHITE: I think we are getting off track a little here—

Mr VENNING: No way.

The Hon. P.L. WHITE: —in terms of the budget.

Mr VENNING: It is a very important area—

The Hon. P.L. WHITE: Would the member appreciate a briefing on this from my department? Perhaps that would be an appropriate thing. I think the shadow minister wants to ask some more questions. I think I will arrange a briefing.

Mr VENNING: It is very important.

The Hon. P.L. WHITE: We can go into a bit of detail on that particular issue.

Mr BROKENSHERE: What evidence do you have to estimate that patronage on public transport will grow by 3.8 per cent in 2004-2005, given that patronage only grew by 2.5 per cent in 2003-2004?

The ACTING CHAIR: Do you need a page number, minister?

Mr BROKENSHERE: It is page 8.66.

The Hon. P.L. WHITE: Patronage on public transport depends on many factors, including the quality of the public transport vehicles; the shelter when waiting for public transport; safety is a very important factor; and, of course, comfort. Other facts such as the frequency of services impact on people's usage, fares and the cost and availability of alternate transport. There are many factors upon which decisions about use of public transport are based. It is often based on the perceived ease of use and the benefits it delivers to the individual—especially cost—and community benefits as well, in terms of environmental impact and the like. I understand that the Adelaide Metro has been sustaining good patronage growth, but that is no cause to be complacent and not aim for substantially increased growth, which is what we are doing in the State Strategic Plan. It has a target of doubling the use of public transport to 10 per cent of weekday travel by 2018—and that is a significant target. There are several initiatives aimed at increasing patronage in our portfolio and in this budget.

You might be aware of the Adelaide Metro Information Program, which provides information and promotes the benefits of using public transport to customers. I mentioned earlier that one of the factors upon which people make their decision is the quality of the transport vehicles. We will be buying 170 new accessible buses in coming years. Additionally, the Smart Stop real-time information trial on Henley Beach Road and The Parade is proving immensely popular and successful, and recent research shows that improved

customer satisfaction and, most importantly, growth in patronage, is occurring on those routes with that technology. In fact, 16 per cent of their customers are increasing their usage of public transport along those routes. That is a significant increase and that shows how patronage can be increased in the Adelaide metro area. In fact, since the introduction of Smart Stops, my department tells me that there has been 3 per cent of new users on those services. Similarly, service information at key points prior to and during the public transport journey not only guides but also reassures customers and leads to a growth in patronage.

The bus/rail interchange at Noarlunga Centre is in the final stage of a major improvement program, and that has seen the facility completely repainted, attractive murals have been provided, revegetation of surrounding open spaces and the commencement of fencing work around the secure parking area. Initiatives such as that at Noarlunga are intended to retain and, indeed, expand our patronage of this important transport hub in the southern suburbs. Planning has also been completed and tenders are being called for the design and construction of the Mawson Lakes connector at the other end of town. That is a connector between Salisbury Highway and Main Street at Mawson Lakes. That is all about providing a safe and effective interchange between cars, buses and trains. That will encourage residents, both in that fast growing neck of the woods at Mawson Lakes and the surrounding suburbs, to utilise public transport for their commuter journeys, as well as improved access for students attending the university campus at Mawson Lakes.

The government is investing significantly in new trams for the Glenelg to city line, between Glenelg and Victoria Square. So, there has been good growth. The government is aiming for higher growth in patronage of public transport. I must say that patronage across the rail system has been significant. In fact, there has been an additional 727 651 passengers compared to four years ago.

TransAdelaide has done work on rating its customer satisfaction, and that has increased significantly on trains and trams during the last few years in response to initiatives such as increased service frequency by TransAdelaide; better on-time running; the Showground Central station, which is incredibly popular; and improved rail car appearance with new livery. There are more safer stations, which is very important for customer confidence in our rail system, and I think the commitment to customer service by the management and staff of TransAdelaide impacts patronage in that sector.

So, overall, the government will continue to improve public transport. We want to ensure that it offers real choice for people and that it achieves the targets that we have set out in the state strategic plan.

Mr VENNING: My question is in relation to transport on page 8.39 of the folio. Can you explain why the number of buses under 10 years of age will decrease from 51 per cent to 42 per cent in 2004-05?

The Hon. P.L. WHITE: Could the member clarify that for me? I am looking at page 8.39 which indicates that the average age of buses is decreasing in the next financial year, not increasing.

Mr VENNING: That is right, it will decrease from 51 to 42.

The Hon. P.L. WHITE: I do not know where the 51 and 42 figures are. The more important figure is the line above that which gives the average age of buses and shows that the age of 12.1 years in 2003-04 will decrease to 11.8 years

targeted for 2004-05. That is the average age, so that takes all our bus fleet into consideration.

Mr VENNING: I have a question on transport again relating to page 8.89. Given that the revenue from sales of goods and services includes ticket sales on all public transport, why is the amount of revenue raised in 2004-05 only \$6 000 greater than 2003-04 when the growth of public transport use is estimated to be 3.8 per cent?

The Hon. P.L. WHITE: The member is referring to TransAdelaide. Does that indicate that he wants to move into that area now?

Mr VENNING: I thought we were going to and fro.

The Hon. P.L. WHITE: That is fair enough. I point out that that is TransAdelaide, not the buses. The sale of goods and services at page 8.89 for TransAdelaide goes from an estimated result in 2003-04 of \$85 223 000 to \$85 229 000, so the difference is \$6 000. This is not ticket sales.

Mr VENNING: No, it says that it includes ticket sales on all public transport.

The Hon. P.L. WHITE: No, this is on a page that has on the top of it 'Agency: TransAdelaide', so we are only talking about TransAdelaide, and that shows an \$85 million budget for sale of goods and services, and the difference between this current financial year and the budget for next financial year is \$6 000. I do not think that is a significant difference.

Rather than referring to that page for TransAdelaide, I think the member might have referred to page 8.78, which is the Office of Public Transport. That shows a \$2.8 million increase in the sale of goods and services. I think the honourable member was looking at the wrong page. Have I clarified the matter for the honourable member?

Mr VENNING: More or less. He was looking at page 8.89 when he was here a moment ago.

The Hon. P.L. WHITE: In order to clarify the matter, in case there is a misconception there, the original \$6 000 difference in a \$85 million budget is not ticket sales at all for TransAdelaide. That is revenue. It is under the title of 'Revenue from ordinary activities'. That is payments from the Office of Public Transport.

Mr VENNING: In relation to page 8.66, will the minister provide details of the zone cruiser program to the outer south services?

The Hon. P.L. WHITE: I might ask Ms Haselgrove to give a description of that program.

Ms HASELGROVE: The zone cruiser is an articulated bus on which we are trialing some new concepts. The zone cruiser is for use on long hauls, so we are trialing it in the outer south contract area. Where passengers have to travel 30 or 40 minutes, even an hour, on the services we are providing seats with thicker material on them. There will be a television on the bus. It is to see whether customers prefer that sort of service. We want to get some active feedback from customers, so they will be asked to complete a questionnaire on how they find the quality of the seats and whether it is important for them. If they have an FM radio, they will be able to tune into the audio, as well as the video, on the zone cruiser. At this stage we are trialing one vehicle.

Mr VENNING: Are you not trialing the north, say, the Gawler-Barossa line?

Ms HASELGROVE: It is a bus, not a train. We have only one bus to trial. We use the feedback we get from the customers to further inform us in our next round of bus contracts.

Mr VENNING: That bus will be used only in the southern suburbs?

Ms HASELGROVE: At this stage. It may be that we will rotate it to the north to trial other customers.

Mr VENNING: Can I recommend that? It would be a good idea to try it out up there.

Ms HASELGROVE: We could see.

Ms BREUER: I think we are now on TransAdelaide. Will the minister describe improvements that are being made for rail transport?

The ACTING CHAIR: Minister, before you answer that, we sort of slid into TransAdelaide. We have already had Mr Arnold. Are there any other advisers you need to introduce?

The Hon. P.L. WHITE: No, just Mr Arnold. I hinted on it a little earlier when I was answering a question from the opposition member on public transport patronage. Rail improvements have received the greatest public transport funding injection under the Rann government's 2004-05 budget, with \$5.9 million committed to upgrade the TransAdelaide network. Some \$2.8 million will be spent on replacing rail track crossing points at Goodwood and Woodville and on approaches to Adelaide Railway Station. This will allow trains to travel at a consistent track speed, thus ensuring a smooth and improved ride for train passengers. Currently, passenger trains slow down at track crossing points for precautionary safety reasons, given the age of some of the points across that area. This investment will improve train services for those passengers.

The existing bridges over the tracks at Hallett Cove Beach and Blackwood will be replaced or upgraded to improve safety for both road and footpath users, as well as for train passengers. Over \$700 000 will be spent along the Noarlunga line, mainly between Lonsdale and Hallett Cove Beach to stabilise the cuttings and embankments in order to reduce the risk of mud slides.

In addition to those new initiatives, work will continue in the next financial year on a number of high profile projects which will benefit public transport users, including the allocation of \$6.7 million for construction works to commence the new public transport hub at Mawson Lakes; and \$44.8 million for the Adelaide light rail between Glenelg and Victoria Square to purchase new trams and commence upgrading the track infrastructure. The government will also be committing \$4.9 million to ensure track safety by replacing sleepers as required, and nearly \$1 million to continue upgrading railway stations and pedestrian crossings—again, to improve passenger safety and comfort.

Following recommendations arising out of reports on the level crossing crash at Salisbury, \$1.5 million per annum is being committed (commencing in 2005-06) for safety improvements to pedestrian crossings on the TransAdelaide network. Other safety and security measures for trains and their passengers include providing more funding in this year's capital plan for improving fencing to help stop trespassing and to provide passenger service assistance to provide security for passengers.

A study is being completed, including a complete survey of the train network to identify post Madrid security enhancements for our rail network. The first step, as members might have seen reported in the newspapers recently, has been the removal of waste bins at Adelaide station. In a major boost to public transport funding, \$5.7 million per annum will be made available from the 2006-07 budget year for a consecutive 15-year period to continually modernise and upgrade TransAdelaide rail cars. This is a major refurbishment program to modernise and update components and tech-

nology on the TransAdelaide rail cars, as well as providing new facilities and amenities for passengers, with six rail cars refurbished every year for the following 15 years.

All those initiatives demonstrate the government's ongoing financial support of rail transport. I would just like to take this opportunity to commend Mr Arnold and his team on the very good job they are doing at TransAdelaide.

Ms BREUER: I see it as a bit of a crossover between transport planning and TransAdelaide, but will the minister please elaborate on what was involved in the implementation of taxis using bus lanes?

The Hon. P.L. WHITE: From December last year taxis have been permitted to use bus lanes under new rules that came into effect at that time. Taxis, as well as buses and bicycles, can now use bus lanes. However, they are not permitted to use bus-only lanes or B lights as members would be familiar with them. Bus-only lanes are clearly identifiable by red-painted pavement with the white words, 'Bus only'. In other words, the red painted bus-only lanes are for buses only, that is, they are a no-go area for any other vehicles, including taxis. The B lights, of course, are bus-only prompts at signalised intersections.

Line marking and signage will help to delineate the bus lanes from bus-only lanes, and that is now complete. To date, 34 bus-only lanes have been painted in the metropolitan area, and the remaining five sites will be completed by the end of this month. Depending on time restrictions, the bus lanes that taxis can use include, Botanic Road to Hackney Road/Dequetteville Terrace; Hackney Road/Dequetteville Terrace/Botanic Road; Glover Road/Bakewell Bridge to West Terrace; Goodwood Road to Greenhill Road to South Terrace; Goodwood Road, Rockville Avenue to Edwards Street; Henley Beach Road/South Road to Bakewell Bridge; Main North Road/South Terrace to Diagonal Road; Payneham Road/O.G. Road to Broad Street; Payneham Road/Broad Street to O.G. Road; Pulteney Street/South Terrace to Angas Street; and Pulteney Street/Angas Street to South Terrace.

Mr VENNING: Considering that the Barossa Wine Train has been withdrawn, would the minister consider a trial period to extend the Gawler train service to the Barossa for at least two services daily and/or similarly a passenger service to the Iron Triangle, which, of course, would include Port Augusta and Port Pirie and, maybe, even Whyalla, because you have the new heavy duty rail cars to do it now?

The Hon. P.L. WHITE: I understand that TransAdelaide has investigated this matter. I will ask Mr Roy Arnold to tell the committee a little about what that investigation found.

Mr ARNOLD: TransAdelaide has conducted studies of operating limited passenger services to the Barossa. Some issues indicate that it is not economically feasible. There would also be some clash with arrangements that have been made with bus operators from the Barossa. However, in the wider view, together with transport planning, TransAdelaide is looking at a standardisation exercise, which could include standardisation of the line up to and throughout the Barossa, and a greater use by freight, which could open up the way for passenger trains. I emphasise, though, that this is very much in the initial study stages.

The Hon. P.L. WHITE: One of the things that would make such a service more economically viable would be standardisation of that rail line.

Mr VENNING: Does the minister envisage that happening in the next few months or years?

The Hon. P.L. WHITE: Not in the next few months.

Mr VENNING: Can the minister give us a timetable as to when that could be considered?

The Hon. P.L. WHITE: That is something which my department has been looking at.

Ms BREUER: With respect to the implementation of the state freight strategy (Budget Paper 4, Vol. 3, page 8.55 under 'Targets—freight'), will the minister explain how the government is supporting the freight industry in South Australia?

The Hon. P.L. WHITE: The government is maintaining and fostering safe and efficient freight networks as a key component of the state's economy. It is key to our exports and our infrastructure. In the current financial year, my department has been working on developing a freight strategy in close consultation with key members of the industry, principally the South Australian Freight Council. The process is nearing completion, and it is our intention to come forward with the strategy in this next financial year. We are interested in holding a freight strategy forum to address some of its key challenges and to facilitate its implementation. This will be done, of course, in conjunction with the freight industry, various sectors of the government and, indeed, the community, which has an interest as well. Similarly, the South Australian government continues to support industry freight logistics improvements through its funding for and support of the South Australian Freight Council. That peak freight body has about 100 members, I understand, representing an estimated 10 000 businesses in South Australia, and it covers all modes of transport.

The government is further assisting industry by providing seed funding through the council for the establishment of a national cold chain centre in Adelaide. That centre will provide practical solutions to industry cold chain logistics problems by harnessing research and education and training resources here in South Australia and Australia to find practical and affordable solutions. This will significantly improve our perishable food export competitiveness and, again, support the Premier's State Food Strategy.

Similarly, in March, the Premier announced a major infrastructure plan of more than \$300 million in value, and the aim of that plan is to integrate road, rail and shipping infrastructure at Port Adelaide to make South Australia's export industries more competitive.

Mr VENNING: Hear, hear!

The Hon. P.L. WHITE: I thank the honourable member for Schubert for his support, because it is an important project—an exciting project that will not only rejuvenate that section of town in terms of its support for freight but it is a very intensive and important fillip for the construction industry as well. My department is also progressing the first stage of construction of the Port River Expressway from South Road at Wingfield to the Gillman area. Tenders, as I have outlined, have been called for the construction of stage 2 of this project, which will extend this new road across the Port River onto the Le Fevre Peninsula to join up with Victoria Road on the peninsula, and stage 3, which will realign the freight railway line across the Port River on another new bridge. These works are expected to be completed at the end of 2006. While the Auslink announcement did not provide that funding until after these are intended to be completed, I hope that will be renegotiated with the commonwealth government.

The state government has also announced an allocation of \$20 million for the upgrade of the Le Fevre rail freight corridor, and that upgraded corridor will connect the new rail

bridge across the Port River along the peninsula to the upgraded export facilities at Outer Harbor. That work will provide modern infrastructure capable of carrying the expected large increases in rail freight at a higher speed and with greater safety to the port. Again, it is planned that these works will be funded in partnership with the commonwealth government and the owner of the track, the Australian Rail Track Corporation.

Furthermore, in the South-East, the government has committed to seeing this important region reconnected to the national rail network. We have set aside funds to trigger private sector investment in the project and are taking a cross-border approach to make that happen.

On the Eyre Peninsula, our government agencies are working with the Eyre Peninsula Development Board, local government, the grain and freight industry and the South Australian Freight Council to identify necessary improvements of not only the narrow gauge rail network but also the total freight logistics system there. Obviously, that is aimed at enhancing our grain exports, but it is also to result in better use of the Eyre Peninsula freight network.

To provide better access for industry to take advantage of lower cost road transport, the government has developed an extensive network of roads that can be used by B-doubles. Moreover, to assist the operators of restricted access vehicles—that is, the B-doubles, road trains and related vehicle combinations—my department recently adopted a policy aimed at gazetting those heavy vehicles that previously required permits to be obtained by operators annually.

My department is also currently undertaking a project in relation to heavy vehicle access in conjunction with local government and industry that is aimed at significantly improving the regulatory regime under which heavy vehicles operate on the state's road network. All those strategies, initiatives and programs that I have just talked about are geared towards encouraging economic growth in South Australia through a freight network that is efficient, affordable and also, importantly, safe.

Mr BROKENSHIRE: Minister, the safety of the drivers of public transport buses, in particular, is something about which I am sure we are all concerned. Even in my own electorate I have had an unfortunate situation where one of my constituents was assaulted as a bus driver. I talk to a lot of bus drivers about their security and safety and, in fact, I have had a number of them contact me, expressing concern about security and safety for bus drivers, even with the benefits of things like the GRN coming into those buses. They also tell me that there is a considerable amount of vandalism to buses—etching of windows and other damage—which is costly. I wonder whether you have considered bringing back inspectors onto buses, given that it appears that, at least anecdotally, there has been an increase in concern for the safety of the bus drivers and passengers, and an increase in damage to buses.

This is particularly in light of the fact that I have been advised that sometimes it is difficult for SAPOL to be able to get to a call where a bus officer has a problem with a passenger, or passengers. In fact, I have been advised that there are examples where supervisors have managed to be able to get to them prior to SAPOL. This also brings in the point of whether or not you have had discussions with the police minister to consider perhaps relocating some of the transit police from the central location in the railway station precinct to have some of them working out of the Noarlunga interchange and some of them working out of the Elizabeth

interchange, so that there would then be a diversity of them to help. Given that concerns are being raised about safety, and given that you want to increase passenger numbers and yet some people say at certain times they have concerns about the safety, what initiatives are you looking at to improve safety on the buses?

The Hon. P.L. WHITE: Safety of drivers, whether they be bus drivers, tram drivers, or train drivers, is something that is very important to the government. It is important of itself, for the safety of those individuals. It is also important from the perspective that our customers, the public, need to feel safe on and around our transport vehicles. It is an issue that I take very seriously and I am interested in hearing about any suggestions from wherever they might come about ways to improve safety. I will take on board the suggestions that you have made. One of the things that my department is doing, is putting more cameras on buses and that is important for a couple of reasons. It is a safety issue. You brought up the issue of graffiti on buses. Graffiti on buses is a very expensive item, so the cameras are also a deterrent and a device in defeating that significant community problem.

Also, in terms of safety for bus drivers our government moved quite recently. In April there was an incident along the O'Bahn route. It was at the Hill Street overbridge where something was thrown off the bridge onto the O'Bahn track. It was thrown at a bus and it injured a driver. Obviously, safety of our drivers and our passengers is our highest priority and I instructed my department to act immediately to put additional security measures into that area, the Hill Street overbridge on the O'Bahn, and that involves some mesh screening and guard fencing. Also, in relation to that incident, we are in the process of purchasing cameras to use along the O'Bahn in terms of the road bridges over the O'Bahn path, again as both a deterrent to people who might be inclined to act in such an irresponsible way, by throwing things onto the track, and as a security device in monitoring those places and having a quick response from our transit police. So I do take very seriously the suggestions about ways to improve security for our drivers or vehicle operators and our passengers, because that is so very high on the government's agenda and focus in providing not only a better service to the public but a safe working environment for those employees.

Mr BROKENSHERE: Just another point on that to take on board with the rest is: it is probably difficult for train and tram drivers as well but I am talking specifically about discussions I have had with bus drivers. I understand that under section 68(8) of the Passenger Transport Act the bus drivers are required to do certain things, to collect fees and keep order, and so on. Yet in a recent time bus drivers have had anger management classes to try and help them to manage angry passengers or those who may be intoxicated, etc. Some of the points that have been put to those drivers they feel puts them in a difficult position, given the agreement they have signed when they take on employment, with respect to that section. I think further initiatives could be beneficial both ways and I look forward to a response down the track on what your officers think about what we have discussed in the last five minutes.

My next question is: minister, what are the details of how the government expects to get an extra 2 150 expiation notices from Safe-T-Cam, and how much in dollar terms is this of the extra \$17.5 million budgeted in Transport SA for fees and fines penalties, and where is the balance of the expected increases in fines coming from?

The Hon. P.L. WHITE: If I understood your question correctly, you referred to the statement of financial performance and the line entitled 'Fees, fines and penalties' and the increase that is indicated, and asked whether that relates to Safe-T-Cam. Is that your question?

Mr BROKENSHERE: That is part of the question. Page 8.31 refers to an expected 2 150 extra expiation notices through the Safe-T-Cam initiative.

The Hon. P.L. WHITE: There is no connection between Safe-T-Cam revenue and fees, fines and penalties. I am advised that the revenue from Safe-T-Cam does not flow to our department.

Mr BROKENSHERE: By way of further clarification, next to the estimated number of expiations of 2 350 for 2003-04 is (d), and a target of 4 500 is set for 2004-05. Performance footnote (d) states:

Increase in expiation notices due to introduction of Safe-T-Cam.

The Hon. P.L. WHITE: The notices come under our portfolio; the revenue does not.

Mr BROKENSHERE: If it is not your department, who would know what is expected to be brought in in dollar terms from the projected 2 150 extra expiation notices?

The Hon. P.L. WHITE: I imagine that that would come under the justice portfolio.

Mr BROKENSHERE: Through Sapol. We will take that up with Sapol through the justice portfolio. I gather that that is the case with the other fines and penalties where the budget for Transport SA shows an extra \$17.5 million expected to be received in income?

The Hon. P.L. WHITE: Registrations account for \$12 million of that, and \$2 million is for drivers' licences. It is of that ilk.

Mr BROKENSHERE: We will take that up with Sapol. You have referred to community information and education behaviour change programs. Will you expand on the driver behaviour change program, and how many have participated in that program or are expected to?

The Hon. P.L. WHITE: This refers to a program called TravelSmart, which is aimed at reducing transport related greenhouse gas emissions through voluntary driver behaviour change. Essentially, the government funds local government for a whole range of initiatives on an application basis. TravelSmart funding is used for things such as: smarter use of cars through better trip planning; less need for travel by car by encouraging the use of local activities, facilities, shops and services and doing more things in one location; increasing the use of sustainable modes such as walking, cycling, public transport, and ride sharing; more efficient use of cars by using more energy efficient models, better car maintenance, better driver advice—those sorts of activities.

During this year, partnerships with local government have continued. Nine local authorities have been funded to support six TravelSmart project officers. Some of those officers are shared between local government areas. I recently confirmed funding for that for the next two years. During this year, the TravelSmart program has focused on schools developing senior curriculum material and an interactive web site. The member might have heard of walking school buses where neighbours get together and trusted adults walk children to school rather than use public transport. It has also focused on workplaces. I recently launched a joint initiative with the Adelaide City Council on developing travel plans and workplace events, involving people in workplaces deciding

how they can better arrange their travel needs to impact less on the environment.

It also focuses on households. My department evaluated the household program delivered in 2002-03, established a project team and commenced planning for the national travel behaviour change project for households in Adelaide. In addition to state funds, we also receive some commonwealth funds for the greenhouse gas abatement program, and the commonwealth is a partner in the national travel behaviour change project, which is currently in the planning stage. In this financial year, funding for TravelSmart will continue, and it will be supplemented by some commonwealth funding that has recently been identified.

Mr BROKENSHIRE: One of the highlights on page 8.66 states:

Identified passenger transport needs and priorities in the northern and southern suburbs in conjunction with the Office of the North, the Office of the Southern Suburbs and local councils.

One of the targets for 2004-05 states:

Complete reviews of passenger transport services in the northern and southern suburbs in conjunction with the Office of the North and the Office of the Southern Suburbs.

Whilst I acknowledge that the minister may not have all the detail today, will she provide me with the detail of what has been recommended and identified so far and what the review would be looking at as an outcome?

The Hon. P.L. WHITE: Obviously, the Office of Public Transport is involved in a number of initiatives across the state, which are aimed at ensuring that all members of the public are able to access public transport. These initiatives include the commencement of some integrated transport studies in our northern and southern suburbs (as the honourable member pointed out an interest in those regions) and an examination of services in those two regions. In the case of the south, that study commenced in February, and its purpose is to identify passenger transport needs of communities in the southern metro region. It encompasses five council areas—Marion, Mitcham, Holdfast Bay, Onkaparinga and Unley—and is governed by a steering committee, consisting of representatives from the five southern councils, the Department of Human Services, the Office of Public Transport and the Office of the South. It is being jointly funded by my department and the Department of Human Services.

The key aim of the study is to develop integrated and coordinated transport options that really address needs that are identified and to ensure that transport is accessible and flexible for people of the region. It is also aimed at facilitating safe and flexible access to services and facilities in the region and providing a strategic framework for the ongoing management and coordination of those passenger transport services and resources. The project team consists of one officer from both my department and the Department of Human Services.

The project team has completed the consultation phase of the study, which comprised detailed and targeted consultation with community groups, stakeholders and other providers of transport, as well as providers of health and social-related services. The objective of that consultation process was to identify the primary potential users of passenger transport in the area and their access needs. That information is currently being analysed and will form the basis of investigations into a range of possible transport models to suit particularly the people of the south. When those proposals have been developed, further consultation will take place to ensure that they suit the needs that have been identified.

In terms of the work being undertaken in the north, some preliminary work has commenced, with a number of specific issues identified by the community. Again, a steering committee has been established and consists of representatives from my department, the cities of Salisbury and Playford and the Office of the North. That committee is responsible for overseeing the management of a whole range of projects: for example, things such as youth and transport; access to education; safety; access for the outer northern areas; access to health services; improved promotion of existing passenger transport options, so that people are aware of the available options; access for special needs groups; and access to industry for workers. The next stage of the review, which is to ensure that aspects of social justice and equity of access are applied fairly across the region, will be a detailed assessment by the steering committee of the issues within each of those project areas I have identified. Again, that is looking at ensuring that the needs that have been identified are truly addressed in the proposals put forward.

As part of those reviews, the Office of Public Transport in my department is undertaking what it terms a 'technical review' of the Adelaide metro services—bus services that service those particular areas. In the north, that means the Serco services and most services in the inner parts of Adelaide south. Many of those services have not been looked at for a while, so the Office of Public Transport is developing proposals to improve those services, based on the information being gathered both in the north review and the south review. Currently, there is some discussion about the proposals in both the north and south.

Mr BROKENSHIRE: I have a supplementary question. The minister is also talking about introducing the zone cruiser to the outer south services. In relation to the review, is the minister looking at initiatives to improve transport services, including the launch of the zone cruiser to the outer south services, as being able to be managed within the existing budget, or is she looking to increase the budget?

The Hon. P.L. WHITE: We want to see what comes out of the review, basically. Where possible, we want to ensure that every precious taxpayer dollar is targeted either to improve safety or provide service in the area. I guess we need to look at the best way to deliver that, and the basic mechanism for making those sorts of decisions is to decide how high the priority is for the proposals that come forward.

Mr BROKENSHIRE: Budget Paper 4, Vol. 3, page 8.33, talks about rail crossings. It works out that about one in eight rail crossings in South Australia are in need of an upgrade. How many will be upgraded with allocated funds; and what is the plan to get this quite concerning figure of one in eight fixed as soon as possible, so that we do not have one in eight needing upgrades?

The Hon. P.L. WHITE: A significant proportion of our state black spot program, which is a relatively new initiative of the government, is being set aside to deal with this issue. The preliminary advice that I have today is that that would probably be about 12 crossings, but that is an estimate.

Mr BROKENSHIRE: Will you have plans to try to upgrade the balance of them across the state, when possible?

The Hon. P.L. WHITE: The state black spot program is an ongoing, recurrent program, so I would anticipate that we would also be devoting a portion of it to that need in future years.

Mr BROKENSHIRE: Whilst the budget papers show, on the surface of it, good performance on train times as far as meeting their schedules—

The Hon. P.L. WHITE: Thank you.

Mr BROKENSHIRE: That is according to your budget papers. I have had some people contact me with examples. For example, on one occasion a train on the Noarlunga line ran out of diesel. My office has also been given examples of where people have had delays with trains and they have not been able to meet a connector bus. I am wondering if you could broaden those points to tell me what is happening in TransAdelaide to ensure that they do not run out of diesel when they are on the track, whether this is an isolated incident or whether there has been more than one occasion; and what is being done to try to ensure that the train times meet with the bus connector times?

The Hon. P.L. WHITE: There were really two questions: first, running out of fuel; and, secondly, timing. I would like to hand over to Mr Roy Arnold to address both issues specifically.

Mr ARNOLD: On the broader question of on-time running, it is a feature which has improved in TransAdelaide over the past two years. However, we have to bear in mind that, while on-time running is important, safety is essential and it is the practice of TransAdelaide to impose speed restrictions on the track, especially when work is taking place to improve the track. In those cases, that results in speed restrictions which cause delays (for which we apologise) but we very much bear in mind the example of Waterfall, and the report from that which criticised an emphasis by New South Wales Rail on on-time running. We at TransAdelaide think that on-time running is important but that safety is essential.

The Hon. P.L. WHITE: If you look at the investment payment summary for TransAdelaide, you will see that there is a significant investing increase in this year's budget for TransAdelaide, and that capital investment will have the effect of improving running times on the rail network. Investing in the infrastructure has an outcome of improving rail times, and that is being done. In terms of buses, if that was to be your next question—

Mr Brokenshire interjecting:

The Hon. P.L. WHITE: I am helping. In the last financial year, there has been improvement in the bus on-time running, the train on-time running and the tram on-time running. All three public land transport modes have improved their performance in terms of on-time running.

Mr BROKENSHIRE: In respect of comments earlier about potential standardisation of the rail line to the Barossa Valley from Gawler, has the department done any work on looking at standardising the rail line from Tonsley Park to Lonsdale?

The Hon. P.L. WHITE: We have looked at standardising across the state and that is all part of the same study. So, yes, we have.

Mr BROKENSHIRE: Is there any hope of seeing some standardisation improvement?

The Hon. P.L. WHITE: I like the project.

Mr BROKENSHIRE: So do I.

The Hon. P.L. WHITE: That is two of us. What are we going to do, Rob?

Mr BROKENSHIRE: We will talk to the rest.

The Hon. P.L. WHITE: Okay.

Mr BROKENSHIRE: Moving off the topic of land transport and hitting the air, under the line 'Facilitate new entrant domestic air services' at page 8.55, the budget paper talks about Jetstar. Whilst you were not the minister at the time, can you advise what the minister and/or the government

did to attempt to get Jetstar into South Australia from its introduction in Australia?

The Hon. P.L. WHITE: I am speaking to Qantas this week about that and other matters. Obviously, there is interest in the progress at Adelaide Airport, and that seems to be going very well and to schedule. The member is right that there is a target in the budget for facilitation of additional international air services to Adelaide. It needs to be said, though, that short of outright subsidisation airlines cannot be made to come to Adelaide. Government's role, then, has to be one of a facilitative nature, and that is what is indicated by this target. The size and quality of the market will ultimately determine the degree of success we achieve. However, that facilitative role is a very important one and involves coordinating the resources of government with those of Adelaide Airport and appropriate industry bodies such as, obviously, the South Australian Freight Council. We need to research and demonstrate the South Australian international passenger and freight market to prospective airlines: that is the role that we play in that exercise. However, it also involves demonstrating to commonwealth authorities the merit of providing unimpeded Adelaide access to foreign airlines.

My department's efforts have contributed to significant air service growth in this current financial year. Malaysia Airlines and Singapore Airlines each added fourth weekly direct flights in July and October last year respectively. Singapore Airlines also introduced a weekly freighter service in April last year. Air Paradise, a new carrier to Adelaide, introduced two weekly flights to Denpasar in March 2004. Those additional flights have resulted in the availability of an extra 1 700 international seats each week through Adelaide Airport, which represents a 21 per cent increase over the July 2003 total. Our export freight capacity increased by 48 tonnes per week, or by 23 per cent over the same period.

So, the forthcoming year looks extremely positive. The government, after fairly lengthy discussions with Qantas, the member for Mawson would be aware, has secured Qantas's commitment to a three times weekly direct service to Auckland, and that commences in December this year; and both Malaysia Airlines and Singapore Airlines are considering the addition of fifth services. So, with the completion of Adelaide Airport's new terminal, expected in October 2005, we have every reason to look forward to substantial growth beyond 2004-05. The only blight on the horizon at this point in time is the federal government's treatment of Adelaide in failing to recognise our airport and (as you might be about to mention, member for Mawson) our sea port as ports of significance to the nation.

Mr BROKENSHIRE: I want to get a couple of omnibus questions on the record, and the only question I need answered very briefly is: are you aware of any efforts made by the government to try to get Jetstar into South Australia from the beginning of its introduction into Australia?

The Hon. P.L. WHITE: I can only talk about my own responsibility, and I have been in the chair for only three months so that might be a question for another minister.

Mr BROKENSHIRE: Given that I am a fair MP, will you take that on notice and advise about that in due course?

The Hon. P.L. WHITE: Yes.

Mr BROKENSHIRE: I have the following omnibus questions. First, did all departments and agencies reporting to the minister meet all required budget savings targets for 2003-04 set for them in the 2002-03 and 2003-04 budgets, and, if not, what specific proposed project and program cuts were not implemented?

Secondly, will the minister provide a detailed breakdown of expenditure on consultants in 2003-04 for all departments and agencies reporting to the minister, listing the name of the consultant, the cost, work undertaken and method of appointment?

Thirdly, for each department or agency reporting to the minister, how many surplus employees are there, and for each surplus employee what is the title or classification of the employee and the total employment cost of the employee?

Fourthly, in the financial year 2002-03, for all departments and agencies reporting to the minister, what underspending on projects and programs was not approved by cabinet for carryover expenditure in 2003-04?

Fifthly, for all departments and agencies reporting to the minister, what is the estimated level of underexpenditure for 2003-04, and has cabinet approved any carryover expenditure into 2004-05?

Sixthly, what was the total number of employees with a total employment cost of \$100 000 or more per employee? Also, as a subcategory, what is the total number of employees with a total employment cost of \$200 000 or more per employee for all departments and agencies reporting to the minister as at 30 June 2003; what is the estimate for 30 June 2004; and between 30 June 2003 and 30 June 2004, will the minister list job, title and total employment cost of each position with a total estimated cost of \$100 000 or more (a) which has been abolished and (b) which has been created?

Seventhly, what is the difference between consultants and contractors, and how many people or services that were previously classed as consultants are now shown as contractors? What is the value of their contracts and what are the services they provide?

The ACTING CHAIR: The time agreed for examination of these lines having expired, I declare the examination completed.

The Hon. P.L. WHITE: I thank members of the committee, and particularly my officers who have appeared before the committee today, for their cooperative work.

[Sitting suspended from 5.47 to 6.45 p.m.]

Planning SA, \$14 723 000

Administered Items for Planning SA, \$844 000

Membership:

The Hon. I.F. Evans substituted for Mr Brokenshire.

Mr Meier substituted for the Hon. D.C. Kotz.

Additional Departmental Advisers:

Ms B. Halliday, Executive Director, Planning SA.

Ms S. Fogarty, Director, Planning Policy, Planning SA.

Mr P. Polychronopoulos, Finance Manager, Planning SA.

The ACTING CHAIR: I declare payments open for examination and refer members to appendix C, page C3 in the Budget Statement and Portfolio Statements, Volume 3, Part 8, in particular pages 8.96 to 8.114. I will remind advisers about some protocols. The questions are asked of the minister, not the minister's advisers, but the minister may refer questions to the adviser for response.

The Hon. P.L. WHITE: I will make a short statement to say that in the coming financial year the government will continue to improve upon what is considered by many to be the best planning and development system in the country. The government intends to further improve the system of planning and development so that it provides a high degree of policy and procedural certainty for investors, developers, applicants and the community. That cannot be achieved, obviously, by legislation alone and it will require improvements at many levels, including at state government and local government level, and it must include the public in setting clear strategic and development assessment policies that do deliver sustainable economic, social, environmental and infrastructure benefits to the state.

The budget for Planning SA for 2004-05 is \$22.3 million (both investing and operating), including an appropriation of \$14.7 million plus fees and other income sources. The government places a high priority on strategic planning. The planning strategy sets out a clear framework for the sustainable development of the state. As part of the strategy planning initiatives, a new metropolitan volume and new inner region volume of the planning strategy will be finalised for public consultation. The regional volume of the planning strategy was adopted in November 2003. These strategic documents are the common denominator, if you like, used by all councils and agencies. They assist those bodies with the formulation of local development policies, which, through the plan amendment report process of the Development Act, become incorporated into local development plans; setting clear development assessment policies for inclusion in the development plans is an important task in providing certainty for all involved.

A key recommendation of the Economic Development Board's report, 'A framework for economic development in South Australia', requires the government to hold itself and local government more accountable for the timeliness of their decision making and role in the planning process. These recommendations have been incorporated into the State Strategic Plan. In order to support those strategic initiatives, additional resources will be provided to assist state and local government to align local strategic plans with the State Strategic Plan and the planning strategy, and that will include the provision of regional resources and resources to manage the coordination of government agencies across the range of development issues.

The Hon. I.F. EVANS: I thank the minister for adjusting the time for tonight's session. I was driving back from Melbourne and I appreciate having the extra half an hour to get here. In relation to page 8.103, why have the development assessment costs increased by 300 per cent—\$1.287 million—in 2003-04; \$3.87 million in 2004-05?

The Hon. P.L. WHITE: That \$1 million will be applied to accommodate the EDB recommendations (about which I spoke in my opening statement) in order to speed up development assessments and to provide better consistency, certainty and efficiency in that process, and a more timely response.

The Hon. I.F. EVANS: But there is a \$2.6 million difference in those figures. It is at page 8.103. If you look at the estimated result for 2003-04, the figure is \$1.287 million, and if you look at the budget for 2004-05, it is \$3.87 million; that is a \$2.6 million increase. That is an extra 300 per cent. I am wondering why developers are being slugged an extra 300 per cent.

The Hon. P.L. WHITE: That money will be spent, as I indicated, on implementing improvements to the timeliness

of development assessments in line with the recommendation of the Economic Development Board. It will enhance the timely response to applications.

The Hon. I.F. EVANS: So, the whole \$2.6 million or \$2.8 million will be put to that purpose? The minister's first answer was that \$1 million is being put to that purpose. I am not sure now whether the minister is telling me that all of the extra \$2.6 million is to be put to that purpose.

The Hon. P.L. WHITE: I refer the honourable member to Budget Paper 3, page 3.7, which states that that money will be used to fund initiatives recommended by the Economic Development Board.

The Hon. I.F. EVANS: Okay. Given that and given that we have had the Economic Development Board's recommendations now for many months, why is it that page 8.104 of the budget papers state that the department has not met its own time-line targets due to a lack of staff resources?

The Hon. P.L. WHITE: Sorry?

The Hon. I.F. EVANS: Given that answer, and given that we have had the Economic Development Board's recommendations for many months, why is it that the department has not met its own time lines for responses set out at page 8.104 of the budget papers, which state that targets were not met due to increased activities and shortage in staff resources. Why is the agency understaffed?

The Hon. P.L. WHITE: The honourable member might like to know that, quite recently, I have put additional staff into that section to aid with the timely processing of applications.

The Hon. I.F. EVANS: Even though, minister, your budget papers indicate that the agency will handle nearly 20 per cent fewer applications. Page 8.104 indicates that nearly 20 per cent fewer applications will be assessed by Planning SA.

The Hon. P.L. WHITE: The Economic Development Board's recommendations are not to handle more applications but to handle them more quickly. The purpose of the extra staff is to speed up the response of the department in dealing with those applications. Those recommendations relate not only to development assessments but also to plan amendment report items, which are dealt with by my department.

The Hon. I.F. EVANS: What will be the new development application fees? If there are to be 20 per cent fewer applications but the fees and charges increase \$2.6 million (or 300 per cent), what is the new fee and charge arrangement that brings us to that total? Surely you are not increasing fees to developers by 300 per cent?

The Hon. P.L. WHITE: No, the budget papers to which I just referred state:

The development application fees administered by the Department of Transport and Urban Planning will be increased in the 2004-05 budget to achieve a greater level of administrative cost recovery.

It further states:

Increases in land division application fees, building rural assessment fees, Crown land development fees and section 7 inquiry fees will generate an additional \$2 million per annum which will be used to fund initiatives recommended by the Economic Development Board.

That \$2 million will be applied in roughly proportioned amounts to financing costs associated with the creation and ongoing operation of regional development assessment panels as provided in the Sustainable Development Bill augmenting the professional resources that Planning SA will be making available to council and regional planning organisations to

support better planning policies and assessments. I do intend to consult with the industry before finalising those fees. This matter has been referred by my department to the Housing and Urban Regional Development Advisory Committee.

That particular committee includes representation from all major sectors involved in the development industry. The effect of the \$2 million increase is not expected to have a material impact on the industry. It represents an increase of 4 per cent, or thereabouts, on the fees and charges presently paid by developers to state and local government, not including stamp duty.

The Hon. I.F. EVANS: The state government appropriation for Planning SA is reduced from \$16.6 million in 2003-04 to \$14.1 million this year. At the same time the fees, fines and penalties go from \$4.65 million in 2003-04 to \$7.5 million this year. The way in which I read that is that the state government appropriation has been decreased by about \$2.5 million at the same time that the fees, fines and penalties from the industry have been increased by about \$3 million. Are you not just increasing the cost to the industry and decreasing the government's commitment to planning through its own budget appropriation?

The Hon. P.L. WHITE: The revenue from those fees will be used on extra effort, if you like. The extra effort will be in terms of assistance to local government arising out of the new tasks to be performed in light of the sustainable development legislation. It will also be applied to the task of financing costs and professional services that will be performed by Planning SA.

The Hon. I.F. EVANS: That may all be true, minister, but if the government had maintained its own budget appropriation at the same level as last year, then you would not have had to increase the fines and penalties by that much, would you? It is a \$2.5 million reduction in appropriation and a \$3 million dollar increase in fines and penalties. It is a convenient swap from the government budget to the industry.

The Hon. P.L. WHITE: The state government appropriation appears on page 8.107. The 2003-04 estimated result is \$14.7 million; in this next budget period it is \$14.1 million. The \$16.6 million from the 2003-04 budget to which you refer included the appropriation for the North Terrace development. That project is coming to conclusion, so it is no longer part of the appropriation requirement.

The Hon. I.F. EVANS: On page 8.101, why has the urban and regional planning strategy budget been cut by \$4.7 million?

The Hon. P.L. WHITE: What is the figure you are using?

The Hon. I.F. EVANS: About \$4.7 million.

The Hon. P.L. WHITE: I point out that the 2003-04 estimated result is \$6.2 million and the budget for 2004-05 is \$5.9 million, which is a difference of—

The Hon. I.F. EVANS: That is true, minister, but why are we budgeting for \$4.7 million less?

The Hon. P.L. WHITE: Yes; that is similar to your last question. The 2003-04 budget included an appropriation for North Terrace, so that variation is explained by the North Terrace project, which is no longer an appropriation that is needed in the 2004-05 budget to that extent.

The Hon. I.F. EVANS: So, the total amount of the \$4.7 million is made up of North Terrace money that is no longer required, or is there some other component to it? How much of the \$4.7 million is North Terrace money?

The Hon. P.L. WHITE: I understand the majority of it, but I will just get a figure for you. The answer is a lot of it.

They are trying to do the calculation, but it is most of it, so I will come back to you.

The Hon. I.F. EVANS: Thank you for that. Referring to page 8.100 of the Budget Papers, what reduction in service is proposed by the \$3.2 million cut to policy coordination development and investment strategy? In 2003-04, the budget was some \$14.89 million and in 2004-05, the budget is \$11.636 million. That is a \$3 million reduction between budgets. It is on the top of page 8.99, and it transfers over. I might have misled you there, Minister, accidentally. I gave you the wrong page number.

The Hon. P.L. WHITE: Again, the deviation is the North Terrace project.

The Hon. I.F. EVANS: So, we are doing \$3 million worth of policy coordination and investment strategy? Investment strategy includes the North Terrace component, does it?

The Hon. P.L. WHITE: Investment, yes.

The Hon. I.F. EVANS: That is on ground works, is it?

The Hon. P.L. WHITE: Yes.

The Hon. I.F. EVANS: So, why are we underestimating our fees and charges on page 8.100? In 2003-04 we budgeted for \$3.36 million, even though the year before we collected \$5.3 million. We expect to get nearly \$5.4 million this year, so we budget \$3.6 million. Why are we underestimating the fees and charges by \$2 million?

The Hon. P.L. WHITE: The budget to budget basis is the same figure, essentially, namely, \$3.364 million going up to \$3.665 million. The estimated result for 2003-04 is \$5.364 million, and the deviation of \$2 million, I am advised, is for the parklands 20/30 strategy carried forward.

The Hon. I.F. EVANS: So there is \$2 million in the fees and charges that relate to your parklands 2036 strategy? How does that work?

The Hon. P.L. WHITE: That particular fund is used to buy parcels of land for open space purposes.

The Hon. I.F. EVANS: But this is a revenue item.

The Hon. P.L. WHITE: That is the money that comes in from developers when they pay a proportion of their investment into this fund.

The Hon. I.F. EVANS: Right. So this is the development fund that funds the metropolitan open space scheme?

The Hon. P.L. WHITE: Yes.

The Hon. I.F. EVANS: In 2002-03, we know it collected \$5.3 million, so the next year we budgeted only \$3.3 million. This year, we know it is going to get another \$5.3 million, so we budgeted, again, \$3.6 million. Does that mean that over two financial years there is \$4 million set aside for the parklands 2036 strategy? Is that what that means?

The Hon. P.L. WHITE: No, I do not believe that is what it means. I am advised that the difference between budget and estimated result or actual, if you go back to 2002-03, is the result of higher than budgeted development activity.

The Hon. I.F. EVANS: It is unclear. Is that over the last two years, or just over the last year?

The Hon. P.L. WHITE: The estimation given by my department is that it was expected that development activity would fall, but that was not the case.

Mr CAICA: I have a supplementary question. I heard you mention a figure earlier and I think it was—and you will tell me if I am wrong—that there will be a 20 per cent reduction in activity for the next financial year. Is it in the area of applications? Would that be covering that reduction in the budget estimate of around that 20 per cent that you mentioned earlier? I apologise for not listening properly, but I remember

there being a 20 per cent figure which you have predicted and which would be a reduction on the previous year with respect to developmental activity. Just for my clarification, I was wondering whether that is taken into account there. I agree with the member for Davenport that it seems a bit odd if this money has been made in these previous years; it just seems to clash with me that there was a 20 per cent reduction in that activity for this financial year, and perhaps that is the budgeted estimate for that particular year.

The Hon. P.L. WHITE: If you refer to page 8.104, which lists the performance indicators, you will see that there is a line there that talks about the number of development applications assessed by Planning SA. It shows that we actually assessed more than we were targeted to assess in 2003-04. The target for 2003-04 was 3 500 applications, but the estimated result is 5 500 applications. That is in line with the indication of increased activity, and with that increased activity comes increased revenue for that particular fund that we were just talking about.

Ms BREUER: I refer to Budget Paper 4, Volume 3, page 8.98—Targets for 2004-05, the second to last dot point. How will the government work with local government to align local strategic plans with the state strategic plan and the planning strategy?

The Hon. P.L. WHITE: There will be a strong focus on strategic planning with the release of the revised version of the metropolitan planning strategy and the new inner region strategy for public consultation. To support the alignment of those important documents with local strategic plans, specific funding and additional staffing will be provided to councils to assist in policy formulation that reflects the broader strategic goals of the state and local communities. This involves the creation of five regional place managers who will work with the councils, state agencies and other stakeholders to achieve those goals. Two of those positions have just been established on a six-month trial basis to work with councils of the West Coast region of Eyre Peninsula and the Northern Adelaide region.

Funding is also available to resource other staffing within Planning SA to work closely with local government and state agencies to assist with strategic and policy planning. In addition, a specific position has been created within my department to coordinate government agencies across a range of development issues and manage the process by which best practice development policy, if you like, reflecting the planning strategy and the state strategic plan is included in development plans.

Ms BREUER: My second question relates to Budget Paper 4, Volume 3, Program 1 on page 8.100 and, in particular, sub-program 1.1—Urban and regional planning strategies (page 8.101). Also listed in the highlights for 2003-04 on page 8.98 is: completed the hills face zone (interim policy) PAR. I have an interest in this through my role on the ERD Committee. How is the government ensuring that the outcomes of the review of the hills face zone released in late February this year are being implemented?

The Hon. P.L. WHITE: The hills face zone review was established by my predecessor the Hon. Jay Weatherill in October 2002 to fulfil a government election promise to review the effectiveness of current development planning policies in the area and to ensure greater protection and consistency of policy interpretation and decision making across the whole zone. The review also addressed matters raised by the Environment, Resources and Development Committee's July 2002 report on the zone. Following

extensive stakeholder consultation during 2003, the review steering committee (chaired by Mr Terry Groom) forwarded its recommendations report to the then minister for urban development and planning in late 2003. That report proposed a range of measures to improve the management of the zone including a comprehensive review of development planning policy. Subsequent to that, the state government endorsed an implementation strategy for the future management of the zone. That strategy will guide the future policy development and management of the zone and be developed further in the coming months with government agencies and the hills face zone councils. It will engage landowners and interest groups, of course.

The hills face zone review sets out specific actions including the establishment of a more cooperative planning and operating arrangement across the zone involving government agencies, the nine zone councils and, where appropriate, landowners and other stakeholders. It also sets out improvements to the legislative and policy environment including amendments to development plan policies which are now under way. In this financial year, temporary controls were put in place through an interim plan amendment report to address the immediate concerns regarding residential, horticultural and other development. In the coming financial year a second PAR that investigates more detailed policies will be completed. In addition, the viability of a nomination of the hills face zone and the Mount Lofty Ranges as a biosphere reserve is being investigated.

The Hon. I.F. EVANS: I go back to the last answer that the minister gave to the member for Colton. On page 8.100, it is stated that you have budgeted for \$3.665 million out of fees and charges even though we know that the estimated result is \$5.364 million. On page 8.104, we see that the actual number of development applications in 2002-03 was 4 389. The number of development applications targeted for this year is 4 500—virtually the same. If you turn back to page 8.100, the actual amount raised out of fees and charges on 4 500 applications was \$5.331 million. Why are you budgeting for \$3.665 million this year when two years ago when 4 500 development applications were dealt with \$1.7 million more was raised? Why are you under-budgeting by \$1.7 million, in effect?

The Hon. P.L. WHITE: I believe that the honourable member is referring to two aspects of two separate programs. Program 2, on page 8.104, which I believe is the one to which the honourable member is referring, should be seen in the context of program 2 on the preceding page (page 8.103). If the honourable member looks at 'Fees and charges', that shows the increased \$2.6 million between 2003-04 and 2004-05. Page 8.100 refers to Program 1, which is Policy Coordination, Development and Investment Strategy, and that does not refer to page 8.104.

The Hon. I.F. EVANS: In relation to page 8.101, why was the \$700 000 removed from the grant program, resulting in the budgeted target not being achieved? I am referring to the very last dot point, point (d), at the bottom of the page in performance footnotes.

The Hon. P.L. WHITE: I am informed that my department made a payment of \$700 000 to the Department of Environment and Heritage as a contribution towards the One Million Trees program. That is what it is.

The Hon. I.F. EVANS: Is the minister telling me that the metropolitan open space scheme fund, which is the planning and development fund, which is funded by developers when they develop a subdivision and have to provide a payment if

they cannot provide a certain percentage of open space in a development, is being used to fund the One Million Trees program?

The Hon. P.L. WHITE: That is correct.

The Hon. I.F. EVANS: We have crown law advice backing up the fact that the fund can be used for a purpose which is not buying open space?

The Hon. P.L. WHITE: The honourable member referred to the metropolitan open space system. He should have rightly referred to it as the planning and development fund, which is broader than the metropolitan open space system portion of that fund.

The Hon. I.F. EVANS: The minister can take this question on notice and provide me with an answer in due course. Can the minister provide me with a breakdown of how the planning and development fund is broken up between the metropolitan open space scheme and the other purposes to which the fund is put?

The Hon. P.L. WHITE: For the financial year 2004-05, \$725 000 of that fund is allocated towards the Parklands 2036. Is that what the honourable member wants to know?

The Hon. I.F. EVANS: I am happy to have the information, but can the minister take the question on notice and provide me with a detailed answer? Can the minister provide me with a breakdown of the amount and percentage of the planning and development fund that goes to the metropolitan open space scheme and what amount or percentage goes to other purposes to which that fund can be put? I do not need to know the answer now; the minister can take the question on notice and provide an answer in due course. I do not expect the minister to have that level of detail.

The Hon. P.L. WHITE: I can give the honourable member the absolute figures and he can work out the percentages: \$725 000 to Parklands 2036; Coast Park, \$700 000; strategic open spaces (commonly known as ROSES), \$400 000; and Places for People, \$1.5 million.

The Hon. I.F. EVANS: Is the \$1.5 million for Places for People, the cost of the second phase? I understand you did the first stage last year and you are into the second phase this year.

The Hon. P.L. WHITE: It is more than the second phase. It must be about the fourth, I think. It is an ongoing program.

The Hon. I.F. EVANS: On page 8.98, under your target highlights it says, 'Complete the first phase of the Places for People grants program and establish a second phase.' I assumed that was the cost of the second phase.

The Hon. P.L. WHITE: I will ask Mr O'Loughlin to explain because the history of the Places for People, which is an ongoing program, pre-dates my involvement with the department.

Mr O'LOUGHLIN: The Places for People program was re-badged in 2002-03 and applications were invited in terms of a round of grants programs. That round was completed and now we are entering the next round of grants programs. So, 'phase' is a bit of a strange word.

Mr VENNING: Minister, further to my correspondence to you a couple of weeks ago, I wish to raise with you a concern about the operations of the Development Assessment Commission and accusations of unprofessional conduct in the case before the commission in the application of Mr Brenton and Mrs Monica Reimann. Both the Hon. Graham Gunn and I are involved with this case and we know that the decisions of DAC are final—there is no appeal to anyone. I believe that this is a case that should have been promoted rather than hindered. Minister, I hope that you have that correspondence

and are able to give me, the Hon. Graham Gunn and our constituents some confidence that DAC works properly?

Mr KOUTSANTONIS: Is it before the court now?

Mr VENNING: No, the Development Assessment Commission.

The ACTING CHAIR: Minister, are you able to answer the question?

The Hon. P.L. WHITE: I will attempt to answer the question to satisfy the member. The allegations that you raise are very serious. Firstly, I must clarify at the outset, that the Development Assessment Commission is independent of me in its decision making, therefore the legislation does not allow me to intervene in the outcome of those decisions. However, I do have powers (under Section 45A of the Development Act) to investigate the performance of a development assessment authority, if I have reason to believe that a relevant authority has either contravened or failed to comply with a provision of this division in a significant respect or to a significant degree; or failed to efficiently or effectively discharge a responsibility under this division in a significant respect or to a significant degree.

If I were to be of the opinion that this is the case, then the act allows me to appoint an investigator or investigators (as the case may be), to carry out an investigation and report on the matter. Because of the serious nature of the allegations you have made, I can advise that I have written quite recently (because I have only just received your correspondence) to the commission to seek its position in relation to these matters before deciding whether to initiate a formal investigation in accordance with the legislation. Obviously, I am doing that because, if I want to go down that track, I have to ensure that my approach to the commission is done in a prudent way to begin with. When I have had the opportunity to fully consider the commission's response, and any other information that I believe to be relevant, I will notify you of that decision.

Mr VENNING: As the minister would know, this had the approval of local government and the EPA. Both the Hon. Graham Gunn and I have visited the site, and we are absolutely astounded that this did not get approved. My question now is: does this provision of the act to which you have just referred apply to local government?

The Hon. P.L. WHITE: Yes, my understanding is that a minister can investigate a local government matter in terms of a development application. However, it is my understanding that the council did not assess this application.

Mr VENNING: They gave an approval in principle.

The Hon. P.L. WHITE: That is different from making an assessment on the application.

Mr VENNING: The EPA gave the all clear—

The Hon. P.L. WHITE: The information given to me—and the honourable member might correct anything that he does not believe to be correct—is that the application by B. & M. Reimann was for the receipt and process of approximately 12 000 cubic metres of chicken manure and 15 000 tonnes of winery bio-solids annually, plus an unspecified amount of green waste, near Blanchetown.

Mr VENNING: Recycling; they are not going to dump any of it.

The Hon. P.L. WHITE: The possibility of green waste near Blanchetown.

Mr VENNING: Recycling; no dump—

The Hon. P.L. WHITE: It did not mention the word 'dump'.

Mr VENNING: That has been the problem.

The Hon. P.L. WHITE: If I could finish the information that I have, and you might want to correct any portion that you do not believe to be correct. The application was complex and required additional details to be supplied to the EPA by the applicant. This is in addition to the decision to undertake public notification, again to comply with the requirements of the Development Act to finalise the decision, I am told. The commission takes into account a range of information and advice in making its decision on a development application. That includes information provided by the applicant, planning advice from staff of Planning SA, advice from the relevant government agencies, and submissions from representors. The commission is independent in its decision making and not bound by any recommendation it may receive from its planning advisers. It is not uncommon, I understand, for it to reach a different decision from that recommended.

I am told that, in conducting its hearings, the commission hears the representors and then hears the response from the applicant to those representations. The applicant is invited to provide any additional information to support the application. In this application the commission considered, on the basis of all the information it had before it, that it could not approve the application as it was satisfied that the land was not suitable for the proposed development, as it has potential for flooding.

Mr VENNING: That is rubbish! It is the highest point around.

The Hon. P.L. WHITE: If you wait, I am just giving you the information that has been provided for me by the department. The reasons for the refusal were conveyed to the applicant. As I have indicated, the commission is independent of me in its decision making. The commission has given the applicant the reasons for its decisions to refuse the application. As the application has been determined to be non-complying, the applicant does not have the right of appeal against the decision: that is a feature of our planning system. However, the applicant can challenge the categorisation of noncomplying status in the Environment, Resources and Development Court. So, the applicant has that avenue available. Should the applicant believe that there is sufficient evidence to counter the commission's reasons for refusal, particularly those relating to flooding, it can relodge the application.

That is the information in terms of process. I have said that, even though it is a decision independent of me, the allegations that the member raises are of a serious nature and I have undertaken to follow a path of inquiry (given that this has only just been brought to my attention quite recently by him) that will lead to a formal investigation if the response from DAC points in that direction.

The Hon. I.F. EVANS: In relation to page 8.101, why have no urban regeneration or urban design area initiatives been budgeted to commence this year?

The Hon. P.L. WHITE: The advice that I have is that money was diverted away from that particular area because the department found a better way to encourage the outcomes that we want from that program. If the member would like a bit more detail, I could ask my chief executive to give it.

The Hon. I.F. EVANS: I will get a briefing another day outside of estimates. I do not need to hold up estimates for that. But I will accept a briefing on another day on how we come up with a better way to do that. On page 8.114, why has the West Beach Trust had a cut of \$150 000 this year? Under grants and subsidies, the West Beach Trust budget is reduced from \$980 000 to \$844 000.

The Hon. P.L. WHITE: Mr Polychronopoulos will address that issue.

Mr POLYCHRONOPOULOS: The payments that we make to the West Beach Trust are reimbursements for the tax equivalent regime which the Department of Treasury and Finance has introduced. There are several items within the tax equivalent regime, one of them being income tax; payroll tax and other taxes are imposed on West Beach Trust. That would reflect a reduction in the income tax payable. That is one component, so in total there is a reduction of those reimbursements to West Beach Trust by Planning SA.

The Hon. I.F. EVANS: One assumes from that that West Beach Trust is making less surplus to pay less tax. Is that what you are advising the committee?

Mr POLYCHRONOPOULOS: Yes.

The Hon. I.F. EVANS: Why have they budgeted that way? On what basis do they think they will make less of a surplus?

The Hon. P.L. WHITE: The advice is that we suspect it is the interest payments on the debt. Last year the West Beach Trust was given funds to build the holiday cabins.

The Hon. I.F. EVANS: So, the interest being charged to them reduces their surplus and, therefore, reduces their income tax equivalent payment?

The Hon. P.L. WHITE: That is what we believe it is.

The ACTING CHAIR: There being no further questions, I declare the examination of the vote completed.

The Hon. P.L. WHITE: I thank all members of the committee for their diligence and very probing questions. I thank you, Madam Chair, for your indulgence. I finish by thanking all staff, including *Hansard* (as usual) and my officers. Obviously, estimates is a little bit of work for my officers, so I thank them for their presence here today and their attention to all these details. I thank them also for the work they will now do in order to provide answers for questions taken on notice.

ADJOURNMENT

At 7.49 p.m. the committee adjourned until Tuesday 22 June at 11 a.m.