

## HOUSE OF ASSEMBLY

Thursday 16 June 2005

### ESTIMATES COMMITTEE A

**Chairman:**

Mr J.J. Snelling

**Members:**

Mr M.K. Brindal  
 Mr P. Caica  
 Ms V. Ciccarello  
 The Hon. G.M. Gunn  
 Mr T. Koutsantonis  
 The Hon. W.A. Matthew

*The Committee met at 11 a.m.*

---

Department for Transport, Energy and Infrastructure  
 \$334 873 000  
 Administered items for the Department for Transport,  
 Energy and Infrastructure \$13 767 000

**Witness:**

The Hon. P.F. Conlon, Minister for Transport, Minister for Energy, Minister for Infrastructure.

**Departmental Advisers:**

Mr J. Horne, Chief Executive, Department for Transport, Energy and Infrastructure.

Mr S. Archer, Director Finance and Business Services, Primary Industries and Resources SA.

Mr G. Goddard, Executive Director, Microeconomic Reform and Infrastructure Branch, Department of Treasury and Finance.

Mr V. Duffy, Director, Microeconomic Reform and Infrastructure Branch, Department of Treasury and Finance.

Mr K. Jervois, Director, Microeconomic Reform and Infrastructure Branch, Department of Treasury and Finance.

Mr B. Goldstein, Director, Petroleum Group, Primary Industries and Resources SA.

Mr R. Faunt, Technical Regulator, Office of Technical Regular, Primary Industries and Resources SA.

Mr M. Leane, Manager, Energy SA.

Mr K. Della-Torre, Project Manager, Department of Treasury and Finance.

**The CHAIRMAN:** 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 payments to facilitate the changeover of departmental advisers. I ask the minister and lead speaker for the opposition to indicate whether they have agreed on a timetable for today's proceedings.

**The Hon. P.F. CONLON:** I understand we have an agreed timetable.

**The CHAIRMAN:** Changes to 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 29 July. I propose to allow both the minister and lead speaker for the opposition to make opening statements.

There will be a flexible approach to giving the call for asking 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 before the committee. 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, that it is purely statistical and limited to one page in length. All questions have to be directed to the minister, not the minister's advisers. The minister may then refer the question to his advisers for a response. I also advise that for the purpose of the committee there will be some freedom for television coverage by allowing a short period of filming from the northern gallery.

**Mr BRINDAL:** I have a point for clarification. Mr Chairman, you said supplementary questions were going to be the exception rather than the rule. From what are you quoting? I thought it was the province of this committee to determine what would or would not be allowed.

**The CHAIRMAN:** It is the province of the chair. This is exactly the same as has been read by chairmen since the dawn of time. I declare the proposed payments open for examination. The first part of the examination relates to the Minister for Energy. I invite the Minister for Energy, if he wishes to make a statement, to do so and to introduce his advisers.

**The Hon. P.F. CONLON:** For the first time in estimates in South Australia, on my left, is James Horne. In a formal sense, James will be the Chief Executive of the Department for Transport, Energy and Infrastructure after 1 July. He is occupying that position in an informal sense. He is welcomed to South Australia. He is a very senior public servant whom we have managed to convince to come from the commonwealth. It is a great illustration of what a marvellous place South Australia is in that we can attract senior public servants from the commonwealth.

Steve Archer is Director of Finance and Business Services from Primary Industries and Resources SA. This will be the last time for some time, I hope, that Primary Industries will have a lot to do with the energy sector as a result of Energy SA's role moving into the Department for Transport, Energy and Infrastructure after 1 July.

Garry Goddard heads up the Microeconomic Reform and Infrastructure Branch of Treasury, which, of course, will be in the new department after 1 July. There are others whom we can introduce if it becomes necessary. We may not even need to bother them. I do not have an opening statement.

**The CHAIRMAN:** Does the lead speaker for the opposition wish to make an opening statement?

**The Hon. W.A. MATTHEW:** As tempted as I am, I do not have an opening statement on this occasion. I note on page 6.15 of Portfolio Statement, Budget Paper 4, Volume 2, that for its targets 2005-06 the government intends to complete a draft energy plan and undertake consultation on that draft in March 2006; and release a revised plan in June

2006. When was the government's current energy plan released?

**The Hon. P.F. CONLON:** To which plan do you refer?

**The Hon. W.A. MATTHEW:** I note that one is being released in June next year—three months after the election—but do you have a current energy plan that has been released?

**The Hon. P.F. CONLON:** We are working to a plan and strategic future in energy for the first time in many years. What we are doing is looking at similar things we have done across government. We have a strategic plan that looks at the next 10 years. We have an infrastructure plan, a lot of which involves looking at energy infrastructure. Over the next 10 years we will have an energy plan—pretty unremarkable, I should have thought.

**The Hon. W.A. MATTHEW:** So, there is not a current plan, minister?

**The Hon. P.F. CONLON:** We work in a planned and strategic fashion. That is the fact.

**The Hon. W.A. MATTHEW:** Four years in government and no energy plan.

**The Hon. P.F. CONLON:** We picked up yours when we came in, mate. Let's not score cheap points straightaway and turn this into a shallow debate. If you want to talk about infrastructure, you had 8 1/2 years in government—no energy plan, no bloody idea. We inherited a privatised mess. Businesses, when you were in government, copped increases at an average of 45 per cent. They copped an average 25 per cent increase because of the mess that we inherited, and we are planning our way out of that. Now, in South Australia, we have—

**The Hon. W.A. MATTHEW:** Hang on.

**The Hon. P.F. CONLON:** If you want to start a cheap debate, you will get a cheap debate—

**The Hon. W.A. MATTHEW:** No; you're not telling the truth.

**The CHAIRMAN:** Order!

**The Hon. P.F. CONLON:**—and you will get another point in a minute. Let me tell you what we have got in South Australia since we came to government—

**The Hon. W.A. MATTHEW:** There's no plan.

**The Hon. P.F. CONLON:** Next month a 6 per cent reduction in electricity prices, because one of your privatisation sweetheart deals runs out. We have the best operating market in Australia. At the end of May we had 38 per cent of churn to market contracts, giving people some of those deals and a 6 per cent reduction below the standing tariff—so, after 1 July, a 12 per cent reduction. This is our planning our way out of the mess we got. We are happy to talk about it all day, if you want. By this time, we would have at least, on the current trends, 40 per cent of the market moving to market contracts, and they are offering 5 or 6 per cent below the standing tariff with the reduction we get out of your sweetheart deal going on 1 July, a 12 per cent reduction for those people—40 per cent and growing month by month as well as 25 per cent of the gas market. If you want to compare our term in government with yours on energy matters, I will do it here all day and all night.

One of the things we did was to look at a long-term plan for infrastructure. We cannot get your federal government to look at a national policy on energy. As a consequence, I met yesterday with people who want to build a large generator for the region, but the problem is that it is still a concern to invest in gas when there does not seem to be any sure future about the costs of emissions in coal. We have a plan because you need to look at things for 10 years—for example, fuel

supplies—and we are putting that in place. Our first priority was to work our way out of the mess that we inherited. I stress that now we have 40 per cent of people on market contracts at 5 or 6 per cent below the standing tariff—another 6 per cent reduction. We inherited your 25 per cent wage increase and, for those people on the market tariffs, after 1 July, we have taken 12 per cent, and I am not even talking about where we are going in real terms in real reductions each year. I am happy to put our record on energy against yours any day of the week and, if you want to talk about it all day, we will talk about it all day. Do not come and annoy me with the fact that you do not have a plan. We are actually getting ourselves out of your black hole, mate. If you want to go out and debate it anywhere in South Australia, we will do it.

**The Hon. W.A. MATTHEW:** After that diatribe, clearly the government has no plan, but there might be one three months after the election, and we will do our best to ensure that they are not in the position to do it. My second question, again, relates to this energy plan to be released in June 2006. Will it still include Labor's promise to provide cheaper electricity prices or has that promise been abandoned in the wake of prices that have increased, despite the minister's rhetoric, by more than 25 per cent to households since his government took office?

**The Hon. P.F. CONLON:** We will go through the pricing mechanisms again, and we will give you the history so that everyone understands just where we were and where we are going. The people on this side privatised the electricity assets while committing us to enter into the national electricity market.

*The Hon. G.M. Gunn interjecting:*

**The Hon. P.F. CONLON:** At least the member for Stuart has a sensible argument, not like the nonsense we hear up there. Here is what happened. They did that; they told everyone that prices would go down from entering the national market. The first tranche of people to come off that—medium-sized businesses and some larger businesses—were told that they would get reductions in the costs of energy as a result of the reforms of the then Liberal government, namely, their privatisation entry into the national market. The truth is that those people faced an average 35 per cent increase. Going by the former government's own documents, some people received an 80 per cent increase. This all happened while the Liberals were still in government. After that 35 per cent increase—OneSteel in Whyalla got a 60 per cent increase—we managed to get things back on track so that it is now investing \$350 million extra into South Australia.

**The Hon. W.A. MATTHEW:** That has nothing to do with it.

**The Hon. P.F. CONLON:** Nothing to do with it? You want the history; you want to talk about prices. If you want to make cheap points, we will give you the whole history. It was an average 35 per cent increase. Do you reckon that is not the truth? It is in your own figures—an average 35 per cent increase for those businesses. The gift for the people of South Australia that this mob gave them in electricity did not come due until after the Liberals had lost government, because that is when those people—the residential customers—entered the national market. They got a 23.7 per cent increase.

*The Hon. W.A. Matthew interjecting:*

**The CHAIRMAN:** Order!

**The Hon. P.F. CONLON:** I am not trying to imply that it is your fault: I am saying it directly. I am not implying

anything. We got a slightly worse outcome for residential customers than you got for business customers when you were in government. It was slightly better in that the increase was not 35 per cent: it was 23.7 per cent. You locked it in, mate. If you want to, I will send somebody out to get one of your own submissions from when you were in government saying what was going to happen, because you knew it was going to happen. I have it in black and white. We will send for it, if you want. We inherited that. We got a 23.7 per cent increase.

The only thing that we can say is that those people did not get a bigger hiding than you gave to businesses when you were in government and, if you do not believe that, ask the editor of *The Advertiser* who negotiated for the increase. He remembers it very well. From then, we built our way out of the mess that you left us. One of the first things that we have been able to do is that, on 1 July this year, your sweetheart deal runs out with the distributor. Here is what they did to maximise the sale price. It was one of the reasons they guaranteed us higher prices.

To maximise the sale price, interestingly, they guaranteed our distribution company (the people who bought the distribution company), which is a regulated monopoly, and most of them are regulated in a similar way around Australia, they guaranteed it a return on their capital higher than anyone else in Australia was getting for five years. They guaranteed a higher return on capital because it meant that it puffed up the price. It was very simple stuff. That higher return guarantee, that we cannot change, runs out on 1 July this year and, if you want concrete proof of what I am saying, look at the consequence. When that higher deal runs out, prices go down by an average of 6 per cent; it will be more for some. That is 6 per cent. One of the other things that happened was we inherited a national market. The only way to get cheaper prices in the national market is through competition.

*The Hon. W.A. Matthew interjecting:*

**The Hon. P.F. CONLON:** No, you have to hear the whole story. What they did to introduce competition was sell to a single retailer. One single retailer was going to run competition in South Australia. Their own documents that they released when they were trying to sell this pup to the public said they would sell to a number of retailers because their advice was that that was a way to get competition. What did they do? That was too hard, and perhaps for more money they sold to a single retailer.

So this is what we inherited when we came to government: a sweetheart deal for the distribution company giving higher returns than anyone else in Australia, on the back of electricity users in South Australia; and they were introducing competition for residential customers, having sold to a monopoly retailer. That is what we inherited. Where are we now three years down the track? We have taken 6 per cent off next year. We have the highest rate of turnover to market contracts in Australia. We are applying the logic we inherited, the logic of the market. We have 40 per cent of South Australians, and more each month, going to market contracts on electricity that take off 5 per cent or 6 per cent. That has taken 12 per cent, and more in real terms, off the increase which we inherited and which was locked in.

I am prepared to put up that record anywhere, because we inherited businesses already getting a 35 per cent increase, a locked-in increase for residential customers with a monopoly retailer, and a sweetheart deal for the distribution company. We are unpicking all those things. There will be 6 per cent off in July, and people are going to market contracts which

take off 5 per cent (and the best one I have seen is taking 6 per cent off for many people). I saw that the Shop Distributive and Allied Trades Union recently signed a deal with EnergyAustralia to offer to their members a very good electricity deal with 6 per cent off the market price, plus some other bonuses. We have markedly improved the situation that we inherited.

The other thing that we managed to do on two occasions, recognising those who have been hurt the most, is increase the electricity concession for those who needed it the most, and this year we are giving a reward out of the AAA dividend of \$150 cash to each concession holder, and extending that to the people most in need. If the opposition wants to talk about this issue, I will talk about it for the rest of the day and extend it into tomorrow as well, because we have got a story to tell, and it is a story about cleaning up an absolute mess.

If you want to talk about energy planning, let me tell you about one of the things which we were not able to do but which we wanted to do to improve electricity prices, and that was bring cheaper power from New South Wales. Why were we unable to do so? Because this mob, when in government, said, 'We do not want a regulated interconnector with New South Wales.' They turned their backs on SNI, after first supporting it to get a high price for the assets, and they sponsored their mates in the private sector to get an entrepreneurial link through MurrayLink. That was their better idea.

*The Hon. W.A. Matthew interjecting:*

**The Hon. P.F. CONLON:** If you want to talk about electricity, mate, we will talk about electricity. That is how we were going to get cheaper power. What happened was that the private company they supported virtually went out of business and went off to the Regulator to get on the public teat. That is what they did. And they got converted into a regulated asset while running legal cases against the interconnector which we wanted to build and which would have brought cheaper power. It was the cold dead arm reaching from the grave that kept affecting our electricity prices. If we want to talk about electricity prices in South Australia, mate, I will talk about it for the rest of the year and we will debate it in public and anywhere you like, because you vandalised and wrecked our electricity system and we are rebuilding it.

**The Hon. W.A. MATTHEW:** Quite clearly, the answer is there is a 25 per cent increase in electricity and the government is going to do nothing about it. My next question relates to page 6.10 and the minister's office budget. I note the minister has a 2005-06 budget of \$1 388 000 for 11.2 full time equivalent staff. I ask the minister: what are the expected figures for 2004-05 and what were they for 2003-04, because those figures are not in the papers? Also, do these figures include travel expenses for the minister and his staff?

**The Hon. P.F. CONLON:** I know they have an obsession with the cost of travel. The only travel I have done this year has been interstate, although predominantly intrastate to Port Lincoln. That has been the bulk of my travel this year—to Port Lincoln. I went to Port Lincoln a lot after the bushfires. I would say I have not travelled overseas since the middle of last year, or something like that, after addressing a conference for four days. I am happy to talk about travel.

The figures as I understand it for DTEI are nothing to do with ministerial staff but are, in fact, for what you might call various departmental staff, I think. If it does include the ministerial advisers, I would say that 11.2 is particularly skinny because in the department of transport you have as many dockets as in any other agency every year (something like 3 000 dockets a year) and, of course, energy and

infrastructure are major users. So, I think if we are running the office with 11.2 staff and those are departmental staff, that is not only something I am not embarrassed about but it is also something that I would say is quite remarkable. I have nothing to do with putting these figures together. It will be very hard to make any comparison between the ministerial office from one year to the next, predominantly because my portfolio has changed substantially over the past 12 months from emergency services to this portfolio and also because they will now have new departmental arrangements.

If the opposition wants to know how much we spend on anything, I will get all the information. I have no embarrassment in the world about what we spend. I think we run a pretty tight ship. I will say this on record: the ministerial staff in my office work extraordinarily long hours under difficult conditions and do a very good job, and probably should be paid more than they get. The truth is that it is not politically popular to say—

*Mr Brindal interjecting:*

**The Hon. P.F. CONLON:** We are getting criticised for paying too much, paying too little. What I would say is that there is not a person in my office who does not do an outstanding job for the money they are paid and, if you want me to come here and defend the money my staff get, I will do it. If you want me to defend ministerial travel, I will do it. Let us go and find something serious to talk about.

**The Hon. W.A. MATTHEW:** As a supplementary question, will the minister explain to the committee the purpose and cost of the six-day trip that he and three staff took to Darwin, Melbourne and Sydney from 13 July 2002 to 23 July 2002, and can he advise who the staff were who accompanied him and what benefits the taxpayers derived from the trip?

**The Hon. P.F. CONLON:** The honourable member might have asked this last year when it was a bit fresher in my memory. I suspect it was a police ministers conference in Darwin followed by another ministerial conference somewhere else. I will find that out for the honourable member. I go to many ministerial conferences, and you should see the phalanx of advisers that walk in from other states. If the ministerial conference the honourable member was talking about was the police ministers (and we will go back and check, as the honourable member is asking about 2002-03), I do remember one part of it where we were talking about the handguns buy-back and they said, 'Can you get some of your staff to go and work on this deal?' and I said, 'I've only got one with me.'

That is what happens up there. The New South Wales police minister turns up with a retinue. I am sorry, but we cannot do that for nothing. We do go to ministerial conferences and we do take staff. Sometimes two of them might be together. I am not sure: I will go and check. I have to say that I think I am exercising a lot of flexibility here, because what this has to do with the current budget line is beyond me. If the honourable member wants to dredge history about spending government money we will go there, but I do not think he will want to go there.

**The Hon. W.A. MATTHEW:** I seek leave to insert into *Hansard* a purely statistical table to facilitate my next line of questioning. This is also in relation to page 6.10 under Ministerial Office Resources.

**The Hon. P.F. CONLON:** What does it refer to?

**The Hon. W.A. MATTHEW:** To the budget for the last two financial years and the current one.

**The Hon. P.F. CONLON:** Sorry: which number on this page are you talking about?

**The Hon. W.A. MATTHEW:** Page 6.10 of Budget Paper 4, Volume 2, as it refers to the ministerial office budget.

**The Hon. P.F. CONLON:** For which year?

**The Hon. W.A. MATTHEW:** For the budget in question and for the missing details.

**The Hon. P.F. CONLON:** Can we isolate a year that the honourable member wants to ask about?

**The CHAIRMAN:** In the statistics that the member for Bright seeks to have tabled, only the last entry pertains to the financial year of the budget in question. The rest pertains to previous financial years.

**The Hon. W.A. MATTHEW:** Which are flagged in the budget papers. Budget papers undertake a comparative analysis.

**The Hon. P.F. CONLON:** I suspect that what the honourable member wants to do is delve into history about travel, given the allusion. If he wants to go back into history and delve into the use of government funds, I am quite happy to open that line. I want to talk about defamation cases and the misuse of government funds. That is what I would be talking about.

**The CHAIRMAN:** The minister can hold his fire for a few moments. If the member for Bright wants to table this last entry I will let him, but I cannot see how the rest of it can be referred to any budget line, because it refers to previous budgets. There is nothing to stop the honourable member's getting up in the house and having it inserted, if the honourable member wants. We cannot go down the path of raking over the coals of budgets long gone, otherwise it will have no end.

**The Hon. W.A. MATTHEW:** With respect, sir, they are hardly long gone. They are all for this current government and they are all referred to in the budget papers.

**The CHAIRMAN:** Where does one draw the line? If the member for Bright wants to have the last entry which pertains to this financial year inserted, then I will allow him, but I will not allow him to insert the rest.

**Mr BRINDAL:** Mr Chairman, my understanding of insertion of matters which are purely statistical is that in the 15 years—

**The CHAIRMAN:** The member for Unley's understanding of standing orders is pretty bleak at the best of times.

**Mr BRINDAL:** That is according to you, Mr Chairman of Committees, who happened to have the numbers to be elected Chairman of Committees, but you are wet behind the ears in terms of parliamentary—

*Members interjecting:*

**The CHAIRMAN:** The member for Unley should be very careful about reflecting upon the chair.

**Mr BRINDAL:** I am not, sir. You reflected on me, so you are getting it back in kind.

**The CHAIRMAN:** The honourable member is a good friend of mine but I will not hesitate to name him. Anyway, that is my ruling.

**Mr BRINDAL:** Mr Chairman, I disagree with your ruling. It is not right.

**The CHAIRMAN:** You can disagree if you want.

**Mr BRINDAL:** I believe that the insertion of statistical tables is always done by leave, so it is up to the committee, not you.

**The CHAIRMAN:** I am not granting leave.

**The Hon. W.A. MATTHEW:** Mr Chairman, by point of clarification, can you advise under what standing order you

are refusing the insertion of this information in *Hansard*? I would have to say that, in my 16 years in the house, this is unprecedented.

**The CHAIRMAN:** First, I advised the committee at the beginning of the day that we cannot table things. Material can be incorporated into *Hansard*, as long as it is statistical and limited to one page in length.

**The Hon. W.A. MATTHEW:** Which is what this is, sir.

**The CHAIRMAN:** Standing order 109 states:

When a member in speaking to a question refers to a statistical table relevant to the question, the table may—

may—

at the request of the member and by leave of the house be inserted in *Hansard* without being read.

It is 'may' and it has to be relevant to the question. This estimates committee this morning is examining the budget papers which were tabled in the house. The member for Bright seeks to have statistics relating to previous budgets inserted without being read, and I am denying leave. It is not even a case of giving a ruling as such: it is by leave, and I am denying leave. Any member of the committee could deny the honourable member leave. They would just have to say, 'Leave is not granted.' It is not purely a question for the chair.

**The Hon. G.M. GUNN:** It is not wise to do that.

**The Hon. W.A. MATTHEW:** Precisely.

**The CHAIRMAN:** I agree, but my point is—

*Members interjecting:*

**The Hon. P.F. CONLON:** I am happy for you to insert it, sir. I am happy to get the defamation material. If you want to dredge history, we will do it. What you might want to address your mind to is the budget of the state, which is what we are here to talk about.

**The Hon. W.A. MATTHEW:** This is about the budget of the state and the way in which it is being spent.

**The CHAIRMAN:** Order!

**The Hon. P.F. CONLON:** Ask questions; we have hours to waste. Ask questions, I don't mind.

**The CHAIRMAN:** I am explaining to the member for Bright that, if he wants to use this as an opportunity to rake over previous budgets, we will not get anywhere and we will not be dealing with what we are meant to be here for; that is, to examine the budget papers in question.

**The Hon. W.A. MATTHEW:** With respect, sir, that is what is occurring. Throughout these budget papers there are references to all the financial years that are detailed in this table by the Treasurer. You are denying me the opportunity to incorporate into *Hansard* a table that simply reflects the same references in time that are made throughout these budget papers. Is that what you are telling me?

**The CHAIRMAN:** That is right: denying leave to have it inserted. However, if the honourable member wants to read it, then he is welcome to.

**The Hon. W.A. MATTHEW:** I will simply open up a line of questioning and we will take it from there. The table which I wish to have incorporated but was denied the opportunity details trips both interstate and overseas that have been undertaken by the minister and his staff since they came into government. It covers the period from 12 March 2002 to 21 July 2004. The table shows that the minister has spent an accumulated total in those two years of 98 days travelling at a cost to the taxpayer of \$184 773.50.

**The Hon. P.F. CONLON:** What was this for? For me and staff.

**The Hon. W.A. MATTHEW:** This is for you and your staff.

**The Hon. P.F. CONLON:** Because we took all their credit cards away and we have to put them all on the one ministerial credit card. All the credit cards that you used to give to all the staff to do whatever they wanted with, we took away. That is your problem.

**The Hon. W.A. MATTHEW:** Mr Chairman, I have not finished my question.

**The Hon. P.F. CONLON:** Can someone get me Vicki Thomson's credit card bill? You people have no shame.

**The Hon. W.A. MATTHEW:** Will the minister let me finish the question?

**The Hon. P.F. CONLON:** Yes, go right ahead.

**The Hon. W.A. MATTHEW:** The minister also mentioned credit cards. Just for the record, my ministerial staff did not have credit cards. During the entire 7½ years that I was a minister, I did not have a credit card. That is a well known fact. I just want to put that on the record. As I indicated, there were 98 days of travel in the first two years, involving \$184 773.50. In all, 30 trips were taken. This information was obtained via freedom of information. The Liberal opposition does not at this stage have information beyond those dates. Clearly, I understand that the minister will have to take this on notice. I ask the minister whether he is prepared to take on notice the following question in relation to each of these 30 trips. Will the minister provide to the committee details of the staff who accompanied him, where the trip was to and what benefits the taxpayers derived from the trip?

I agree with the minister: there are benefits for the taxpayers from trips, and I am not denying that. I want to ensure that this amount of expenditure, which is extraordinarily large, is properly accounted for.

**The Hon. P.F. CONLON:** No, if you are saying that this is not a genuine expense, you say that. You tell me which one of those was not a completely legitimate trip in the interests of the people of South Australia?

**The Hon. W.A. MATTHEW:** Minister, that is why I want the details. That is why I want to table this information, and get the details back from you. If you can justify this—

**The Hon. P.F. CONLON:** I will justify every trip. The first one you asked about, you got wrong. One person accompanied me—Cathy King—to the Northern Territory for a police ministers' conference. Maybe, I could have not gone, and not participated in the national gun buyback, but I actually thought it was legitimate to go there. That was the first one you asked about. That staffer then went back, and I met a second staffer in New South Wales for some meetings, and I will look into what they were. Frankly, if you think that ministers in South Australia should not attend ministerial conferences, if you think we should not travel overseas, then I can understand why we won the warship contract, and you people never would have been able to do so, because if you think that it is not legitimate to travel and talk to people in the interests of this state, then you are a backward looking, cave dwelling mug. This demonstrates that you have absolutely nothing to offer on a budget examination about electricity in South Australia. You have absolutely nothing to ask about and nothing to offer, except trying to throw up some numbers. I will get you last year's, too, because the only travel has been interstate. I can tell you that I spent some money earlier this year. Do you know what I spent it on, travelling? I went over and put on a barbecue at my office's expense for the people of Port Lincoln—the

volunteers—after the bushfire. We spent a bit of money. You may not be happy about that, but I am. We will get you it, and I can absolutely guarantee that no trip there was not entirely in the state's interest and done for those purposes.

Maybe I will also bring back for you a comparison of the hotels that my staff and I have stayed in—interstate and overseas—and we will get you a list of the former John Olsen's hotels—because he liked a fancy hotel, he liked a very fancy hotel—something that our Premier does not do. If you want to drag through this stuff, we will show you it all, but I tell you this: I will not stop going to ministerial councils. I probably have not been overseas for a while, and this year I have refused a number of requests to travel overseas. However, it is inevitable that I will probably have to travel to China sometime in the near future—should we be fortunate enough to be re-elected, it will probably be next year—because if you do not go and do that, and do business, you do not do business.

We have OneSteel putting \$350 million down in investment because they sell iron ore to China, and we have the Chinese visit us, and they invite us to go back. You actually have to have these sorts of relations with the people you want to do business with. I know that Graham Gunn is a supporter of travel for MPs, and I have always supported his arguments.

Let us be clear about what is going on here today. This is not a concern about the budget and the taxpayer of South Australia. There are two things at work: one, you have nothing on the budget, nothing on electricity; and the other is that you are going to try to make a cheap point out of ministerial travel. If you think that you are serving the interests of the state, I am glad you are retiring.

**The Hon. W.A. MATTHEW:** Just to ensure that the minister is in no confusion about this, the Budget Papers show a ministerial budget line. The ministerial budget line has details for the 2005-06 financial year only. There is no information, as occurs with other budget lines, provided for preceding financial years. The minister has admitted that there are other ministerial expenses including travel that are not included within that budget line. The purpose of this line of questioning is to flesh out the true cost of the ministerial office because it is quite obvious that this government is hiding its costs. You are hiding the cost of ministerial officers; you are trying to hide the cost; and you do not like the question.

**The Hon. P.F. CONLON:** Let me explain to the member for Bright why there is no line similar to this in the past. It is because the Department of Transport, Energy and Infrastructure did not exist. It only exists for the first time now. I can go and invent him some figures if he likes, and if it makes him feel better but, for Christ's sake, can we ask something about the budget for the state? Goodness me!

**The Hon. W.A. MATTHEW:** To conclude on that, I will continue asking questions about ministerial expenditure. I do not care whether the minister likes it or not, but the fact is that \$184 000 worth of expenditure on travel over a two-year period is a large amount of travel.

**The CHAIRMAN:** Please do not speak over the chair.

**The Hon. P.F. CONLON:** I say to the member for Bright that, if he has any gumption at all, he should go and find one of those trips that was not legitimate and not in the interests of the state. Go and find one. I stress, again, that when I travel to ministerial councils I bring one staffer. The department sends some as well, but my practice is to bring one staffer. On some short ones, I have not brought a staffer at all, which

is a very unusual practice, I would suggest to you. But I cannot not go to these things.

Since we want to dredge back in history, I will tell you about the form of this bloke when we first came to government: do you know what he criticised me for? He criticised me for failing to lead a trade delegation on wind farms to Europe—because I did not go. I have to ask: what would he have done if I had gone? He would be sitting there adding up the numbers and saying, 'Why are you spending so much money?' If I had gone, that is what he would have done. But it is on the record, it is on *Hansard*, and he criticised me for failing to travel to Europe.

Then, later, I led a very successful trade delegation on wind farms to Madrid. We now have more wind farm installed capacity than anyone in Australia, and one of the highest in the world. It was actually successful. But if I have to model the behaviour of the government around the criticisms of the member for Bright, we are going to have to change direction on a daily basis. Can we have some honesty about the debate? It is absolutely ridiculous for this same member to criticise me for not taking a 10-day overseas trip, and then come back and complain about the cost of travel. You can have one way or the other, mate.

**The Hon. W.A. MATTHEW:** The minister was just saying that he was a slow starter but, by heck, he certainly has finished with gusto.

**The Hon. P.F. CONLON:** I tell you what: when my travel bill exceeds what we had to pay for your defamation, come back and complain. But do not talk to me about using government funds. The Crown Solicitor's office said that we should not pay for your defamation against the member for Mitchell, but cabinet ignored that and paid it for you. So, do not come in here with your slippery comments about the use of government funds. Mine were used with the approval of cabinet for the purposes of government.

**The Hon. W.A. MATTHEW:** I rise on a point of order, which is clearly one of relevance. The second point of order relates to correct information given to the house. The defamation action to which the minister refers was a defamation action against a minister in his role representing the state of South Australia. The press release to which he refers was not mine, so the minister is being untruthful.

**The CHAIRMAN:** Order! There is no point of order. The member for Bright cannot have it both ways.

**The Hon. W.A. MATTHEW:** In summary, sir, the minister does not like questions about his travel, and I am not surprised why.

**The CHAIRMAN:** I suggest that the member for Bright ask the question.

**The Hon. W.A. MATTHEW:** My next question relates to page 6.46 of Budget Paper 4 Volume 2. The line reference is 'Supplies and Services, Other.' I note that an amount of \$61 632 000 has been allocated under the heading 'Supplies and Services, Other 2005-06' with no amounts recorded in previous financial years. For what purposes have these moneys have been allocated?

**The Hon. P.F. CONLON:** That is bringing the Natural Gas Authority of South Australia over for the first time in that line. I will get Steve Archer to explain. It is essentially a change in accounting procedures.

**Mr ARCHER:** I refer the member to page 5.36 of the Portfolio Statement that you refer to, under the lines for Administered Items for Department of Primary Industries and Resources. If you look in the middle of that page, you will see that there is a figure of \$129 900 000 for the estimated

result of 2004-05. That is the NGASA payment for the current period. From 1 July that payment is transferred to DTEI. Then, if you go to page 6.46, you will see that it is represented by the \$61 632 000. It is a lower amount than in previous years because, in fact, the contract actually ceases 31 on December this year.

**The Hon. W.A. MATTHEW:** Thank you for that.

**The Hon. G.M. GUNN:** My question to the minister concerns the future availability of coal to operate the Port Augusta Power Station. The minister would be aware that there was a limited life for Leigh Creek. The mining there is very efficient, probably as efficient as anywhere in Australia, but there will be a need to have some long-term planning to make sure that our future energy needs are catered for. The minister is aware that NRG Flinders has done a great job in reconstituting the old powerhouse at Port Augusta so that we have extra energy. Therefore, both these power stations will need coal in the future. Can the minister advise what planning his department has done to endeavour to find alternative sources of coal which will ensure that those plants will continue to operate efficiently for the benefit of the people in this state?

**The Hon. P.F. CONLON:** It is certainly a matter of some interest to us. Primarily, as you would be aware, it is the responsibility of a private sector company that is very well aware that I think it has been about 11 or 13 years of coal, or something like that. The best that we can do is talk to the company regularly. I met with NRG Flinders just last week about that and a range of issues. I will come to the long-term planning in a moment. I will get in a plug here: should you people agree to a pair on 6 July, I will have dinner with, I think it is David Crane, the international Chief Executive for NRG.

Incidentally, NRG Flinders' parent company in the United States has come out well. It has come out of the Chapter 11 bankruptcy proceedings there. It is now a very sound company again, and that has been a great relief to all of us. NRG had some difficulties in the past, and the truth was that the parent company in the states was the real source of difficulty and not the operation here, which, as the member says, is a very efficient one. This is precisely why one of the things that we will look at in the energy plan that will be released next year, which is a 10 year look at where we need to be, is gas reserves, because we generate a great deal by gas and where it is coming from. The short answer is that it is a commercial solution for a private sector firm, but we are always happy to see how we can facilitate that. You would know that we have facilitated with the OneSteel development in terms of an announcement to bring in a bill to parliament to give some certainty and surety there.

**The Hon. G.M. GUNN:** You will have my support on that.

**The Hon. P.F. CONLON:** I am sure that you will be a strong supporter of that. What we do is talk regularly to the company. It explores its options. We have had those talks over a couple of years. The company has talked about coal from other states. As you would well know, the real problem is that coal burners are usually situated on top of, or very near to, their fuel because it is a bulky commodity. We will continue to work with them, and we will plan for the future. It is a coal burner that we are quite happy to have, even in a carbon restricted world, because so much of our capacity in South Australia is generated more expensively by gas. It is something in which we take a keen interest. We will be working with the company, and do anything we can to

facilitate the lifetime of the plant, especially given that the refurbishment works which, I understand, are now complete and tickety boo. We are more than happy to talk to the honourable member at any time about those issues, because I know he has a keen interest in them.

**The Hon. G.M. GUNN:** I refer to page 6.2, where there are a number of dot points. One of them is 'Renewable Remote Power Generation Program', which is particularly important for people in the north. Recently, there have been a lot of complaints about the operation and the need to upgrade facilities at the Marree Power Station. I wonder if the minister and his officers can advise—

**The Hon. P.F. CONLON:** I thought you were going to ask about Olary.

**The Hon. G.M. GUNN:** Well, I could do that, too. I am very familiar with that one. I think that is probably more difficult for the minister. It is more difficult than Olary, but perhaps the minister may like to answer both of them. Marree is particularly important because there have been some real difficulties in the past few weeks.

**The Hon. P.F. CONLON:** What is the particular issue?

**The Hon. G.M. GUNN:** There had been breakdowns at the power stations and the power was going off intermittently. My office was getting a considerable number of complaints. I understood there was a need to upgrade facilities.

**The Hon. P.F. CONLON:** I am told that a generator did break down, and we shifted in a temporary one. Contracts are being let at the moment for two new generators. How long do you think that will take?

**Mr ARCHER:** Several months.

**The Hon. P.F. CONLON:** We have a temporary replacement. In a few months we will be able to install new replacement generators. As the member will know, this is one of a number of schemes operated out of Energy SA for electricity supply in remote areas. I think they do a pretty good job. It is a difficult state in which to supply electricity; there are a lot of remote communities.

**The Hon. G.M. GUNN:** My next question relates to the hot rock project which is currently being developed in the Innamincka area. Can the minister give any indication to the committee of the likely success of that project? I understand a lot of money has been invested. The Premier and I were in Innamincka last week at the Coongie Lakes dedication, and there was obviously a lot of activity going on. Will the minister give any indication of how successful that project has been?

**The Hon. P.F. CONLON:** I think the member is referring to the geothermal project which is very exciting. I give credit to the previous government for opening up this line of exploration. We have met with the proponents on a number of occasions. Evidence of how serious a project it is is the fact that Origin and Woodside are both foundation investors. By all reports, things have gone remarkably well. They believed they were drilling hot dry rocks, but they actually found water at that depth, and I understand that that adds to the viability. They have shown some impressive numbers for costs of generation. Everything is proved up so far.

The long-term issue will not be generating the electricity but getting it to market or to the users. I personally believe it is a very exciting long-term project. If the resource can be proved up enough to a sufficient extent it could well warrant major infrastructure investment in transmission, because it is a renewable form of energy that does not have the problems of most other forms of renewable energy in that, if you get it right, it can be scheduled.

Our real problem is with how much renewable energy you can use in the system. It is one of the reasons why ESCOSA and the Planning Council have moved to limit licensing wind generation or putting strong conditions upon them because it is generation that cannot be scheduled and it is very difficult to match a system. I think this is a very exciting prospect. My understanding of it is that it has probably met or exceeded the expectations of the proponents in terms of testing up the viability so far. Barry, do you have anything to add?

**Mr GOLDSTEIN:** We now have 54 application areas where we only had seven last year or the year before. It is actually a growth area. There are nine companies involved in eight different joint ventures. They are all operating on different models. Geodynamics is clearly the front runner in terms of their project. They have most recently completed successfully a flow test between habaneras 1 and 2. I believe 210 degrees centigrade was the temperature they attained on the flowthrough to surface for their press release. They have overcome a lot of sub-surface uncertainties through that project, and we wish them every success.

**The Hon. G.M. GUNN:** Can the minister indicate where else these areas of interest are in South Australia?

**The Hon. P.F. CONLON:** The Cooper Basin is a very keen area of interest, but there is also a company that has looked at shallower holes in the Flinders. They are lower temperatures but shallower and closer to the grid. I understand a third company is having a look at some of the geothermal activity in Mount Gambier. Those would be the main areas at the moment.

**The Hon. W.A. MATTHEW:** It was pleasing to hear that. I remind the member for Stuart that that just goes to show what the good legislation which was passed through the parliament in 2001 can facilitate. By next question follows on from a comment that the minister made a limitation that is needed to be placed on the amount of renewables that can come into the grid at any point in time. The government has a policy of ensuring that renewables comprise 15 per cent of the state's total energy consumption over a period of 10 years. I ask the minister whether there has been a cost process put into place to determine what the effect will be on South Australian household electricity bills by having this amount of renewables come into the market.

**The Hon. P.F. CONLON:** We are not far off achieving that target by the end of this year. The wind farms will be something like 10-plus per cent of installed capacity, and installed capacity is higher than average demand. We already have the highest number of grid-connected solar systems in the world, and the Premier is laying down a lot more. It has not had a particularly adverse effect on pricing. I have been concerned about system management with wind farms. That is one of the reasons why I asked the Ministerial Council on Energy a year ago to review the open access regime for non-scheduled generation. I think NEM needs to plan the entry of renewables better in terms of system management reasons. In terms of effective pricing, we are not far short of achieving the target. There has been no discernible effect on pricing and we are very comfortable with that. It does set us up very well in a carbon constrained future. I remind the member for Bright that he himself in a former government actually signed a submission on the purchase of green power, which suggested that we could install—

*The Hon. W.A. Matthew interjecting:*

**The Hon. P.F. CONLON:** Well, you were too strong an advocate. You suggested that we could install 1 000 mega-

watts to reduce the summer peak, which was close to a flight of fantasy, I have to say. I understand you supported it—and I appreciate that—but we will not be seeing 1 000 megawatts on my watch because it would have major system management problems. It would put us in a position that has not been achieved anywhere else in the world in terms of proportion of capacity.

**The Hon. W.A. MATTHEW:** I appreciate the minister's saying we are getting somewhere near the mark with 10 per cent, although it is still 5 per cent off the 15—

**The Hon. P.F. CONLON:** I referred to grid-connected solar. We have a large number of other renewables around the place. We would be very close to it in a short time, but not in 10 years.

**The Hon. W.A. MATTHEW:** We are certainly not yet there. The electricity industry through generators has been putting to the opposition anecdotally that they are expecting increased costs for their operations. Has the minister had any formal submissions, rather than anecdotes, put to him by generators that give an indication as to the sort of quantum they expect in price increase to accommodate the fluctuations, particularly in wind power?

**The Hon. P.F. CONLON:** I will do the sums for you, but 10 per cent of installed capacity is probably close to 15 per cent of energy use, given the difference between installed capacity and average demand, average energy use. You could do the sums. I should not be so modest, because we are probably already beyond the target. It has not affected pricing. I have not had any submissions from generators on pricing. In fact, you will find that a number of people who own black generation also want to own windmills. I know International Power, which owns Pelican Point and Hazelwood, Victoria, has developed a very substantial wind farm in the South-East—in Don Ferguson's territory in Wattle Range council. I am not surprised that I would not get a formal thing, anyway. Most formal submissions on that would have gone to ESIPC after I asked them to do a review. I will check what submissions went to ESIPC and provide the honourable member with any information that they are free to release, because there may be some aspects that are commercial, although I doubt it. Whatever is free to release that went to ESIPC we will provide to the opposition.

I am told that it may be that they would have simply done it through conversation with most of the generators around the place. Most people in the industry are aware of the circumstances. Effects do not flow evenly across the industry. I am sure the people who operate the ancillary services probably like the idea of buying more ancillary services from them. That is the nature of a privatised, segmented industry, but we will get whatever information ESIPC has. In fact, I am happy to see whether there is anything we can get from the ministerial council. At my initiative, the ministerial council established a work energy policy working group over a year ago. We will get whatever information nationally has been supplied to that group, because it is an interesting subject.

**The Hon. W.A. MATTHEW:** My next question relates to page 6.47, 'Assets', and the subsequent subheading, 'Cash and deposits at call'. I note that the amount of money that is held as cash in deposit at call increases from \$1.745 million at the end of this financial year to \$8.994 million at the end of 2006. Will the minister explain why this increase will be so significant; and for what purposes are these moneys being held?

**The Hon. P.F. CONLON:** It may be largely transport, so we will get either an answer this afternoon or provide some



details. It is combining some items for the first time in the new department.

**The Hon. W.A. MATTHEW:** At page 6.36, in relation to energy and infrastructure policy, I note the MERI branch 'facilitated a successful commencement of gas for retail competition in South Australia on 28 July 2004'. My observation is that, since the change in government, domestic gas tariffs have already increased by 20.1 per cent. There is an application from Origin Energy seeking a further 10.1 per cent, which would see a compounded gas price increase for householders, by my calculations, of 32.1 per cent. That is despite the fact that the government allocated a \$64 million taxpayer subsidy to the gas industry, effectively, to keep prices down. I ask the minister whether this is how he determines success.

**The Hon. P.F. CONLON:** Frankly, your figures are bogus. You cannot keep adding up increases. The member for Bright has a strange system of mathematics. He put out a press release saying that in Victoria they had locked in price reductions in electricity over three years, because they allowed increases matched with inflation minus a figure. He called that a decrease. But, when he wants to talk about our energy prices, he does not include the CPI at all. It is true that when we came to government the increase in gas was higher than I would like. It was about a third of what was sought by the company. There is no doubt that the previous increases under the previous government, running up to an election, were held as low as they could be.

*The Hon. W.A. Matthew interjecting:*

**The Hon. P.F. CONLON:** That is right. I say this about gas prices: we were able to manage the entry to FRC on gas prices, and we got a far better outcome for consumers than was achieved in electricity.

*The Hon. W.A. Matthew interjecting:*

**The Hon. P.F. CONLON:** It is worse than electricity? We would be better off in here if you do not make it up. If you could keep it to the facts, we would be a lot better off. You put in figures; you take no account of CPI; and you add 10 per cent because of what they claimed—not what they got but what they claimed. It is just bogus. It is not honest. I think that the move to a competitive market in gas has been very well handled, albeit with some increases. Do not forget that we did not commit to FRC: you did. Once you introduce FRC, which was your commitment that we were stuck with—

*The Hon. W.A. Matthew interjecting:*

**The Hon. P.F. CONLON:** Apparently it was us before then—

*The Hon. W.A. Matthew interjecting:*

**The Hon. P.F. CONLON:** Oh, come on! No-one had heard of FRC last time we were in government. One of the things that happens when you—

**Mr Koutsantonis:** Grow up.

**The Hon. P.F. CONLON:** No; it is very important to get a little honesty into the debate. One of the things that happens when you commit to full retail competition is that, because it goes to an open market, you can no longer maintain cross-subsidies. It is impossible. With FRC, which was committed to before we came to government, some increases beyond inflation are a direct result of having to remove cross-subsidies from the gas price. The member for Bright will not mention that businesses in South Australia, unlike the Liberals' electricity FRC and privatisation where everyone got beaten around the ears, as a result of the wash out, actually had reductions in gas prices through the FRC process. That is what happens when you wash out cross-

subsidies. I can get the detail. I think that one year they got a reduction in business prices of something like 5 or 6 per cent. We will get the actual numbers.

I would have preferred that we did not have to do that, but I did not commit us to FRC. I can guarantee that it never happened on my watch. It was my commitment to go into full retail competition. Once it goes there, I cannot prevent a competitive market removing cross-subsidies. The truth is that, in real terms, gas has remained affordable as a fuel for South Australians. I do not get huge complaints about gas prices in South Australia. It has remained affordable for South Australians. We actually encourage its use. I think that our process of managing the introduction of competition in gas was infinitely superior to the Liberals' introduction of competition in electricity.

**The Hon. W.A. MATTHEW:** For the record, I did not introduce FRC, either. I would not take responsibility for that, so I do not want the minister to imply that it may have been me. I actually fought with the ACCC and delayed it. My next question relates, again, to the provision of gas services. The minister would be aware that, as a result of changes to gas pricing structure, businesses are paying costs that relate to the length of haulage distance of their product. That means that companies like Mitsubishi pay more for their gas than companies such as Holden, because there is a shorter haulage distance. What endeavours are being made within the minister's agency to address the problem of gas prices, particularly for the southern suburbs, which is an essential ingredient to attract new industry to the south of Adelaide?

**The Hon. P.F. CONLON:** The price of gas for large customers is a commercial matter for large customers. Naturally, we try to create an environment in South Australia to encourage investment and, frankly, I think that we are going all right. The subject to which you refer is if some big players in the market are able to look after themselves. I am sure that every now and then I hear some of them complain, but it is a commercial matter between commercial customers. I think that is perfectly legitimate.

**The Hon. W.A. MATTHEW:** With respect, the minister may not have appreciated the intent of the question. The southern suburbs have an enormous amount of industrial land and potential, and the dilemma for residents of the southern suburbs of Adelaide is in obtaining employment close to their houses; they are travelling large distances every day. It is a fact that the cost of gas is an impediment to businesses establishing in the south. Certainly, pipeline companies have given consideration to running a lateral through the Adelaide Hills to provide that area and the southern suburbs with gas but, as yet, that has not occurred. Minister, has any consideration been given to encouraging the development of that infrastructure?

**The Hon. P.F. CONLON:** I have views about industry assistance, namely, that you can only do it carefully and that you should never engage in what I call the *Field of Dreams* reasoning that, if you build it, they will come. If companies seriously came to talk to us about an investment opportunity for those things, we would look at it. However, as I say, I am not going to engage in the *Field of Dreams* reasoning that you build the infrastructure and hope that they come. We have a lot of good uses for government money. I think that we have used it wisely in this government; we have moved away from the former system. I know that it was not the member for Bright's personal responsibility, the former system of industry assistance, for which I have no time. Our industry assistance on the warships project, the purchase of \$140 mil-

lion, I think it is, of multi-user infrastructure, no doubt, is extremely important.

*The Hon. W.A. Matthew interjecting:*

**The Hon. P.F. CONLON:** No; we did not say that. It is actually a multi-user facility that builds our Port. When we built a grain terminal we were giving industry assistance as such. Every time we build a road, we are giving industry assistance in a way. That is what happens when you build infrastructure. However, if a serious investor needed something facilitated in the South-East that was in the state's interest, we would look at it, but we will not do it on the hope that it would cause something to happen. I have never been approached by anyone.

**The Hon. W.A. MATTHEW:** I am somewhat surprised that none of the minister's advisers know of an approach. I am aware that the City of Onkaparinga has made a formal approach, and that is the largest council in the state. It has the dilemma of dealing with the respective closures of the Port Stanvac oil refinery and the Mitsubishi engine plant. It is desperately endeavouring to encourage new industry.

**The Hon. P.F. CONLON:** We do not have any record of the Onkaparinga council doing it, but I come back to the point I was making, anyway. What you want is someone who wants to invest. It would be nice if we ran around and exercised our field of dreams in reasoning and infrastructure and hoped that people would come to it, but it is not wise. I say we have not been approached, and we are trying to discover whether the Noarlunga council has approached us or someone else, but we have no record of it. But, again, if a serious investor wants to talk to us about laying down some investment, we will have a look at it. But my view is that, in the modern world, with some rare exceptions, businesses are good businesses because they are able to have a business plan and meet their own costs and not rely on the government to be a good business, and I think that is a pretty good lesson for all of us.

**The Hon. G.M. GUNN:** The minister earlier thought I was going to ask him about Olary. I will ask him about Olary because he would be aware, as well as I, that the proprietor of the hotel is supplying the small community with power.

**The Hon. P.F. CONLON:** I have been there, you know.

**The Hon. G.M. GUNN:** Yes, I understand that, and the proprietor of the hotel is doing a very good job providing a service, but it is important that that particular service is put on a proper basis so that if someone else operates the hotel they are not locked into that process. I understand there are complexities and difficulties but, at the end of the day, the vision of electricity in any small community is one of the most important things that government can deliver to people. And may I say as an aside that, having in the earlier part of my life had to supply my own electricity, I know how important it is. Can the minister bring us up to date on the stage that negotiations have reached?

**The Hon. P.F. CONLON:** If I can be blunt about it, at present Olary has a population of about 11; is that right?

**The Hon. G.M. GUNN:** Something like that, yes.

**The Hon. P.F. CONLON:** It just does not meet the criteria at present. The problem is that we cannot simply single out a town. We must have objective criteria and, if we were to alter the criteria for Olary, the member knows there is a large number of towns for which we would have to discharge the same responsibility. We will continue to review—

*The Hon. G.M. Gunn interjecting:*

**The Hon. P.F. CONLON:** You would be happy but I am not sure that the taxpayers would be very happy and, at the

end of the day, we spend taxpayers' money—that is the only money we get.

**The Hon. G.M. GUNN:** At least my job is assured.

**The Hon. P.F. CONLON:** Yes, and I think the 11 people of Olary know they have a true champion. However, at the moment, Olary does not meet the criteria and we must have objective criteria or we would be criticised, rightly, by the opposition.

**The Hon. G.M. GUNN:** Not by me.

**The Hon. P.F. CONLON:** That is because you represent all the little towns of 10 or 11 people, mate. So, at the moment we continue to keep under review those various programs and, as we continue to grow the economy, hopefully we can extend programs, but we do not have the budget to extend to towns such as Olary at the moment. I think that is the short answer.

**The Hon. W.A. MATTHEW:** My next question relates to page 6.35 under the line reference supplies and services. I note that the budget effectively has been exceeded by \$516 000, or 73 per cent, and will increase in 2005-06 to \$2 046 000, an increase of about 190 per cent on the current year's budget. I ask the minister: what are the reasons for these increases?

**The Hon. P.F. CONLON:** The biggest one is provisions for funding for the Australian Electricity Market Commission. We have been very disappointed in the commonwealth with regard to funding of the Australian Energy Market Commission. The original reform package and deal signed off on at COAG was that it would be an industry-funded regulatory regime. There are state limitations upon imposing some charges that lay outside the state. The commonwealth has the power to impose that industry levy and is refusing to do so because it does not want the responsibility.

I have stressed my view to the commonwealth that, if Peter Costello can insist on deals on taxation, it cannot renege on others. Some COAG deals are not more equal than others, and it should be funded by an industry levy, as it always has been in South Australia. I think it is very unfair to get to what is the last few months of a three year program of reform to find that one of the essential elements agreed on will not be delivered. We are still having that debate with the commonwealth and still trying to fashion a way of industry funding for the new mechanisms, but we have had to make a contingency for the initial funding for the AEMC, and I am hoping that we will recover that funding at a later date.

But, certainly, the limitations (the member would know, having done them before) on any of these ministerial councils is that it does not matter what you want yourself: it is what you get others to agree to. I placed on the record at the last ministerial council our extreme disappointment with the commonwealth's position on industry levies but, in the meantime, we need to commence the regulatory institutions that we have created for the reform. The biggest lump of that is \$1.6 million for the AEMC. There are a few other things. There is a one-off legal cost associated with the ministerial council of energy—probably fighting about this levy issue, I would say at a guess. There are some very minor adjustments about leaving Treasury and moving. We will get the details, but I do not think even you, Wayne, would quibble with the cost. They are in the hundred thousand range, not the millions.

**The Hon. W.A. MATTHEW:** My next question relates to page 6.10. I note from the work force summary table that the new department will be shedding 83 staff in this current financial year. I realise that in forming a new department

from others there are often difficulties in extrapolating these statistics, but this chart reflects a drop in 83 staff. Where will the staff be removed from and why?

**The Hon. P.F. CONLON:** We will probably find that that is the Planning people going out of Transport and Planning, but I will check that. I think it is the net effect of some people coming in and some going out. The Office of Infrastructure comes in, but the outflow of the Planning people to Paul Holloway's responsibility would be those 83. They are probably in the same building but described under a different line now.

**The Hon. W.A. MATTHEW:** My next question relates to page 6.15, the targets for 2005-06. The second dot point refers to the completion of the delivery of the energy audits of which the minister is so fond as part of his energy efficiency program for low income households. How many audits does the minister expect will have been completed by 30 June 2005?

**The Hon. P.F. CONLON:** My understanding is that, with a few arrangements, we will get them all done. One agency in particular has completed its allocated contract share and other agencies have been slower, and we are in the process of considering some reallocation from one agency to another. The program is due to end in December 2005 and they will be done by then. Some agencies have been better than others. Anglicare gets the big tick: it has finished its contracts well ahead of schedule. Can I put on the record that all the agencies doing these have been extremely supportive of the program.

I have received quite a lot of letters from people who have had the audit, saying that it does a very good job for them. It is sad that it has been a subject of quite misguided criticism, since it has been extremely popular. We are in the process to the extent possible of auditing the outcomes of it.

**The Hon. W.A. MATTHEW:** Is the minister able to provide the number of audits done by each of the agencies, by agency name?

**The Hon. P.F. CONLON:** We will not give you the sheet now but we will give you the details: it is not a secret. Some have been a lot better than others.

**The Hon. W.A. MATTHEW:** My next question relates to page 6.8, to the line Cash Inflows Total. I note that the cash outflow will increase in 2005-06 by more than \$6 million, or approximately 11 per cent. What are the reasons for this increase?

**The Hon. P.F. CONLON:** Those are the new functions transferred in to DTEI that were not there before, of Infrastructure and Energy. That is the net impact of the new functions, but we will obtain a breakdown of the detail for the honourable member.

**The Hon. W.A. MATTHEW:** If I can clarify the way the budget papers have been put together by this agency, it has effectively taken the old Transport and Planning Department and reflects transfers in of Energy and Infrastructure and transfers out of Planning; is that right?

**The Hon. P.F. CONLON:** I do not think it reflects the transfer out of Planning, as the number would go down, not up. There are a lot more in Planning than in any of those other agencies.

**Mr ARCHER:** In the statement of cash flows that the honourable member is referring to, the 2005-06 budget includes all the new functions that have transferred to the new department but does not include Planning SA or the Office of Local Government in those figures. The 2004-05 estimated

result budget and 2003-04 actual includes the old agency but not the new functions that have transferred to it.

**The Hon. P.F. CONLON:** Some of these questions we will need to bring back details for. They are put together this way for the first time.

**The Hon. W.A. MATTHEW:** My next question relates to page 6.38 and the performance commentary on the Energy Plan that I noted earlier. In relation to that, I note that the State Infrastructure Plan advocates trialling innovative methods to reduce peak demand, including through an ETSA demand management program. I note that that particular aspect is listed as a priority one in the infrastructure plan. Will the minister explain what will be trialled or what is already being trialled through ETSA and through others to assist in demand management to reduce peak demand?

**The Hon. P.F. CONLON:** I will have to get the details from ETSA on the various programs. The honourable member will recall that there was discussion about some of them some time ago, and I think that some of them were a bit misdated. The honourable member would also recall that the reset allowed ETSA \$20 million over five years on demand management programs. I support that; I think it is a very good idea. The initiatives we know include: stand-by generation; direct load control of residential airconditioning and other residential systems (one of the things which attracted a fair amount of comment); pilot programs for power factor correction for large customers; critical peak pricing for close customers with interval meters already installed; and investigation of opportunities on curtailable load control and voluntary load initiatives—I mean, the sort of things that you can do from the distributor's perspective.

At the same time, we have introduced a number of planning initiatives, and the planning minister can speak to that in regard to design. We took a position of precommitting to the five star energy and environmental rating building in City Central, which has turned out to be a great success. We have some programs running on demand management out of Energy SA—smallish programs but programs nonetheless. One of the things about which I have had Vince trying to convince the commonwealth is that the energy efficiency program that we are running out of the ministerial energy council should go to stage 2 on demand management matters.

We have some stuff from ETSA, the government and the private sector. I would be the first to say that I would like to spend more money on it, but we have many priorities. However, it is a very important area of work for us. That \$20 million will be cost neutral over the period and may even give us cost benefits over the period of the reset.

**The Hon. W.A. MATTHEW:** My next question relates to page 6.8 and the line reference 'Cash inflows—commonwealth receipts'. I note that moneys received from the commonwealth are over \$14 million more than for the previous financial year and will increase by a further \$17 million in 2005-06. Maybe these are not for energy related matters: it may be they are for other parts of the minister's portfolio. Is he able to advise on that?

**The Hon. P.F. CONLON:** It is probably transport because not only do we get revenues from transport but also it often changes from year to year, according to investing, as I understand it. The AusLink elements will have different lumps each year and we will have to get detail from transport.

**Mr HORNE:** Our transport financial people are coming, so if you want to focus on some of these transport issues you can talk to them.

**The Hon. P.F. CONLON:** It will certainly not be remarkable that that number jumps about from year to year because of the nature of federal funding on road projects, for example. They come in lumps, and the lumps change from year to year according to where the projects are at.

**The Hon. W.A. MATTHEW:** Is the SENRAC funding that has previously been in your agency now part of the agency or does that now goes across to science?

**The Hon. P.F. CONLON:** No, SENRAC was transferred to science over a year ago.

**The Hon. W.A. MATTHEW:** It is not coming back to you?

**The Hon. P.F. CONLON:** No, I have had nothing to do with SENRAC for over a year. In my view, it is more suitable to that science area. We have a connection with energy through the round table on sustainability, which would have a lot to do with the science people, so it is in the right area now, in my view, because it is more their core business.

**The Hon. W.A. MATTHEW:** Does the minister have any input as to what projects ought be considered or referred to the committee for assessment?

**The Hon. P.F. CONLON:** I already interfere with other ministers enough. I do not think I had better do that. I am sure that, if anyone thought it was going into the wrong place in energy, I would hear about it—and I have not. I will not try to fix something that is not broken.

**The Hon. W.A. MATTHEW:** I note on page 6.15, under 'Targets 2005-06', the fourth dot point refers to communities that will be assisted by the Remote Area Energy scheme (RAE scheme) in 2005-06. Is the minister able to provide details of each of those 13 communities and the way in which they are being assisted?

**The Hon. P.F. CONLON:** In all likelihood, we have it on a piece of paper somewhere. No, I will have to get it. I do not have it on a sheet here. I will get the honourable member a breakdown on it. I know some we assist more than others, it seems. How is the Coober Pedy system going now, Lyn?

**Ms BREUER:** Pretty good. You are talking about the electricity?

**The Hon. P.F. CONLON:** Yes.

**Ms BREUER:** Good; it's working.

*The Hon. G.M. Gunn interjecting:*

**The ACTING CHAIRMAN (Mr Koutsantonis):** Order! Can we get back to the budget rather than having conversations between members.

**The Hon. W.A. MATTHEW:** I think the interest in Coober Pedy was for reasons which escape everyone. It was the location of the state's first wind turbine.

**The Hon. P.F. CONLON:** I think they put the windmill up but they forgot to put a turbine in it.

**The Hon. W.A. MATTHEW:** I doubt whether the blades have ever turned, but it is there.

**The Hon. P.F. CONLON:** It is working now, apparently.

**The Hon. G.M. GUNN:** Last week I had the pleasure of being at Coongie Lakes with the Premier and the Minister for Environment and Conservation, and all those people who were pleased to have me there, of course. One of the issues brought to our attention was that there is a causeway at Innamincka which, when the Cooper Creek rises, cuts off the north. Currently there are oil tankers bringing oil down to Moomba for processing, and the manager of the Kidman company, Mr Campbell, pointed out to the Premier and myself that if the Cooper comes down it could drastically affect getting that oil to the Moomba facility. I am wondering

whether the minister has given any thought to that particular problem. The Premier did indicate—

*The Hon. P.F. Conlon interjecting:*

**The Hon. G.M. GUNN:** There is a bit of a stinger. I am coming to that. The Premier did indicate that it would be a good idea if the minister and myself had a discussion about it, so I say to the minister: is he aware of the difficulty at Innamincka of the causeway shutting, because the Queensland people, at a rapid rate, are bringing bitumen down towards the border, and there is a lot of produce coming that way—not coming from South Australia—and I wonder if the minister or his advisers are aware of the difficulties that could take place in the future in relation to getting the oil refined at Moomba?

**The Hon. P.F. CONLON:** No; as much as I love it, and I have been up the Oodnadatta Track, and driven around a lot of places, and the AP Lands, I did not know about that, Graham, and I am glad you brought it to our attention.

**The Hon. G.M. GUNN:** You are not the first minister whose attention I have brought it to.

**The Hon. P.F. CONLON:** There you go. I am probably a bit new in this transport job, so it is probably more a transport question than anything else. We will have a look, and get you a report and see, and, if necessary, you and I will go visit it together and have a look.

**The Hon. G.M. GUNN:** You can go fishing down the creek.

**The Hon. P.F. CONLON:** That's right—I did think about that—a big yellow belly or something like that.

**The Hon. W.A. MATTHEW:** I ask the minister whether he has been involved in any discussions with Mobil in relation to the future of their Port Stanvac site and, if so, can he tell the committee if he has had any indication from that company whether they expect to restart operations or whether they expect the site to be permanently mothballed?

**The Hon. P.F. CONLON:** The Treasurer has handled the Mobil site discussions. I have not been involved except in a subsidiary fashion with people who want to use the Mobil site for other things, and I am probably not at liberty to talk about all of those discussions. But I am sure the Treasurer can provide the official government response on that.

**The Hon. W.A. MATTHEW:** Can I clarify with the minister if, within his energy portfolio, he has responsibility for petroleum-related matters, or has that particular—

**The Hon. P.F. CONLON:** I do not have responsibility for the Mobil site.

**The Hon. W.A. MATTHEW:** That site has been a project for the Treasurer?

**The Hon. P.F. CONLON:** Yes. There is some long-standing relationship between Treasury and Mobil involving payments of our money to them, or something like that I think. I am happy to get an answer from Kevin for you on what discussions have taken place. I have had discussions with all related companies, and other companies about the site. But they are private business discussions and I do not think it is appropriate to talk about them. I am told that the Premier's Department has an interest in the site, too. So, we will get you an official government response on what is happening.

**The Hon. W.A. MATTHEW:** I ask the minister whether his department has undertaken any analysis of the effect, if any, on petrol prices following the closure of the refinery? Certainly there are anecdotal claims made that petroleum prices have increased as a result of the closure, although I am conscious of the fact that they have increased across the

nation regardless. I ask the minister if there has been any extrapolation of those increases to determine if it is as a result of the closure?

**The Hon. P.F. CONLON:** We have certainly had a review on how it affects our oil supply. My initial response is that I do not believe it has an effect on pricing. We were concerned about the ability to store fuel in between shipments, but there has never been any suggestion that it would have an effect on price. My understanding is that the effects on fuel prices are far more driven by things like demand in China than they are for any local circumstance. I will see what we have. We did a review of reserves, and it involved some people from the private sector as well, to make sure that we actually had capacity to supply our fuel needs, but I do not think that there has ever been a suggestion that it affects price. Basically, the major effect is that it has made the supply chain a little tighter, but it is certainly manageable. Often our difficulty is not the actual physical resource but the just-in-time nature of many businesses and orderings. It is something we monitor on a regular basis. I set up an ongoing monitoring of the supply chain some two years ago, and we regularly monitor it. That is about the effect.

**The Hon. G.M. GUNN:** Can the minister indicate whether his office is looking at promoting the construction of further peaking plants? I have one at Hallett, in my constituency, and when it was built it greatly helped James-town, Burra and those places, and it is a good operation. Are any other plants of this nature going to be installed to ensure that we have sufficient energy, particularly on those odd days in February which can really draw on power supplies? I wonder if the minister can indicate to the committee whether there are any more on the drawing board, and whether action has been taken to try and get companies to build some more?

**The Hon. P.F. CONLON:** We have discussions with a number of companies about different measures that go to peak demand, including AGL and its expansion of Hallett, which I think—and I certainly would not commit AGL, but it is a matter more of timing than anything else. I think, at some point, AGL will be expanding the Hallett peaking capacity. Peaking is of serious concern to us over the short-term. That is the area where we need to meet demand requirements in the future. In terms of our demand growth, the baseline and mid-merit are not the issue at present; it is the capacity to meet those peak demands. I am not at liberty to talk about some of the other discussions, but I have certainly had discussions with not only electricity companies but also private sector companies about installing capacity. It is a matter that occupies our mind.

I will find out what I can tell you in terms of the proposal. I cannot provide information that may not be out in public, from the private sector companies' point of view. But it is a matter that we discuss on a regular basis with a range of proponents, including AGL. I can point out that the Tasmanians had little accident with Bass Link, but we will be getting that on in the next year or two, which provides a similar sort of service in terms of addressing peak demand from Tasmania. They take black power in winter and give us green power in summer. That is basically what happens out of Tasmania.

**The Hon. W.A. MATTHEW:** Do you have a date for Bass Link?

**The Hon. P.F. CONLON:** I will check that for you. As I understand it, Bass Link altered all the transformers required to a ship that ran into a storm and broke all the transformers, and it has to order some more. One of the great

joys of the electricity system is that things that are utterly beyond our control affect us. That is just the system we are in. I can actually get you a list of what I can tell you about some of the proposals around.

**The Hon. W.A. MATTHEW:** Can the minister detail to the committee the existing baseload electricity capacity of the state and the areas where he expects that capacity to increase over the next three years?

**The Hon. P.F. CONLON:** The baseload capacity is pretty well-known. Whether you call it baseload or mid-merit, I would describe Pelican Point as mid-merit, and certainly it dispatches like mid-merit. In terms of baseload, the issue is that you have Torrens Island, which is baseload, peak or mid-merit, whatever you want to call it, but certainly makes a contribution. The first dispatched it is always Playford with the cheap coal, that Graham was talking about; we have the existing stations. But in terms of bringing on the new baseload or mid-merit, whatever you want to call it, I think that, when you consider that all new investment could probably be in that type of generation, South Australia would be a state-of-the-art combined cycle which would be most efficient.

I think the issue is that, if you go down and look at International Power operating Pelican Point Power Station, it has spent a long time dispatching under 30 per cent. That is not an investment signal for anyone to establish new generation of that capacity. That is the simple truth of it. There is no doubt that Pelican Point will dispatch 100 per cent on hot days, but I cannot see people being too interested in making further investment of that nature until there is a need to dispatch the existing generating capacity in that regard. If you want to check those dispatch figures for Pelican Point, they are available from NEMMCO. They're hoping for a hot summer, I can tell you.

**The Hon. W.A. MATTHEW:** They are indeed. Certainly, there are those within the industry who are arguing that there is a risk of some of the capacity at Pelican Point being removed from the state and put elsewhere. The minister would probably have heard the same utterings within industry. Can the minister confirm that as being anything other than rumour, or whether there is some substance to this?

**The Hon. P.F. CONLON:** I speak to International Power on a regular basis, as I try to do with most energy companies. There is no doubt that it would like to be doing better, but it is there for the long-term investment. Growth and demand will take care of it. There is the very likely expansion of Western Mining Corporation, and its decision may well be to take power from the grid, and it offers up long-term contracts. There are a lot of sound reasons to look to the long-term down there. Certainly, when I last met Tony Concannon and their international executive that was the very firm view for the future of Pelican Point. It has taken a long-term strategy and is going to be there for the long haul. I am sure that, with one long, hot summer, the way our prices go in summer, they will be rolling in dough.

If I can make another point, because it is very important that people do not have any fear about this. The recent engagement of International Power in a joint business arrangement with Energy Australia indicates it is here for the long haul and intends to diversify, which is quite common in the industry these days, to cover the risks associated with the National Electricity Market. I think that, if you want a signal that it is here for the long-term, the mere fact that it recently entered into an arrangement with Energy Australia for a retail

business is a clear indication that it is in South Australia for the long haul.

**Mr BRINDAL:** I want to return to the strategic planning for our power needs, which the minister is reasonably conversant with. I refer the minister to his interview, I think it was yesterday, on 891 radio. He described the advent of likely nuclear power stations in this state as something he could not see in his time as minister. Does the minister believe that nuclear power stations have any part in the mid to long-term strategic planning of his government in this state?

**The Hon. P.F. CONLON:** We take a lot of power over the interconnect, of course, from Victoria, and we generate a lot of power—some with coal and some with gas. As to the price range for the production of that electricity, I think the cheapest fuel cost in Victoria is something like \$6 to \$7 a megawatt on hour, with short-run marginal costs, at Hazelwood, and I think the short-run marginal cost of the combined cycle plant is \$24 a megawatt hour in gas, or something like that. Those are not high prices. That is the delivered price. Whilst there have been price rises in South Australia, by world standards that is not a high price for electricity.

We will just see whether we can get the cost of nuclear power. Unless things change dramatically in the cost of electricity—and none of us hopes this will happen—it is unfeasible for there to be a nuclear power station. If you got a really big major centre and bulked it up, you might be able to do it. The scale is the key. In as much as we are pleased with our economic growth, South Australia is a long way away from that sort of scale. You are talking about the technology. Current technology for electricity generation is basically lighting a fire, boiling water and making steam, and turning a turbine—that is something that people have been doing for a very long time—as opposed to splitting the atom and boiling water and turning a turbine. The up-front investment in nuclear power is extremely high.

My view is that Australia has a remarkable opportunity that is not being realised through a lack of federal policy for transition to electricity generation predominantly from natural gas with a new installation. If national policy would favour that, it would protect our long-term or mid-term pricing. We need to get natural gas ashore and secure the price of it over the next 10 or 20 years and generate it with an ever improving combined cycle plant, which is very efficient. That will always give you a huge cost advantage over something like nuclear power whilst still reducing the proportion of emissions.

**Mr BRINDAL:** As the minister is responsible for this area under this government, will he concede that the disadvantages that we have in this state are that we are a relatively small market and we are a relatively long way away from our power generators, so that we have power transmission losses all the time. Despite the fact that we have the worst coal resources in the nation, if the triple bottom line was adhered to by federal government policy and the cost of damage to the environment was in fact put on the industry, not only would South Australia be better advantaged vis-a-vis the Eastern States—it would obviously never beat green power—but we would better meet our international treaty obligations with less damage in the future. Is the minister pursuing this in the national forum?

**The Hon. P.F. CONLON:** We have been pursuing a national emissions trading scheme through the state ministers as the commonwealth will not do it. We have made some considerable progress. Your point is well made. South Austr-

alia has little access to coal and 70 per cent of our installed capacity is through natural gas. We have a very high level of entry of wind, and we are very well placed for a carbon constrained future, whereas the Eastern States are not. Queensland, New South Wales and Victoria are particularly poorly placed for a carbon constrained future, and I think that is something they need to grapple with. Unfortunately, we need a national policy to lay down the rules about carbon emissions over the next 30 years so that you can plan for investment.

There is a major problem in the Eastern States at present. I was talking recently to a person about an unnamed company that was considering establishing a 1 000 megawatt plant. The problem is that they cannot compete with coal at the moment, so the investment will not go down because who is going to build 1 000 megawatts if you cannot dispatch it? A few people have hinted at building coal generators, but nobody wants to because they are not sure that the rules will be the same in five or 10 years' time. When you are sticking down a billion dollars, they would like to know that they are going to be able to make money over the lifetime of the investment. So, I think the Eastern States in particular have problems. South Australia does not have those problems to the same extent because you know that your investment in generation here is going to be in gas. That salty, wet coal around Graham's way, unfortunately we cannot find a use for.

**Mr BRINDAL:** I want to explore that, because yesterday you talked about hot rocks and a number of emerging technologies. This sounds a bit like the member for Hammond, but I am wondering—

**The Hon. P.F. CONLON:** Even in my blackest thoughts about you, I have never thought you sounded like the member for Hammond.

**Mr BRINDAL:** I am not sure that the member for Hammond will thank you, but I do.

**The Hon. P.F. CONLON:** I'm not really fussed about that.

**Mr BRINDAL:** I think the minister will concede that our second disadvantage is that we have hot rocks but they are a long way away; we have poor coal, but it is a long way away; and we have cheaper power but it is a long way away, and we lose in transmission. Have any of the authorities done any studies on the possible emergence of a hydrogen economy whereby, as the minister would know, water is electrolysed and turned into hydrogen, which is reasonably safe if properly treated and very easily transported with no loss and then can be reburnt and used as a power generation source?

**The Hon. P.F. CONLON:** Plenty of research is being done out of the United States on that sort of thing. They have a fund for looking at fuel cell technology and hydrogen which is absolutely astonishing—\$7 billion or something like that. So, it is pointless for us to try to do anything except piggy-back on that. There are some shorter term measures. I am keen to talk to a number of companies about breaking up generation, particularly for large users, into efficient gas cogeneration which would manage the system better.

Hot rocks requires an investment in infrastructure, but I think we have a conceivable future if we use natural gas as a transition fuel in a carbon constrained world. We could get to a point where, if we can prove up the hot rocks technology and get a lot of dispatched electricity out of that—if they get it right—it is inexhaustible. You run through a cycle and, as the rocks cool, you move to another hot spot and the other rocks heat up again. That is feasible for the future.

The key in Australia is a national energy policy. I think a national energy policy should be placed around the use of

natural gas as a transition fuel in a carbon constrained world. I think it stares off the page, and it is sad that no-one in the federal government has ever been able to grapple with it.

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

**Membership:**

The Hon. D.C. Kotz substituted for Mr Brindal.

**The Hon. W.A. MATTHEW:** Before the break, the member for Unley was questioning the minister in relation to government energy policy as it might pertain to the generation of electricity from nuclear means. I want to divert from that slightly but take that lead. I ask the minister whether his energy policy area has been devoting any resource to the investigation of alternative fuels for motor vehicles, particularly hydrogen energy?

**The Hon. P.F. CONLON:** Sorry, you are asking about motor vehicles and hydrogen energy?

**The Hon. W.A. MATTHEW:** In his energy policy section, has the minister had any resources devoted to the investigation of alternative motor vehicle fuels, particularly hydrogen?

**The Hon. P.F. CONLON:** No. The truth about fuel cell technology is that we have a manufacturer in Australia called Holdens that is part of a parent company participating in a \$7 billion American study into fuel cell study. I think we are happy to piggyback on that work and have a local manufacturer whose parent company is up to its eyeballs in research into fuel cell technology. I have no doubt that some of our universities have something going on. One of the geothermal components is looking at some of the hydrogen stuff, but we do not have a particular project on fuel cell technology.

**Mr GOLDSTEIN:** As the minister said, hythane is one of the end products of one of the geothermal new entrants. It is a mix of hydrogen and methane gas, and it is used in India for buses. If geothermal came good, there is a chance of that kind of alternative fuel being available. I know that Western Mining's expansion is contemplating using LNG (liquefied natural gas) in some of its large trucks as a future energy use here in South Australia. That would be an innovation. In fact, a gas pipeline is planned (they have a preliminary survey licence from the Moomba-Adelaide line to Olympic Dam for expansion), and they would use natural gas to drive their fleet in the future. Biodiesel, of course, is something the state is moving forward with, as well.

**The Hon. P.F. CONLON:** Apart from the fuel cell technology, there is a standard. On one of those overseas trips the honourable member does not like I was looking at Munich airport. Part of the airport which we are developing here has a good deal of similarity, but not quite the scale of international flights. The Munich airport runs buses on hydrogen tanks but, frankly, the tanks are enormous. The current technology is difficult in that regard.

Plenty of work is going on. I think, given the priorities, we have not seen the need for a particular program out of our agencies on hydrogen fuels. We are making substantial progress with biodiesel, particularly in transport. There are two programs there on the use of biodiesel. We can get that information for you, but we are steadily moving up the use of biodiesel in our bus fleet.

**The Hon. W.A. MATTHEW:** Does the minister have any information that would suggest the length of time for which Australia will have access to petroleum supplies? I am not talking about domestically but, rather, as a nation. How

long, with current usage rates, will we be able to rely on petroleum as a main fuel stock?

**The Hon. P.F. CONLON:** We have done some work on that and there is probably something we can give the honourable member. I remember looking at some reports about projections. These are interim reports. They will be going into the energy plan. We will find that work and provide it to you. Energy SA has done some work on those sorts of issues. We will provide the actual work we have done.

**The Hon. W.A. MATTHEW:** The purpose of the question, certainly as a result of advice I have received, is that it has been suggested that it could be a time frame as short as 30 years or as long as 40 years, but, clearly, they are not long time frames—and probably within the life span of most of us sitting in this chamber at this time. Obviously, that will influence government policy direction. Has any consideration been given to hydrogen in the future as an alternative fuel? And that manifests itself back to the nuclear question. The most common source for hydrogen is clearly from water, and to separate the hydrogen oxygen molecules you need a lot of electricity. It has been advocated by a number of experts that the most cost effective way of doing that with larger fuel stocks available probably will be nuclear in the 20 to 30 year mark in the future.

**The Hon. P.F. CONLON:** Obviously, we keep track of all the technologies around the place. The short-term answer is that the technology cycle is prohibitive in cost at present by anything else we do. Obviously, the world goes on around the work to prove up those and make them more economic. I am very confident that I will be well retired out of this job, whether it is this job or opposition, before we see any of those sorts of developments. One of the best phrases in politics is that it will be someone else's problem. We have done a substantial body of work on resources into the future. Those pictures change as technologies and reserves change, and as the technology to get to reserves changes; we have seen lots of that happen in recent years. The short answer is that we are very happy to provide you with whatever information we have done up; it is very instructive. I think that Energy SA has done a good job in that regard with quite a limited budget. We like to get a good bang for our buck in energy.

**The Hon. W.A. MATTHEW:** Before the break, the minister was talking about emissions trading, and I noticed that, on page 6.15 of the budget papers for targets for 2005-06, the last dot point on the energy table is about the development of an emissions trading framework with other states and territories. What options are being considered in developing that framework with other states? Does the minister have a particular option that he, or his government, favours?

**Mr DUFFY:** The jurisdictions have established an inter-jurisdictional working group looking at emissions trading, which has been meeting for a bit over a year, and, given the federal government's position on emissions trading, most recently, we have worked quite progressively. All states and territories premiers and first ministers have signed off on 10 broad principles for an emissions trading regime which is the basis for further work into the future. The 10 principles basically have been set out. They were released in a press release that the Premier made when opening the Canunda wind farm on 31 March. There is also a paper of about 30 pages which gives more detail and which can be accessed on a web site in New South Wales.

The broad 10 principles that have been adopted are that you would have a cap and trade-type arrangement, which is national and sector-based. You would have to set your target,

the level of which has not been determined yet, but you would be looking for which schemes would be covered under it. Generally, it would cover the stationary energy sector and all six gases nominated under the Kyoto Protocol. As a principle, we would be looking to make allocation of permits on the basis of a mix of administrative allocation as well as auctioned permits, and you would have a penalty level set to ensure that compliance is attempted to be achieved while maintaining a cap on the overall economic impact. In addition, you would allow offsets—for example, carbon sinks through forestry or other allowable mechanisms.

Two of the key principles that were endorsed by ministers were that we would look at mechanisms to offset any adverse impacts and structural adjustments, as well as transitioning new participants for people who have undertaken early abatement options. That is a quick summary of the 10 principles that have been endorsed by the first ministers. The working group is continuing to do work on developing a more detailed scheme, and it is hoping that, by the end of this year or early next year, it will be able to provide a more complete design for public consultation.

**The Hon. P.F. CONLON:** Of course, it would be a lot easier if the commonwealth was involved, but we have lost that argument over again.

**The Hon. W.A. MATTHEW:** Can I just clarify that, minister? That is the states and territories with no involvement at all from the commonwealth?

**The Hon. P.F. CONLON:** The commonwealth will not be involved in discussing an emissions trading scheme. The invitation has been extended several times. It started out with South Australia, Victoria and New South Wales looking at it, and the commonwealth refused to be involved. It has refused to be involved at every step. It does not support emissions trading, and it will not be involved in it.

**Mr HORNE:** However, after the most recent COAG meeting, the commonwealth and the states agreed to further look at some greenhouse issues as distinct from emissions trading issues.

**The Hon. W.A. MATTHEW:** So, at this stage, we could reach a situation where the states and territories come to an agreement on a preferred system by the end of next year, with the commonwealth still not being a participant?

**The Hon. P.F. CONLON:** The models that we have looked at show that, in the United States, for example, a number of states participate in emissions trading schemes, and it is second best. If you want to do emissions trading, it would be best with national leadership, but the firm view before the state ministers and first ministers is that this is the best model adopted by the world. It is the most adopted model in the world for dealing with emissions, and we think that it is foolish to go down a different path in Australia. However, the commonwealth is resolute about greenhouse issues. It is resolutely refusing to have any intelligible policy, as far as I can ascertain.

**The Hon. W.A. MATTHEW:** My next question is in relation to the Essential Services Commission. Can the minister advise when it is expected that a replacement chair of the commission will be appointed, following the resignation of the former commissioner Lew Owens?

**The Hon. P.F. CONLON:** It is essentially the responsibility of the Treasurer, but I am happy to say where I understand things are. Governments are process driven; people criticise us if we are not, so there is a process of advertising, and the Office of the Commissioner for Public Employment gets involved. I will get a report back to the

committee on that. The Treasurer handles the employment. I think it is probably a good idea that, at some stage in the future, they give it over to the energy minister to employ the Commissioner, but some people like the Treasurer disagree.

**The Hon. W.A. MATTHEW:** It somewhat surprises me that it has not happened.

**The Hon. P.F. CONLON:** The thing is that it is the policy belief by some that the regulatory function should be different from the policy function. There is also the mundane fact that the Regulator deals with things that, before I took over transport, were certainly beyond the purview of my ministry. He regulates a number of things and deals with water transparency pricing. So, there is a general view that the Treasurer is best placed to deal with all those regulatory issues. The simple truth is, though, that politically all the heat and focus has been on energy, and people forget that the job goes beyond simply energy. But we will appoint someone. The current acting person is doing a good job: no-one is complaining. The gas company is complaining that we do not give them enough money, but I would be very worried if they did not.

**The Hon. W.A. MATTHEW:** In view of the fact that Mr Owens announced his retirement date many months before he departed, does the government have any difficulty in finding a suitable replacement?

**The Hon. P.F. CONLON:** No, again you should ask the Treasurer. I do not think it is a question of having difficulty: I think it is a question of finding the best person, that is all. The work has gone apace. They handed down the final distribution review the other day with a five year reset. I think Mr Owens has aimed at a quieter part of the process after completing a lot of the work on electricity and a substantial part of the work on the distribution reset, and it is just a question of patiently finding the best person for the job. It is a very important job.

**The Hon. W.A. MATTHEW:** Will the minister now be pursuing the addition of that responsibility to his portfolio and his new department?

**The Hon. P.F. CONLON:** I do not know. I will talk to the Treasurer's office about it and we will make a judgment in government about what is best.

**The Hon. W.A. MATTHEW:** There was a period of four months in the last government when it was with the minister responsible for electricity, if that assists. It seems it was not backed by the bureaucrats when the government changed.

**The Hon. P.F. CONLON:** The one person in whom I have absolute confidence is my colleague Kevin Foley. He is a very good Treasurer, so I am not fussed. We talk regularly.

**The CHAIRMAN:** There being no further questions, I declare the examination of the Minister for Energy completed. The second part of the examination relates to infrastructure.

#### **Additional Departmental Advisers:**

Mr R. Hook, Executive Director, Office for Infrastructure Development, Department of Transport, Energy and Infrastructure.

Mrs C. Bierbaum, Executive Director, Policy and Planning.

#### **Membership:**

Mr Hamilton-Smith substituted for the Hon. W.A. Matthew.

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



**The CHAIRMAN:** Does the member for Waite wish to make an opening statement?

**Mr HAMILTON-SMITH:** No, I will go straight to questions. In relation to Budget Paper 4 Volume 2, page 6.43, could the minister elaborate on the details of the restructure of his department into the new Department of Transport, Energy and Infrastructure and, in particular, address issues in regard to extra costs and savings that might be anticipated by the government as a consequence of this restructuring?

**The Hon. P.F. CONLON:** No doubt there will be some short-term costs and we would have to flesh those out, because we are in the process of moving people in and out and we cannot move accommodation without incurring some costs. Certainly, we do not apologise for this aspect. I suspect that our new chief executive may have a slightly higher salary than the former person (although I do not know) but, if he does not, he should. He was a very senior bureaucrat in Canberra and now in charge of a very significant set of responsibilities. Those are marginal costs.

My view is that in the longer term the new structure will enable us to pursue efficiencies in the beefed-up structure. Essentially the new structure will be to take the Micro Economic Reform and Infrastructure Unit out of Treasury, and Energy SA out of PIRSA, and combine them in one electricity advice and program stream, which is something we have been working towards for a long time. It takes a long time to do things in government, as no doubt the honourable member found out.

The Office of Infrastructure will come in as a distinct unit within the Department of Transport, Energy and Infrastructure. Planning SA will go out of the old Transport and Planning and the LMC will still be separate as a public non-financial corporation, I think we call them. In terms of costs, the short-term costs are those of moving people around and whatever difference there is in the former executive of Transport's salary as opposed to that of the new, very senior chief executive. But those are marginal costs, in my views, in terms of an agency that is responsible for delivering capital projects across government and delivering transport services and energy, and I think it does open us up to the possibility of running those very important areas more efficiently in the future.

The actual detail in terms of the cost of accommodation we are still working through, and we can finalise that and deliver it. We are bringing in some additional people. One is a net new cost but it should drive efficiencies, and I am sure the honourable member will support this. We are appointing a Chief Information Officer across government, which is something we talked about before, to assist in using our ICT and procuring it better. That is a new cost and will be attached to this agency, at least in the short term. We are also putting the asset management people from DAIS in there, about four people, because they are an appropriate fit. Those four people are not a new cost but they distribute costs differently.

I think the only new costs would be the CIO, which was going to be a new cost somewhere, but it is a very wise investment, given the cost of ICT procurement and the use of services. Mostly, it is what happens when you have to move people from one building to another. In the overall scheme of government, it is very marginal.

**Mr HAMILTON-SMITH:** Part of the reason I ask is that I am trying to track the money with the restructures that have occurred within the former Department of Industry and Trade, and I know that there have been three restructures. If

you cannot answer this question now, I would be happy to have an answer later. In looking at Budget Paper 4, Volume 1, page 2.7, which has to do with the Trade and Economic Development portfolio, there was money in there for infrastructure development and major project facilitation. For example, in 2000-01 there was \$77 million and in 2001-02 it was \$91 million. That has decreased over time, down in this budget to \$21.8 million.

There clearly has been some movement of money from one portfolio to the other and I am trying to track down to what extent the infrastructure and major projects money will now move from Trade and Economic Development to the minister's portfolio.

**The Hon. P.F. CONLON:** There is no doubt that the bulk of the people in the Office of Infrastructure were direct transfers from the Department of Industry and Trade. Some were from DAIS. We took eight people from DAIS.

**Mr HOOK:** We took eight from that department, but there is no transfer of any funds for the projects.

**The Hon. P.F. CONLON:** I will get the detail for the honourable member, but that actually happened some time ago.

**Mr HAMILTON-SMITH:** So that the minister knows the figure I am dealing with, when you look at infrastructure development, major project facilitation over the last four budgets in that area of trade and economic development, it looks as though there has been about a \$70 million reduction in investment in infrastructure and major project facilitation, from the budget papers.

**The Hon. P.F. CONLON:** I would be very careful with those numbers, because some are contingencies. I think they parked money there that was contingent upon events. It might be that some of the \$140 million that goes into the infrastructure for the warships would in former times have been money held there, under the old structure. We took about eight people from them, and that is not the money that the honourable member is looking for.

**Mr HAMILTON-SMITH:** Referring to Budget Paper 4, Volume 3, page 11.6, getting to this issue of the Chief Information Officer and the management of the EDS contract now to be outsourced, the targets involving disengagement from EDS under the existing nine-year agreement, the establishment of the Chief Technology Officer position that the minister just mentioned and the implementation of transition plans for future ICT procurement outcomes are all listed in the budget papers under the Department of Administration and Information Services, but the government has announced, as the minister has just acknowledged, that responsibility now falls to him and his department.

**The Hon. P.F. CONLON:** No—you have to be very clear. The Chief Information Officer will be with us. That person's role will be to get across all agencies of government, to determine what services we are using and what we should be using, but you will have to keep clear that the actual contract management, the costs of managing the contract, remain with the Department of Administrative Services. This role with us is about placing the CIO in a department that has the influence across government to make them disgorge what they do with their services and make us better placed to provide information to the ICT procurement steering group about future ICT procurement, but the actual management of those procured contracts, past, present and future, remains with the Department of Administrative Services.

**Mr HAMILTON-SMITH:** I am trying to find out who is responsible.

**The Hon. P.F. CONLON:** If procurement goes wrong, it will be my bum that you kick. If project management goes wrong, you will have to get into the Minister for Administrative Services.

**Mr HAMILTON-SMITH:** I take from the minister's answer that he is responsible for the procurement process but, once the contracts have been signed, the day-to-day management of those arrangements will be run by DAIS.

**The Hon. P.F. CONLON:** That is right.

**Mr HAMILTON-SMITH:** In regard to the transition from EDS to the outsourced arrangements, the minister's department is the responsible agency?

**The Hon. P.F. CONLON:** That is right. I mean, we have to take a view about how the contracts are managed, particularly if the outcome procurement is that EDS has a smaller role or a different role—for instance, if EDS goes out and someone else comes in. We naturally have a concern about how the contract transition works but it is not our direct responsibility.

**Mr HAMILTON-SMITH:** Let me move on then. I gather that funding—

**The Hon. P.F. CONLON:** I do not think we have any of the ICT people here. Some of them will be here soon and, if the honourable member wants, we can get the detail of how they see those transitions. On the one hand, the ICT procurement people are the bridge between my responsibility for procurement and the contract management, on the other hand.

**Mr HAMILTON-SMITH:** Funding and people responsible for the new arrangements will fall to you and—

**The Hon. P.F. CONLON:** The CIO's funding will fall to me. I will just check, but my view is that funding for the actual people who make up the procurement team are a budget line in DAIS. I do not think we have a budget line for them. You are talking about people such as the Under Treasurer, and naturally his salaries are paid out of Treasury. We do not pay him extra for being on the ICT procurement. We are talking about some other chief executives whose salaries fall out of theirs, but I think the administrative support and probably Ian Kowalick's position is funded out of DAIS. However, we will check those for the honourable member.

**Mr HAMILTON-SMITH:** In trying to locate the money for the new outsourced arrangements, I refer the minister to program 7 in DAIS.

**The Hon. P.F. CONLON:** The honourable member used the phrase 'new outsourced arrangements'. They are not new outsourced arrangements: they are new contracts. The arrangements have been outsourced for a very long time.

**Mr HAMILTON-SMITH:** They are new outsourcing arrangements, though. We are going from a single provider to multiple providers, and we are trying to get to the bottom of where the money is moving. Program 7 in DAIS provides \$24.8 million in 2004-05 and subprogram 7.1 talks about ICT services.

**The Hon. P.F. CONLON:** Unfortunately, I do not have the volume because I did not think we would be talking about it.

**Mr HAMILTON-SMITH:** I will move on. The minister can come back to me.

**The Hon. P.F. CONLON:** The honourable member is talking about someone else's portfolio line. I am responsible for the new chief information officer and the procurement.

**Mr HAMILTON-SMITH:** That is what I am focusing on. The entering into the agreements and the negotiation of the new arrangements from EDS to these new arrangements

is the minister's area, and there is money and people there for that. That is why I am asking the questions.

**The Hon. P.F. CONLON:** I think I understand the point that the honourable member is trying to make, but the only budget line we have is for the office of the chief information officer. All the rest is funded out of other people's portfolio lines.

**Mr HAMILTON-SMITH:** I am interested not so much in the minutiae of who is paying what salaries for public servants involved in the process but rather the much bigger issue; that is, the amount that the taxpayer will spend on its ICT needs over the coming nine years. From reading the budget papers, I understand that the arrangement we had with EDS was a nine year arrangement. That is coming to an end. We are entering into a new arrangement. How much did it cost us over those nine years to lodge our arrangements with EDS; and how much will it cost over the coming nine years with the new arrangements? Will the taxpayer be paying more—which I imagine, to an extent, you would expect with inflation and so on—or will the taxpayer be paying less? How are we budgeting to provide and pay for those new arrangements over the coming nine years? I am trying to compare an orange with an orange.

**The Hon. P.F. CONLON:** The honourable member cannot. The short answer is that the honourable member will not be able to do so for a number of reasons, the most important one being that the honourable member is talking about a technology that changes faster than any other area of technology basically—the dynamism in the area. The best example I can give the honourable member is that, when Stephen Baker went out to write the EDS contract, there was not an internet and it was referred to as an 'information technology contract'. The reference we make to it is an 'information communication technology contract' and the merging of those two areas in terms of provision of services. No simple comparison can be made between what we did nine years ago and what we do now.

I stress that, when we entered into the EDS contract, there was not an internet. What we have seen emerge is not just the ongoing fact that the technology or equipment has become smaller and a greater range of services applied by them, but, as I say, emerging communication and information technology equipment and the greater use of the small, portable wireless. It is simply impossible to make that comparison with that old main frame server contract of the past. You cannot make a comparison.

**Mr HAMILTON-SMITH:** I take all that. I realise it is a complex matter, but as any business or enterprise would do—and government is no exception—I imagine that the government has done some sort of cost benefit assessment or had some consultancy work undertaken to compare the cost of staying with a single provider—whether it is EDS or someone else is irrelevant—or going to an array of suppliers and a breaking up of the contract. Have you done such research; and what did that cost benefit assessment tell us about the benefits for the taxpayer of sticking with the single provider or going with multiple providers?

**The Hon. P.F. CONLON:** I will go through the process, as I understand it, that we followed. Of course, it was started before I took responsibility for it. First, EDS was a contract for its time not only in the sense of bringing us to up to speed—and can I say credit to Stephen Baker, even though there were aspects of it that we did not like around industry development—but also the contract took the state from a poor position to a much stronger one in IT, and it had a major

focus on industry development as well. There were strengths and weaknesses in that, but it produced outcomes. What has been very clear is that the new focus—and I will explain how we arranged that focus—is not around industry development but in services provided to government to make government work better.

We have arrived at that by putting together the best people in government that we have to look at our future needs, and the best way of procuring that, and they make a judgement. I have said this before: in an area which changes as quickly as this, those judgements are rarely perfect. I do not think that you will find that that is different in any government, or any major corporation in Australia, but we put together the best people that we have in that team, and their work indicates that we should be focused on the services provided to government out of the procurement, and in creating a consistent architecture across government, but one in which we can let modules of contracts into that consistent architecture. One of the things identified by that group is that—and this is, again, our experience with many large corporations—we do not have a clear picture across government of what agencies do in terms of services that would fall under the classification of information and communication technology, so that to succeed in getting an overall architecture we need to be very clear about what we do at present, and what agencies do.

*Mr Brindal interjecting:*

**The Hon. P.F. CONLON:** I have to tell you that that is not unusual. We know in rough and rude terms what agencies spend on those types of services, and what they do, but chief information officers and agencies are the experts on their individual service. They meet on a regular basis and they are very impressive people, but the role of the chief information officer is to be very clear about what services we already have, and how we could do that better. I am not saying that it is perfect, but we have put together the best team that we can, and this is the approach that we believe places us best to procure services that improve our performance as government in a cost-effective way into the future. I have no doubt that we will get aspects of it wrong, and aspects of it right, because it is a fast changing environment.

**Mr HAMILTON-SMITH:** I appreciate all the complexities that you have explained, but—

**The Hon. P.F. CONLON:** That is what we are doing and why we are doing it.

**Mr HAMILTON-SMITH:** I understand that, but this is budget estimates, and we are talking about millions of dollars of taxpayers' money, and my simple—

**The Hon. P.F. CONLON:** I am not going to tell you how much we are going to give the private sector for services ahead of tendering with them. That is one of the things we are not going to do.

**Mr HAMILTON-SMITH:** My simple question is, on behalf of the taxpayers: how much did it cost for the nine-year arrangement with EDS, and how much is it going to cost under the new arrangements, and are we going to be better or worse off? We must know what we have spent. We must know what we must budget to spend. Does the government have any idea of that?

**The Hon. P.F. CONLON:** Of course we do, but what you have to accept is—

*Mr Brindal interjecting:*

**The Hon. P.F. CONLON:** I am talking about the division. There is an agency that has been responsible for administering the EDS contract. They appear year in and year out in budget estimates and have a portfolio line; you have to

ask them. There is no doubt that our ICT procurement people also are aware of the cost to government of services under the EDS contract, but my role is to provide office and clout to the chief information officer to get the information that I have referred to in order to guide our ICT procurement team. That is my role. I do not have a role in administering the EDS contract, and I will not have a role in administering the contracts into the future. You are going to have to go to DAIS. It is not even the role of these people to provide you with that information, although the chief officer of DAIS, and more as a courtesy, I am happy for him to talk about things in the DAIS portfolio line. The short answer is that you can ask me all you like about the cost of the EDS contract but it is not a responsibility that I have ever had; it does not appear anywhere in my portfolio responsibilities.

**Mr HAMILTON-SMITH:** You have acknowledged that you are the minister responsible for the new arrangements. You have said that, once the new arrangements have been entered into, the day-to-day administration of those contracts will pass to DAIS; but you are the responsible minister. I take it we are not going to get an answer about the cost of the new arrangements?

**The Hon. P.F. CONLON:** I am happy to have the chief executive of administrative services here to tell you about the cost out of administrative services, but it is impossible for me to take my portfolio responsibilities and point to the cost of the EDS contract because I am not responsible for them.

**Mr HAMILTON-SMITH:** Let us move on. I will ask for a separate briefing on it, and we will hope to get that.

**The Hon. P.F. CONLON:** It would be a good idea to ask Michael Wright about it in estimates.

**Mr HAMILTON-SMITH:** Well, that's fine.

**The Hon. P.F. CONLON:** Well it's not 'fine'. I am not trying to dud you here. It is his portfolio responsibility.

**Mr HAMILTON-SMITH:** That is fine, minister, but if you are out buying new arrangements for the taxpayer that are quite different from the arrangements we have had, if you are the buyer and you are the one setting these arrangements up I think that you have the responsibility to ensure that you know how much it is going to cost. How big is the cheque going to be?

**The Hon. P.F. CONLON:** What has that got to do with it; you asked me what the EDS contract cost?

**Mr HAMILTON-SMITH:** Well, part of your preparation must be that you know what you have been paying and what you hope to pay.

**The Hon. P.F. CONLON:** The ICT procurement team has numbers that it believes it will be paying for ICT services into the future. I will not be telling the private sector what we are prepared to pay them ahead of any tendering process; you will have to forgive me for that. I will go through this again. In terms of the information about ICT related goods and services, the government is currently spending approximately \$400 million per annum. That is across a number of agencies, and it includes the EDS contract. But it includes things that, as technology developed, were not covered in the EDS contract but are useful to the provision of services in agencies. That is something that those agencies have grown themselves.

My role is this: I get a chief information officer in—and you know what a pleasant personality I am—I have shared it with you often. I get this fellow in and he goes around all the agencies (and it will be a he; I think we have a decision to announce on that fairly soon), and he makes all the agencies tell him what they do in those categories of areas

that fall under ICT services for the purposes of our procurement. We are then going to set up a consistent architecture across government into which we can fit all those modules of services that are required by different agencies. The Land Titles Office has entirely different requirements for services than does the health system, for example for patient tracking, and than does the Department of Motor Transport. We need to find all of those services, not simply the EDS contract.

As I say, some of those services that are now available in ICT emerged as technology since the contract. You may not like that, but that is what it is. I wish we could make it a nice, simple world for you, Martin, but it is not. My role is this: I have a chief information officer. I have a budget line for him. He is going to go and find out all that we do, and he is going to provide that advice to the ICT procurement team which will procure these contracts into the future. What it will cost will depend on what we do at present and what we need to do into the future, and that is an assessment that we make through the ICT procurement team.

**Mr BRINDAL:** Do you hold the South Australian record for the length of the closing summary?

**The Hon. P.F. CONLON:** Well, this is not a simple, straightforward thing with a simple, straight answer.

**Mr HAMILTON-SMITH:** I just make the point that it is hundreds and hundreds of millions of taxpayers' dollars that we are talking about here—

**The Hon. P.F. CONLON:** It is; absolutely right!

**Mr HAMILTON-SMITH:** —so I hope we do finally get a grip on how much we are prepared to pay and what the liability is going to be. Let's move on because—

**The Hon. P.F. CONLON:** No; don't move on. I am not going to cop this. You come in here, you ask questions about a budget line that I am not responsible for, and talk about me not having the answers.

**Mr HAMILTON-SMITH:** You are responsible for it.

**The Hon. P.F. CONLON:** Mate, you have an unfortunate thing, member for Waite. The unfortunate thing is that we are the government and you are not, and cabinet, not you, decides what I am responsible for. We have a portfolio, and we have a minister responsible for administering the EDS contract about which you ask the questions—

**Mr KOUTSANTONIS:** Hang on; Hamilton's got an MBA.

**The Hon. P.F. CONLON:** Yes; he's got an MBA; Homer Greenspan. Because I am a generous and courteous man, I am going to get the chief executive of the Department of Administrative Services—not my chief executive but that of the appropriate minister of whom you should have been asking questions—to give you a run-down of the areas that they are responsible for. Let us be clear: I am responsible for getting a chief information officer in to get across all government agencies and provide the best possible advice we can to the ICT procurement team, who make the judgments about procurement.

**Mr HAMILTON-SMITH:** No; you are doing the buying, if I understand it correctly. You are entering into the arrangements, and then the arrangements are going to be administered by Administrative Services. You are doing the buying.

**The Hon. P.F. CONLON:** I guide the procurement team, and that procurement team will have, as I understand it, the Minister for Administrative Services enter into contracts with the service providers.

**Mr HAMILTON-SMITH:** Who is doing the buying?

**The Hon. P.F. CONLON:** I guide the procurement, and in the decision on that I seek the procurement team, and it

will then be a contract between the Department of Administrative Services and the service providers. You know, it is not that complex.

**Mr HAMILTON-SMITH:** Yes; as long as we are clear on who is doing the buying and who has to write the cheques.

**The Hon. P.F. CONLON:** Here are some more details for you from Administrative Services which will be of assistance.

#### **Additional Departmental Adviser:**

Mr P. Case, Chief Executive, Department of Administrative and Information Services.

**Mr CASE:** Thank you, minister. I am sorry for coming in late. I will give an overview of the government's arrangement, as it might help where we are at. In September 2003, cabinet approved the government's arrangements for future ICT procurements. Cabinet delegated responsibility to the Minister for Infrastructure with support from the future ICT steering committee. So, the day-to-day running of the procurement process rests with minister Conlon, but a steering committee has been established. That steering committee consists of six senior government executives. It is chaired by the Under Treasurer, and it is made up of myself, as Chief Executive of the Department of Administration and Information Services; Jim Birch, the Chief Executive of the Department of Health; Anne Howe from SA Water, to bring a view to the committee from the commercial operations of government; Jim Hallion from PIRSA; and Jim Wright, of course, who is chairing the committee. We are supported by a number of senior IT executives from across government.

The procurement, importantly, is taking place under the umbrella and arrangements of the State Supply Act, and is governed by the State Supply Board. Cabinet approved the requirements for business need, acquisition strategy and the entering into final contractual arrangements in line with the government's policies. That is the government's arrangement for the procurement. DAIS, of which I am the chief executive, is responsible for the professional, technical and administrative support to the process, and we acquit our budget against Treasury requirements. We administer, and we provide the technical support and the professional input to the steering committee to assist the minister in this process going forward.

In terms of the process for the procurement, I can quickly let you know where we are up to. The procurements have been broken into two tranches. Tranche one is primarily aimed at providing replacements, goods and services to those provided by EDS under the EDSET agreement signed in late 1995, as I mentioned before. It also includes equipment purchases to replace a number of panel contracts (that is what the minister was saying sits outside of EDS) and other services that are closely related to those provided by EDS.

Very quickly, details of tranche one, which we are well into now, relate to the mainframe, which is the provision of mainframe infrastructure and support services to accommodate a number of the state's critical business applications. Negotiations have commenced on the mainframe. In relation to messaging, the provision of electronic messaging service, including email, calendar, meeting scheduling, etc., the evaluation is under way and responses to requests for tender have been completed.

In relation to ICT equipment, this procurement includes the procurement of personal computers, desktops and notebooks, etc., the servers, thin client devices, photocopiers, printers, and those types of equipment. Stage 1 of the

procurement process is complete. Stage 2 is comprised of the following five distinct market approaches, and involves only those supplies listed in relation to the first round, and they are about personal computers and server equipment, printer and photocopier equipment and active devices and thin clients.

The next main component of the procurement relates to managed network services. This includes the procurement of services to manage and support the central data network. The preferred supplier has been identified and negotiations have commenced. Regarding, internet service provision, the short list of suppliers have responded to a request for an improved offer, and negotiations have commenced in terms of PABX maintenance and support equipment.

The last issue I would like to let you know about relates to the tranche 2 procurements which are about to commence. They relate to the mobile phone contracts, the negotiations to extend existing telecommunications services, and issues around the government radio network. This process is continuing within the broad framework which was announced to the market at the commencement of the process. We are taking into account the need for detailed negotiations, but we are quite happy that we are proceeding within the framework outlined at the commencement of the process.

**Mr BRINDAL:** I must commend your officers for having learned so much from a state Liberal government that they continue to work with eternal vigilance in the Public Service. I refer to Budget Paper 4 Volume 2 (page 6.17)—the South Road underpasses and additional works. As the minister well knows, we need a cogent transport strategy for the years ahead. This attempts to solve some problems of flow along South Road, but the problem remains of bringing traffic from the outer transportation corridor into the city. Since tunnels were feasible—

**The Hon. P.F. Conlon:** We are not building you a tunnel.

**Mr BRINDAL:** —under South Road and for adjuncts on South Road, when will the government look at a way of bringing transportation from the outer ring route through the inner suburbs—whether that be through a tunnel on Goodwood Road or anywhere else—to try to ameliorate the problems associated with that north-south flow? And yes, I would like a tunnel under Goodwood Road, if you would be so kind.

**The Hon. P.F. CONLON:** We have adopted the approach of looking at traffic and freight bottlenecks. We are happy to do this, because you can do it in a planned, strategic, orderly fashion by addressing your worst bottlenecks first. Rarely do you get unanimity, but we identified these two projects as addressing the worst bottlenecks, and the RAA and the Freight Council—in fact, everyone—basically said that we were right. We then outlined a project of works. Credit should be given: this is the most substantial body of new works on roads that has been put in place for a long time. We have set out that in the first five years we will be doing these projects on South Road with the intention—we cannot commit future governments—of moving on to the next set of projects along South Road in terms of underpasses and overpasses. These two projects, we are told, will take 11 minutes off that stretch of travel alone. It is our intention to create free-flowing traffic north to south from about Sturt Road in the south to the Port River Expressway. This is based on clearing the worst bottlenecks. We are only talking about the north-south benefits, but there will be enormous benefits for moving traffic east-west in and out of the city. Those works alone will occupy a decade.

It will take three years to get the works done that we have set out now. Unfortunately, with roadworks, even if we wanted to look at outer ring routes as well, we have to preserve the capacity to move traffic along alternate routes while we are doing those works on South Road. So, even with all the money and the best will in the world there are some natural limits on what sort of works you can do at one time. I have to say that, in respect of the Bakewell Bridge and those South Road projects, we already have difficult traffic management issues to deal with during the time of the project. I have no doubt that I am going to be extremely unpopular—you might say that I already am—during the process of these works on South Road, because they will cause a great deal of difficulty because of traffic diversion.

*Mr Brindal interjecting:*

**The Hon. P.F. CONLON:** No. You have to work out which one you are in before we can be too certain about that. The bottom line is that the strategy will be to address those works first to increase the flow of traffic and freight and our economic capacity. The South Road works will not only clear the worst bottlenecks but will also fit into the overall strategy of the Port River Expressway, the third river crossing, the upgrade of freight, and the deepening of Outer Harbor. It is a coherent plan. I would like to be the transport minister forever and keep clearing these bottlenecks and spending money for the next 20 years. Some of your projects would be included. We are often criticised for reactive solutions or political opportunism, but this is good, clean, strategic thinking about how to move people and freight for decades to come. I think these are two of the best projects we have laid down, and we are more than happy to keep doing them as long as the money keeps coming in.

*Mr Brindal interjecting:*

**The Hon. P.F. CONLON:** I would like to get that on the record. Can the record show that the member for Unley says that he thinks I might be right, which would be a first?

**The CHAIRMAN:** There being no further questions, I declare the examination of the proposed payments closed.

---

Administered Items for the Department of Treasury and Finance \$1 029 798 000.

**Additional Departmental Advisers:**

Mr W. Gibbings, Chief Executive, Land Management Corporation.

Mr S. Bignell, General Manager, Finance.

**The CHAIRMAN:** The next part of the examination relates specifically to the Land Management Corporation. I declare the proposed payments, referred from Committee B, reopened for examination.

**Mr HAMILTON-SMITH:** It is interesting to note that the LMC's budget information is spread around the budget papers in little packets here and there, but I will start with a question regarding Budget Paper 5, page 44, in relation to the bioscience incubator at Thebarton. How much did the LMC pay to purchase the land comprising the bioscience incubator at Thebarton; from whom was it purchased; when was the purchase completed; what provision, if any, was provided for environmental remediation of the site and at the expense of which party—the purchaser or vendor; and why has construc-

tion of the bioscience incubator at the Thebarton precinct not yet commenced?

**The Hon. P.F. CONLON:** I do not think we have such a direct role as you imagine. We have never been the purchaser of the land. We provided some services to bio-innovation.

**Mr BIGNELL:** What we are doing is assisting from a property perspective to ensure that it stacks up commercially, and assisting bioinnovation with its assessment. It has been responsible for the design and specifications, and it is the owner of the land.

**Mr HAMILTON-SMITH:** Can you answer any questions about the price that was paid, if you were responsible for whether it stacked up commercially? Can you tell us how much was paid for the land?

**The Hon. P.F. CONLON:** The LMC provides services to other agencies, but I do not think it is fair on the other agencies for us to offer views about responsibilities for other portfolio lines. I think you would find that was reasonable. I do not think you would like it if you were a minister and someone commented on the way you do your business.

**Mr HAMILTON-SMITH:** I refer to Budget Paper 3, page 6.4. Is the Land Management Corporation aware of any negotiations with the National Australia Bank to establish a processing or call centre in Adelaide? If so, how many locations have been examined? Is the government considering a request for financial assistance to attract them?

**The Hon. P.F. CONLON:** Sorry, what was the question?

**Mr HAMILTON-SMITH:** Are you aware of any negotiations regarding making land available to the National Australia Bank for a call centre or processing centre? Is a financial assistance package, be it land or cash, being looked at to facilitate that?

**The Hon. P.F. CONLON:** The LMC administers Technology Park, and I understand the NAB has had discussions there, but there has been no discussion about assistance. You have to understand that the LMC does not do things like industry assistance. There might be some confusion because we closed the old industrial commercial premises corporation and folded its existing responsibilities into LMC. The LMC does not play an industry assistance role. Anything that is not done on a commercial basis would have to come to cabinet for a decision. Certainly, there has been none of that. The only approach from the NAB was that we told them what is available at Technology Park at Mawson Lakes. If DTED has done anything with them we would not know about it.

**Mr HAMILTON-SMITH:** I refer to Budget Paper 3, page 6.4. Is the LMC aware of the status of the government's agreement with Motorola in regard to its premises at Technology Park, due to expire in October 2006? What are the government's plans for the site when the present agreement expires?

**The Hon. P.F. CONLON:** Again, we are the lessor, but those industry assistance discussions fall under Paul Holloway's responsibilities. We operate commercially, but often we will be involved with someone else's programs, such as DTED. Our interest out there is simply as lessor. I am advised that there is considerable interest in the property. I have to find out how much we can say about who has expressed interest to us. We are aware that there is considerable interest in the Motorola property. The other aspects of it are Paul Holloway's responsibility. What did you want to know specifically about it?

**Mr HAMILTON-SMITH:** I want to know what will happen with Motorola and what will happen with the land occupied by Motorola, given that the existing agreement ends in October 2006. I assume that Motorola is moving.

**The Hon. P.F. CONLON:** It is longstanding from the previous government's industry assistance arrangements with Motorola. From our interest in respect of holding the land, if Motorola is not there, we will lease it to someone else on commercial terms. That is the way we do business. If anything else is going on, you would have to ask the minister responsible for industry and trade or economic development.

**Mr HAMILTON-SMITH:** I refer to Budget Paper 3, page 6.4. What total revenue did the government receive from the Land Management Corporation for each of the past four years? What revenue targets have been set for the coming four years? Through what activities does the LMC plan to achieve these revenue targets?

**The Hon. P.F. CONLON:** It is not quite as straightforward as revenue targets and returns each year, because often lumpy investments and returns are not taken in a straightforward way. We can give you the past four years, but we do not have an expected ordinary revenue outcome from the LMC each year. It depends on what projects are brought on or not brought on and how they are done, and those decisions are taken on an ongoing basis. We can give you revenues to government over the past four years but, even then, they will not be indicative of an ordinary annual return. I think it is fair to say that you do not have an ordinary annual return from the LMC—it does not work that way.

**Mr BIGNELL:** If I may, I will go through each financial year. The two returns to government are by way of income tax equivalent and dividends paid or payable, and they are fully disclosed in the budget papers. For the year ending June 2002, by way of income tax equivalent, it was \$3.7 million and, by way of dividends, it was \$5.2 million. For the year ending June 2003, the income tax equivalent was \$0.7 million, and it was \$4 million by way of dividend. For the year ending June 2004, \$11.4 million was the income tax equivalent, and dividends, including a special repatriation of past profits, amounted to \$51.5 million. For the year ending June 2005, our current forecast is an income tax equivalent of \$3.4 million and dividends of \$2.2 million. As the minister has said, revenue and returns to government fluctuate in accordance with our business.

**Mr HAMILTON-SMITH:** This is a general question regarding Budget Paper 3, page 6.4. What is the government's vision and proposed role for the LMC? In particular, what is the government's response to public criticism that the LMC should be making available more land for residential construction and that the urban growth boundary should be reviewed? How does the LMC's requirement to remit moneys to the government sit with the broader social goal of freeing up land for low and medium cost residential and business development? Where is the emphasis?

**The Hon. P.F. CONLON:** We have been very clear about this, and it has been a line that I have maintained with the LMC. I do not think we want to set up the LMC as an agency to side between competing government objectives and apply them. We have said that the LMC deals with land commercially. In terms of when it is released to the market, it deals with land commercially on the basis that there is an appetite in the market for those land releases to serve a broader public or government policy such as affordable housing or high-density housing, some of which we have put into some LMC projects, or a green village such as Lochiel Park. The LMC's

charter is to deal with land commercially and, if there is to be a departure from just a straight commercial dealing with the land, it is a cabinet decision as to the insertion of those other objectives. Typically, like Lochiel Park, the LMC is likely to sell the whole lot and divide it up for housing, because that meets its commercial charter. However, we said no. We preserve 70 per cent of open space and we develop 30 per cent where the existing buildings are and we make it a green village, because that is the government policy.

In terms of the Northgate release, we have asked the LMC to make a certain proportion of that release high-density affordable housing, whereas it might have dealt differently with it if it were just pursuing a commercial objective. So, we have been very clear. I think it would be unfair to impose upon the LMC the objective of meeting all the government's policy objectives in a conflicting range of areas because they may be impossible to reconcile. The LMC deals commercially and cabinet imposes anything else.

In terms of the urban growth boundary, that is a policy decision driven by planning and made by cabinet. For example, at Northgate, in imposing high-density, more affordable housing, it applies the logic of government in imposing an urban boundary by creating high-density housing within the boundary. While the LMC's charter is commercial, cabinet uses the LMC to achieve its objective goals, but we make that a decision of cabinet, not of the corporation, and I think that is the cleanest way. That way the decisions are always a shared responsibility of cabinet and one where every policy objective of government is able to have a say about the outcome. I think that is the way it will continue into the future.

The only change in approach—and I announced this some six months ago—is that we would like large future land releases to be parcelled up where possible in commercial and smaller ways to invite a wider range of private sector participants, because I think the view is that only the big guys can get a look in. We would like to capture a broad as possible range of private sector participants so that we and the community can benefit from a very healthy and broad competition. That has been the only change of any note since we came to government.

**Mr HAMILTON-SMITH:** I refer to Budget Paper 3, page 6.4. How much revenue does the government expect to receive from its role in the Port Adelaide waterfront redevelopment and over what timeframe?

**The Hon. P.F. CONLON:** You are talking about the 15-year figure? This land release rolls out over—

**Mr HAMILTON-SMITH:** I would like to know what the total revenues to government are going to be from the whole development, and I would like a rough idea of when you expect those revenues to be delivered.

**The Hon. P.F. CONLON:** We will get that for the member. There are, he would understand, a lot of qualifying factors such as the cost of mediation, and we are talking over a 15-year period. So it would be impossible to give an end-of-day number. My own personal view is that the warship destroyer contract has probably increased the value of the land released, given the number of new jobs and activity in the Port. We will go back and look at the figures in the light of some of the new developments down there, but the figure we have used is a gross return to government of \$100 million over the life of the project. The entire value of the project is about \$1.2 billion in gross returns, there is a range of revenues out of it, and the \$100 million revenue starts in the 2005-06 financial year. But we will have another look at it,

given some of the changed circumstances, to see whether we have a better picture from what we know now.

There are other things that we have been looking at, such as whether we should be masterminding a broader area than the original land release, given some changed circumstances as well. So, gross returns to government are about \$100 million out of a \$1.2 billion development, but we will see whether it is worth updating information.

**Mr HAMILTON-SMITH:** On the same subject and budget line, has there been any arrangement between LMC and developers at Port Adelaide in respect of a museum or some of the community use constructions that are planned for I think the western end of the development? If so, will this museum be a new museum or the relocation of an existing museum? Also, how much funding has been provided for that? Does the \$100 million revenue to government that you have talked about include any in-kind arrangement that may have been entered into with developers in regard to acquisition of a museum or other facility down there?

**Mr GIBBINGS:** Under the arrangements for the developers, the Port Centre Coordination Group was formed, and it is effectively a partnership between Port Adelaide Enfield Council, the Land Management Corporation and the Newport Quays joint venture parties. We are coordinating the master planning of the public areas and how we can facilitate private sector investment in terms of retail facilities, etc., to draw people back to the Port. Also, that committee is liaising with other government agencies in relation to any tourism attractors that could be brought to the Port or upgraded (those that are already at the Port) to make it more attractive over the term of the project.

There is also one site that was put aside in one of the later areas between dock 1 and dock 2, if I remember correctly, of some 4 000 square metres. That was set aside for a potential facility such as a museum. We do not have direct responsibility for facilitating that, but it will certainly be part of the master planning going forward. But it is not likely that we would be looking at constructing anything in that area for five or six years, I suspect, at least.

**Mr HAMILTON-SMITH:** So that is not land that has been set aside for the government per se? Is provision of that land inside or outside the \$100 million return to government, or are you saying that land would be made commercially available?

**The Hon. P.F. CONLON:** The \$100 million does take account of the provision for land. But you have to understand that in the whole process a number of provisions are made for the relocation of people and such like, and all of those have been included in the gross figure. We may find some of those figures change as we go on, but that gross figure is based on the provision of that and some other relocations and work down there. The truth is that I honestly believe that the fact that we have been able to do some work down at the Port—we will be finishing the deepening very soon and we have won the warships contract—will mean a lot more activity down the Port than there was. I think we could find that the value of some of these projects is higher than we originally estimated, and I hope that is the case.

**Mr HAMILTON-SMITH:** In regard to the deepening of the harbour, the deep sea port, the bridge and those developments that, if you like, line up with the residential development, are you the responsible minister for all those? Will you be totally responsible for all those?

**The Hon. P.F. CONLON:** Yes, and I have been for some time.

**Mr HAMILTON-SMITH:** So, in regard to the costs for each of those projects and control of the costs of each of those projects, you alone will be the responsible minister?

**The Hon. P.F. CONLON:** I do not know if anyone is capable of always controlling costs in a modern environment. I know there was some debate about the cost of bridges yesterday, and I was very interested in that. If you like, I will give you a history of these bridges. We are trying to get away from a blow-out and it does not reflect very well on the former Liberal government.

**Mr HAMILTON-SMITH:** In regard to the money for the bridge which is to be managed by you and your department, and the \$100 million coming in from the LMC's disposal of land associated with the Port River development, is there a relationship between those two funding amounts?

**The Hon. P.F. CONLON:** The bridges are funded by Transport but, since the honourable member insists, I will tell him the history of these bridges. It is very important, because it will put this in a very clear context. These two bridges were announced as opening bridges by the former (Liberal) government and the original forecast was that they would be tolled, that the toll would pay and the government would not be paying anything. Those tolls would pay for opening bridges over the Port River. That is the origin of these bridges. When someone wants to talk to us about a blowout, let me tell you about a blowout. The blowout is that they were going to pay for themselves.

*Mr Hamilton-Smith interjecting:*

**The Hon. P.F. CONLON:** You cannot have it both ways. You cannot get into us about a blowout. The absolute fairies at the bottom of the garden belief by the previous government that the tolls would pay for these bridges was a facile nonsense. The incredible, cheap politics that the Liberal Party has engaged in about opening bridges is breathtaking, because it went out and promised these opening bridges then, when we said that we were the new government and we would look at it from our perspective, Rob Kerin went to a public meeting and said 'Labor must keep the promise and build opening bridges.'

Over and over, I tried to get a position from him on what they should be, and he did not have one until we decided to keep that promise Rob Kerin told us we should keep and, lo and behold, what a surprise, the Liberal Party is crawling all over us and saying that we are wasting money on opening bridges. It is the cheapest politics I have ever seen.

**Mr BRINDAL:** On a point of order, this is a matter actively under the consideration of the Public Works Committee, which is about to—

**The Hon. P.F. CONLON:** That didn't stop your crew yesterday! Let me tell the honourable member that the other aspect of what he calls a blowout is that, having looked at this and inherited this absolute dog from the previous government, we looked at it and said—

**Mr BRINDAL:** What is the absolute dog?

**The Hon. P.F. CONLON:** The fact that the Liberal government had this PPP, that opening bridges were going to pay for themselves.

**Mr BRINDAL:** Don't you support the bridges? The principle is the bridges.

**The Hon. P.F. CONLON:** Let me tell members what else we did. And it did cost us money. We took the toll off altogether, which meant we could narrow the bridges and basically spend something like \$30 million to make \$60 million. I cannot remember the numbers. We looked at the tolls and said that these things were a crock from the beginning,

although it did add to our cost, but that means that that cost is not being imposed on the freight industry and the users of those bridges. I would have thought that the Hon. Graham Gunn here would be very happy to know that the grain going over the bridges is not paying a toll. Frankly, when you look at the history of the bridges that way, we have made some fair decisions.

As to the other costs, we inherited a project that was going to pay for itself, but we had to change a lot of things. We had to move a grain terminal, because the previous government had it in the wrong place at the privatisation, and your grain growers will tell you that. We saved some money and we got it deepened. We have done a lot of good work down there, but members should look at the price of steel in the past two years. Just like anyone else, we have to buy steel in the marketplace and it costs substantially more than it did a couple of years ago.

I think that, first, this is an incredibly good set of projects for South Australia—South Road, the expressway, the bridges, the upgrade of the rail and the deepening of the port to 14.2 metres. Melbourne is spending another \$12 million trying to see whether it can do it. It is a great set of projects, and it is just the worst, cheap, negative politics to have been out there points scoring yesterday. But I can understand that the Liberals are dismayed sometimes when governments keep a promise. The Liberals promised opening bridges: Rob Kerin insisted that we keep the promise that he made and then, when we did that, the Liberals could not believe it. That probably says more about members opposite than it does about us.

**Mr HAMILTON-SMITH:** Will the minister confirm the final, all-up cost of the opening bridges, the deep sea grain terminal and the deepening of the port, and can he confirm whether there will be any financial relationship between the funding of any of those projects and the \$100 million that will be raised by LMC through the Port Adelaide development?

**The Hon. P.F. CONLON:** They have no relationship. The only relationship that has been suggested to us by the consortium, Newport Quays, is that keeping the promise on opening bridges preserves and enhances the value of the land release. That was their evidence to you, Mark, was it not?

**Mr BRINDAL:** It was.

**The Hon. P.F. CONLON:** So, the only relationship is that we have actually preserved the value of that land release with opening bridges, and there is no evidence to the contrary of that.

*Mr Brindal interjecting:*

**The Hon. P.F. CONLON:** The end value of a 15-year land release is pretty hard to nail down to a single number. We have given a gross hundred million dollar figure, and I am the first to acknowledge that factors change that one way or the other. We might make a lot more money out of it, and I would be pretty happy with that. The only relationship between opening bridges and the land release project is the evidence from the consortium that the opening bridges enhance the value and make it more likely we will get our hundred million or more.

**Mr HAMILTON-SMITH:** What is the total cost of the opening bridge project, the deepening of the port and the deep sea terminal?

**The Hon. P.F. CONLON:** You should throw in the first stage of the expressway, too, because it is very important. We will bring back the numbers for the honourable member. There is \$45 million for deepening. The terminal I cannot give you off the top of my head.



**Mr HAMILTON-SMITH:** I will take it on notice.

**The Hon. P.F. CONLON:** Frankly, I have to say that I have seen money invested by governments for a long time and I think these investments down the port—the expressway, the bridges, the upgrade of the rail terminal and the deepening—are the best investments in making us a more competitive place than we have seen for years. People will argue whether they should have shaved \$50 million off it. In the scheme of things, with the size of that investment down there and the future of the port, I do not think there is anything wrong with the community getting something it wanted and was promised from that massive investment.

**Mr HAMILTON-SMITH:** I refer to Budget Paper 3, page 6.4. LMC sales revenue is expected to grow by 15 per cent in 2005-06, with a further 6 per cent in 2006-07. Will the minister tell us what particular residential or commercial property activities will deliver that revenue growth this year? It is a fairly healthy increase.

**Mr GIBBINGS:** Our revenue next year will be about 48 per cent from residential projects. Some of that is already contracted broad acre sales and will settle in the first half of the year. The balance will come from a mixture of commercial and joint venture activities.

**Mr HAMILTON-SMITH:** Do you know the specific locations?

**Mr GIBBINGS:** The Seaford Meadows land and Huntfield Heights. There is income to be generated from the Mawson Lakes joint venture. There is the commercial area: Edinburgh Parks, cast metals precinct, Lonsdale, Seaford—and I think that is all.

**Mr BRINDAL:** I have a supplementary question. Will the minister tell the committee of any release of land in the greater metropolitan area that is not either the property of the LMC or where there is a joint venture? That is, is any private land being released of any significant quantity other than through the LMC? I ask the minister that question, because if the LMC is basically now a monopoly market in the terms of release of land does it not therefore control the price of land in the South Australian metropolitan area?

*Mr Koutsantonis interjecting:*

**The Hon. P.F. CONLON:** It is actually pretty wrong. The truth is I think that we own about 30 per cent.

**Mr BRINDAL:** There is 70 per cent private land being sought.

**The Hon. P.F. CONLON:** I can think of two off the top of my head. The old Actil or former Sheridan site (whatever they call it) is a very substantial piece of land. I think it is very likely that the people who own that will get a rezoning into residential and release that. The SAJC is very keen—and we are still thinking about it—to release a bigger slab of land than anything we have; that is, the Cheltenham racecourse. Just in that area alone, the council—all this is contiguous—wants us to be involved in master planning the St Clair site. Frankly, if you put those together (which is basically what the SAJC would like to see occur) and develop all that, it is a lot more land than we have released anywhere.

**Mr BRINDAL:** They have not released it. Who is releasing land currently?

**The Hon. P.F. CONLON:** The stockmen who I think own Sheridan are very keen to release that parcel of land. The SAJC is even keener to release their land. Underdale is huge. The private sector has done about 2 000 blocks in the Playford area this year. All the stuff about its being a monopoly from us is a nonsense.

**Mr BRINDAL:** That is why we are asking you the questions. You can tell us the truth.

**The Hon. P.F. CONLON:** There is only one thing that whinges nearly as much as an opposition and that is an unsatisfied developer. The truth is that they like to have a whinge. It is not true. I think we have been extremely responsible in attempting to parcel up our releases in future so that a wider range of people get at them. There are plenty of other people out there with land, and they probably make more money out of it than the poor old government.

**Mr BRINDAL:** Can you autograph that when I send it to developers? I think it will enhance their chances.

**The CHAIRMAN:** I adjourn the proposed payment to Wednesday 22 June, Committee B. I declare the examination of the Minister for Infrastructure completed.

#### Membership:

Mr Brokenshire substituted for Mr Hamilton-Smith.

#### Additional Departmental Advisers:

Dr J. Horne, Chief Executive, Department for Transport, Energy and Infrastructure

Mr J. Steele, Executive Director, Transport Services.

Mr P. Allain, Executive Director, Transport Planning.

**The CHAIRMAN:** The committee is now considering lines under the portfolio of the Minister for Transport. Minister, did you want to make an opening statement?

**The Hon. P.F. CONLON:** No; John Steele is here and Phil Allain on this side, so, ask away. We will try to tear through your questions so that we can all go home at a reasonable hour, and you get all the information that you need as a dutiful opposition.

**Mr BROKESHIRE:** I am looking forward to the information, minister.

**The CHAIRMAN:** Member for Mawson, did you have a statement?

**Mr BROKESHIRE:** No. Minister, the Premier in estimates yesterday stated in regards to increases of full-time equivalents within the public sector that:

The majority of the increase occurs in the priority areas of health, education and transport. In total these three areas count for an increase of 1 776 full-time equivalents.

How many full-time equivalent public sector employees have been employed this financial year in the area of transport?

**The Hon. P.F. CONLON:** Some of those figures that appear in the budget are slightly misleading because they include the reclassification of the people who were previously contractors in the customer service centres, who moved to being employees. It is the same number of people but they are employed on different terms. I will get you full advice, and bring you back a detailed answer, breaking that down.

**Mr BROKESHIRE:** Thank you. In the budget papers, on page 6.17, there is a variance of almost \$10 million for stage one of the Port River Expressway. Also, variances for AusLink programs, the City West Connector, and Commercial Road, Port Noarlunga—variances from the point of view of increases in expenditure. I wonder whether the minister can advise us what is the state of play there and, if he cannot, can he take it on notice?

**The Hon. P.F. CONLON:** We can work through some of these. The City West Connector was for some variations for widening and noise amelioration, and an extension of the works, which was a good outcome for the local community,

I think. With the Port River Expressway stage one, what is the variation there?

**Mr STEELE:** That is purely a timing issue. The project is coming in slightly under budget and on time.

**The Hon. P.F. CONLON:** That is what we like to hear.

**Mr BROKENSHIRE:** The AusLink programs, excluding the Port River Expressway, show nearly \$25 million of additional expenditure to budget.

**The Hon. P.F. CONLON:** Sorry?

**Mr BROKENSHIRE:** The AusLink programs, the second one under Growing Prosperity.

**The Hon. P.F. CONLON:** That is accelerated works. It is a big lump of money spread over a number of years, and we have done some accelerated works on the Sturt Highway, I think, principally.

**Mr BROKENSHIRE:** That is the Sturt Highway—primarily, the overtaking lanes. What about Commercial Road at Port Noarlunga?

**Mr STEELE:** It is purely a timing issue, again. Advantage has been taken of available funds to bring works forward and to accelerate the progress on the job.

**The Hon. P.F. CONLON:** It is all good news, mate. We are building roads faster.

**Mr BROKENSHIRE:** Supplementary to that: was that taken out of other areas to accelerate that; where did that funding come from?

**Mr STEELE:** No; it was a timing issue, that is all.

**Mr BROKENSHIRE:** Was it pulled forward from that budget line?

**The Hon. P.F. CONLON:** It is the timing of the money being brought forward, is it not?

**Mr STEELE:** Yes, it is purely a timing of projects. As time goes by, projects are either accelerated, or some might fall a bit short on timing for whatever reason, so that money is then used to accelerate another project.

**The Hon. P.F. CONLON:** Can I say that, anytime that Transport brings the project ahead, I am perfectly pleased. It is when they fall back that I get anxious.

**Mr BROKENSHIRE:** Which they can do. Also, on page 6.17 it shows only \$1.65 million allocated for uncurbed, urban arterial roads in 2005-06, which is a cut of \$1.35 million from the previous year. I am wondering if there is an explanation for that.

**The Hon. P.F. CONLON:** This was a program that always had an end. That particular program is finishing up in 2005-06.

**Mr BROKENSHIRE:** So, there is no forward planning after that to do any more on the uncurbed roads?

**The Hon. P.F. CONLON:** We will probably come back and have a look, but that was a particular program of works that had an end in 2005-06.

**Mr BROKENSHIRE:** With respect to shoulder sealing, there is \$3.675 million allocated in 2005-06, on page 6.18. That is a cut of \$3.125 million from last year. Can the minister confirm that it is an actual cut in a program that I understood was an ongoing program?

**The Hon. P.F. CONLON:** It is not actually a cut. In those two previous years, it was a case of an accelerated program. Money was brought ahead to accelerate it, and it has actually gone back to its actual ordinary budgeting. It was only accelerated in those two years. Again, if at anytime we can bring ahead programs, we like to do it, but I guess it always runs the risk being called a cut if we accelerate it for two years and do not do it on an ongoing basis. But that is the answer there.

**Mr BROKENSHIRE:** I have a supplementary question to that. Can I take it from that that in the out years of this budget in the forward estimates we will be looking forward to seeing more of a \$3 million to \$4 million spend on shoulder sealing programs?

**The Hon. P.F. CONLON:** We have checked the forward estimates. That is the ordinary spend, so you would assume that, unless we elect again to accelerate a program. Usually, when these programs are accelerated, it is a question of addressing some priorities and altering them. So, we have been able to do a substantial body of work that would have been waiting for a long time if we had not done the two years of accelerated programs. If you look at 2001-02, the actual for this program was two and a half million. It has probably grown a little faster.

#### Membership:

Mr Hanna substituted for Mr Caica.

**Ms CICCARELLO:** Minister, you know what my great passion is, cycling, and I think your staff have listened to me for quite some time now. Can you tell the committee what initiatives the department is looking at with regard to cycling?

**The Hon. P.F. CONLON:** I can certainly do that, and I can indicate that we are almost, can I say, painfully aware of your keen interest in cycling. We like to think of you as the political public face of cycling in South Australia. You are very well-known for that, and it is also very much the case that we are aware of your frequent entreaties to our office. I am pleased to say that, particularly after some recent events, we have shifted an allocation of \$200 000 to commence within weeks some safety advertising for cyclists. We are disturbed about the number of cyclists over-represented in accident figures. I am pleased to say that, in listening to you, Vini, we have allocated \$600 000 from the black spot funding to address road funding for cycling, particularly cycling safety. Those moneys will be allocated by a panel established for the purposes of identifying black spots for cyclists, including yourself, and improving safety.

As you are probably aware, we have also established a task force under the Road Safety Advisory chaired by Geoff Knight, the Deputy Chief Executive of Primary Industries, but, more importantly, a long time cyclist and a former member of Bike SA. We have introduced a range of initiatives to cater for your own particular interest. Can I put on the record that I think cycling is a marvellously healthy activity with a lot of positives, and we are actively looking at how the department might continue to assist cyclists travel safely and to get more people in South Australia cycling. We have had some discussions with some very senior people in cycling, international and Australian, which will lead to an announcement later. We are very much hoping that more people will cycle, just like you do, but probably on a better bike than the one you use.

**Mr HANNA:** I cannot see in the budget the details in relation to the development of Lander Road in Trott Park as part of a proposal to improve local road infrastructure for the benefit of the Hallett Cove Shopping Centre.

**The Hon. P.F. CONLON:** Are you talking about the connector?

**Mr HANNA:** Yes. My recollection is that there was \$1.1 million in last year's budget, so that is sitting there as a promise, if you like, of a contribution from government. I believe there is also federal government money allocated, and of course the Marion council is willing to put up some

money. What I hear, though, is that all of those promised sums of money are not enough to build the road, which means the shopping centre will not go ahead, which means my constituents will not be pleased. What more can the government do to facilitate this project?

**The Hon. P.F. CONLON:** The honourable member will not be surprised to hear that the mayor of Marion has raised this with me on a number of occasions. There appears to be a gap remaining. The government has put into it what you would ordinarily expect from a state government for a project such as this. My own very strong view is that there are two developers, in particular, involved. I think their developments are worth, respectively, \$45 million and \$20 million, and I think there is scope for those developers to make more of a contribution than they are making at present. This project will add substantial value to their investments. What I will not do is put up state government money and let those developers off the hook before we have further discussions.

I see this as a very worthwhile project, but the truth is that we have certain criteria around the contributions that we make, and this is the standard sort of contribution that we would make. Having said that, I think it is a very worthwhile project, and I have asked Rod Hook of the Office of Infrastructure to see what options are available for closing the gap, short of spending more state government money to make private sector people a lot of money. I think the private sector should make money, but it is important that taxpayers' money be used fairly. If the developers are making money, too, they need to make a contribution, and I think we need to have a look at that level of contribution. Rod Hook is looking at that at present to see whether we can put together a project. At the end of the day, I think it is very worthwhile. It is an area that I think deserves this sort of development. I think it would greatly enhance the area, so we are very keen to see it brought about.

**Mr HANNA:** Another piece of infrastructure that I am concerned about in the electorate of Mitchell is the Oaklands crossing on the boundary of my electorate. The electorates of Elder, Morphett and Mitchell are all concerned. In recent correspondence, the minister ruled out a grade separation at that intersection. Is there any prospect of that decision being revisited, because it is a serious safety issue. We have had a couple of pedestrians killed in the last few years and there is increasing traffic congestion, especially on Morphett Road and Diagonal Road.

**The Hon. P.F. CONLON:** I make two points. First, it is on a list, but no funding has been committed—I will be honest about that. We have a big list of intersections that need improvement. Transport does not believe that an underpass is the right solution; it believes another solution would be available. I appreciate your raising this issue; it is something that I would like to see done, but I cannot favour myself in the transport portfolio. It is on a list of priorities; there is no committed funding at present, but it remains a work that is on our list.

**Mr HANNA:** What is the other solution to which the minister referred?

**The Hon. P.F. CONLON:** I will get the member a briefing with the transport people. I am not a traffic flow expert, I am just the minister, but I am more than happy to have our people sit down with you to show you what they believe would be the best solution. Solutions have to be cost-effective, and underpasses are very expensive.

**Mr HANNA:** You are talking about a solution without grade separation?

**The Hon. P.F. CONLON:** Yes, without underpasses, bridges or grade separation. I think that is a dull word for such an impressive piece of work.

**Mr HANNA:** I don't know. The Conlon grade separation has a certain ring to it. I ask the minister to take my next question on notice. This question is for the Land Management Corporation; because of the change in the timetable today I missed them. Will the minister assure me that he will use his authority and influence with the Land Management Corporation—to the extent that it is proper—to get them to use their authority and influence with the contractors developing the housing at Seacombe Heights on Land Management Corporation managed land to ensure that water run-off does not flood any more residents' homes?

**The Hon. P.F. CONLON:** I will take that question on notice and get an answer. I am not sure of the details. Water flooding people's homes is not something we like; it tends to make them grumpy.

**Mr BROKESHIRE:** Regarding the member for Mitchell's question about the Oaklands crossing, my colleague the member for Morphett asked a similar question about the options that might be available. I wonder whether the member for Mitchell, the member for Morphett and either myself or the parliamentary secretary, Hon. David Ridgway, could meet with some of your officers to talk through this?

**The Hon. P.F. CONLON:** I will not mislead you. This is not a funded commitment at present; it is on a list of priorities. If we had enough money, we would probably do it.

**Mr BROKESHIRE:** If the minister could organise a meeting, that would be appreciated.

**The Hon. P.F. CONLON:** It would probably make me popular in my own electorate if I did it.

**Mr BROKESHIRE:** On page 6.18, \$3 million is allocated to the overtaking lanes program in 2005-06. That is a cut of \$1.945 million from the forward estimates in last year's state budget, which detailed \$3.45 million for the program in both the out years of 2006-07 and 2007-08, but they appear to have fallen off the forward estimates within the 2005-06 budget.

**The Hon. P.F. CONLON:** I suspect that was the case. Some of those works were brought forward into 2004-05, which is a decent outcome. It means they are in use. I think overtaking lanes are great value for money, so we like to do them as often and as early as we can. I will get an answer to identify those that were brought forward.

**Mr BROKESHIRE:** In relation to funding allocations for unsealed rural arterial roads—a program when we were in government that had a reasonable amount of funding—I cannot see any funding anywhere being allocated for the unsealed rural arterial roads. Could you give an explanation for that?

**The Hon. P.F. CONLON:** Program finished is the explanation. It was a substantial program, but all programs come to an end at some point. That is the long and short of it.

**Mr BROKESHIRE:** On page 6.18, in relation to both state and national black spot programs, there is underspending in 2004-05 for the state's black spot program of \$1.74 million. Why is only \$4.48 million allocated for the program in 2005-06? There are similar circumstances in the budget papers with the underspending in the national black spot program, also showing a cut in 2004-05 compared with 2005-06.

**The Hon. P.F. CONLON:** I am reliably advised that the only substantial difference is to satisfy a different accounting standard. Some of that money has been moved to operating, but it is the same amount of money. I can tell you why the accountants have required that, but that is what has happened. It is the same amount of money, but some of it has to be described as operating rather than investing.

**Mr BROKESHIRE:** Given that neither of us is qualified in accounting, could the department give notice in due course showing how that is worked through?

**The Hon. P.F. CONLON:** We will do that; we will get that for you.

**Mr BROKESHIRE:** On the same Budget Paper page, it shows \$1.893 million allocated for the responsive road safety program, which is a cut of \$1.13 million from last year. Is there an explanation for that?

**The Hon. P.F. CONLON:** Yes; it is same answer. It has been described as operating somewhere else. Someone has suggested that is what we should be doing.

**Mr BROKESHIRE:** On page 6.17, how do you justify not allocating funds for urban road improvements for freight, whereas in 2003-04 there was \$3.2 million, in 2004-05, \$200 000, and in 2005-06, zero? We have significant problems in the urban areas with heavy mass vehicles and road conditions.

**The Hon. P.F. CONLON:** I expected some criticisms, but you are suggesting that we are not funding urban freight. I expected a different criticism. The truth is that the most significant investment in transport for many years will be in urban freight improvement by way of the South Road roadworks which we previously announced. We are not able to commence the spending of money on those works in this financial year. We have a lot of work to do. Now that you mention it, why can we not spend some money in this financial year on this?

**Mr BROKESHIRE:** That is a good question.

**The Hon. P.F. CONLON:** We want the South Road works kicked off. The South Road will not be \$3 million but, rather, about \$185 million worth of freight improvements on urban roads; and we think it is one of the most worthwhile projects we have laid down.

**Mr BRINDAL:** When it is kicked off, you will thank the opposition for its line of questioning in estimates.

**The Hon. P.F. CONLON:** You raise a good point, because I have standing instructions that we have to get it started. On a different line at page 6.17, you will find \$5 million on the South Road.

**Mr BROKESHIRE:** I have seen that line there for preliminary planning.

**The Hon. P.F. CONLON:** That is a bit better than the \$3 million you had. It is \$5 million to get started and a lot more after that. That project is the Freight Council's and the RAA's first priority; it is everyone's first priority in improving the movement of freight on urban roads.

**Mr BROKESHIRE:** I know you will get responses back fairly soon from estimates, but I would like exact details as to what the \$22 million allocated over three years to the long life roads program will provide.

**The Hon. P.F. CONLON:** We will get that information for you.

**Mr BROKESHIRE:** In relation to the opening bridges at Port Adelaide, let us say it is either a scenario for closed bridges for rail and transport or opening bridges. The latest advice that I have been given is that the actual net difference in cost for opening bridges as opposed to closed, including

the first 10 years of maintenance, is to the tune of \$96 million. Can the minister advise us of the exact figure?

**The Hon. P.F. CONLON:** To save you a diatribe, I refer you to the *Hansard* from earlier today, because I am very unhappy about the approach of some of the opposition on these bridges. It has been extremely shallow political opportunism.

*Mr Koutsantonis interjecting:*

**The CHAIRMAN:** Order!

**The Hon. P.F. CONLON:** All I will do to save your sensibilities is to refer you to the answer Martin Hamilton-Smith got earlier today. I suggest you read it, because it sets out a history of these bridges. However, to come back to the subject, I will check your numbers, but a lot of nonsense has been talked about to do with blowouts and these bridges in recent days. One of the additional costs, and we are quite happy to bear it, is that we removed the Liberal toll on the bridges. That is significantly reduced to save operating costs over the lifetime. We say that—and I would have thought that people like you and Graham Gunn who are rural producers would approve—in removing the toll, along with deepening the harbour, we are doing more at the Port than has been done in years.

The Victorians will not get their harbour deepened for years, and I wish them luck, because they have difficulties. We will have ours finished in months. I think that we are happy to bear the burden of not imposing tolls on industry, because we want industry to thrive in the state, and we want exporters to thrive, and I think that we need to be a little more positive about what is probably the most substantial set of investments run around the state by the government at the Port. It is going to revolutionise our port.

*Mr Brindal interjecting:*

**The CHAIRMAN:** Order!

**Mr BROKESHIRE:** The Liberal Party, as an opposition, is totally supportive of the deepening of the Outer Harbour and the Port River Expressway project because, as you are well aware, minister, we started that project, so we are totally bipartisan on that. There is no doubt whatsoever about that. However, the concern is that—and this is why I would like to have the accurate figures so that we can further deliberate—the advice that we are given on the arguments around the opening and closed bridges (and, of course, there always were pros and cons with respect to opening as opposed to closed bridges), is that, as an opposition shadow minister, I am looking at nearly \$100 million (\$96 million) in additional costs for opening bridges, including maintenance for the first 10 years and possibly up to \$50 million for 30 years after that. Obviously, we have some concerns. If those figures are not correct, I ask you to provide the net differences between operating and maintaining closed and opening bridges.

**The Hon. P.F. CONLON:** The Public Works Committee provided a full report. We will re-present that—you have the information—but we will present it to you again. Maybe the Liberal Party and the Labor Party do business differently. The Liberal Party went down and promised to the people of Port Adelaide opening bridges. When we came to government—

*Mr Brindal interjecting:*

**The Hon. P.F. CONLON:** With toll, and they were all going to pay for themselves, which was a sheer flight of fantasy. When we came to government, we did not immediately commit to opening bridges. We said that we should look at it first before the Labor Party made a decision. We had a public meeting, and Rob Kerin went down to that public

meeting and said that the Labor Party must keep the promise to build opening bridges. I will get the exact words. We kept that promise that had been made to the local community. We had arguments for and against. The people at Newport Quays said that it enhanced the value of their investment. However, at the end of the day, this is what the opposition seems to be suggesting as the approach. You go out, you do not work things out, you promise something and you keep promising it until you do the sums, and then you break the promise. That is the system that the Liberals believe is a proper system for presenting projects to the people; we do not agree. The truth is this—

*Mr Brindal interjecting:*

**The Hon. P.F. CONLON:** Just go back and see what your leader said to the public meeting. Let me tell you what has happened since we came to government. We came to government with a grain terminal in the wrong place and we moved it; the savings were the seed money to deepen the harbour. We made a lot of changes to projects that were commenced under the Liberals but we were not prepared to go down to the people of Port Adelaide, who had been made a promise, and break that promise to them.

*Members interjecting:*

**The CHAIRMAN:** Order! The minister has the call.

**The Hon. P.F. CONLON:** I find it the most extraordinary criticism ever made of a government that we have kept our promise and your promise. I know that you do things differently with your mob, but I suggest you look at the answer I gave earlier today, because I do not want to get excited again. Basically, here is what the member for Unley says, and you can understand this because he is the member for Unley and the candidate for Adelaide, but wherever he is he is a long way from the western suburbs and from those people at the port. He says that we should not go wasting money on those people down at the port. This is a bloke who earlier today wanted a tunnel under Goodwood Road—

*Members interjecting:*

**The CHAIRMAN:** Order!

**The Hon. P.F. CONLON:** —for the people in the leafy suburbs, but he does not want us to waste money on people at the port. Frankly, we believe that meeting commitments to the people of Port Adelaide is not a waste of money: it is an investment in our community.

**The CHAIRMAN:** I think that it is time to move on.

**Mr BROKENSHERE:** I have a supplementary question to what the minister was advising the parliament. Can the minister advise and explain, given that he was heavily involved in both infrastructure and transport as the minister, whether or not it was a business case that was provided or a decision of cabinet? The Treasurer is on the public record on a number of occasions as saying that he is opposed to opening bridges; at the same time, parallel to that, the federal member for Port Adelaide, Mr Rod Sawford, was running around publicly saying that there would be nothing other than opening bridges. We have witnesses to that.

**The Hon. P.F. CONLON:** I am not quite sure. I do not think the Treasurer has ever been on the record as being opposed to opening bridges.

**Mr BROKENSHERE:** I think he has. The question then is: did cabinet—

**The Hon. P.F. CONLON:** I am not going to spend too much time talking about cabinet. All I will tell you about the bridges is cabinet unanimously supported the original promises urged on us by Rob Kerin—urged on us in the strongest possible terms by Rob Kerin—and unanimously

supported the decision for opening bridges and unanimously decided to keep faith with the people of Port Adelaide who had been made promises originally by your government. I suggest the member should try to find a positive bone in his body and look at the substantial investment that is going on in the port. Look at the expressway, the bridges, the upgrading of the rail, the deepening of the harbour, the new grain terminal, the substantial investments—

*An honourable member interjecting:*

**The Hon. P.F. CONLON:** —that is right—the warships, and the land release, and try to not find the negative all the time.

**Mr BROKENSHERE:** Could I ask that, as well as receiving the actual net cost differences in building, operating and maintaining the opening bridges, as against closed bridges, that when the minister provides that information to the house that he also provides the business case that justifies the opening bridges as against closed bridges, based on the fact that this minister has said his government does business cases for all projects?

**The Hon. P.F. CONLON:** Rob Kerin did not actually come out and say, ‘You must build opening bridges after you do the business case.’ That is not what he said.

*An honourable member interjecting:*

**The Hon. P.F. CONLON:** I am being provoked on these things. Let me tell you about these bridges and about business cases. Let me tell you what we inherited. Here is what was going to happen: here is what the Liberals promised the people of Port Adelaide. There would be opening bridges and the tolls would pay for the bridges. The taxpayer would not have to spend a cent because the tolls would pay for the bridges. If the opposition wants to know about a blowout, how about a blowout from the bridges being free to the government paying for them? This mob has the sheer gall to talk about business cases. They go out and announce toll bridges that would be opening that will be built on a business case that might well have been prepared by Walter Mitty. It is absolutely delusional. What we did was look at that and find very quickly that there was no possibility in the world of tolls paying for those bridges on their own.

**Mr BRINDAL:** Why?

**The Hon. P.F. CONLON:** I will tell you how you could have made it work, and that is by making every vehicle go through the port and go over the opening bridges. Then you might have made it work.

**Mr BROKENSHERE:** Based on that, will you provide the information to the parliament that provides the business case?

**The Hon. P.F. CONLON:** We will go and find your business case. We will go and dig up your business case that shows that these bridges were going to pay for themselves. I make this plain: this is all a farce. You have been provided with all the information in Public Works Committee. The sheer breath-taking hypocrisy and the sheer breath-taking political opportunism of the Liberals in regard to these bridges is amazing. First they promise them, then Kerin goes to a public meeting saying we must keep his promise and the port must get them. For months, in this house and through the media, I asked Rob Kerin, ‘What is your position, then? What should the bridges be?’ and he said, ‘I do not have a position.’ But the moment we keep the promise that his government made to the people of Port Adelaide, we are under attack for making the wrong decision—after the alternative government refused point blank to have a position on it for six months. If you think the public is going to reward you for

such naked political opportunism, you are wrong. I will defend, inside here and outside, keeping a promise to the people of Port Adelaide made by a government—made by you and made by us. I think keeping promises is not a bad thing to do.

**Mr BROKENSHIRE:** I look forward to the written information on the net differential costing on opening—

**The Hon. P.F. CONLON:** I think you have the information in Public Works.

**Mr BROKENSHIRE:** But I need it from the minister because I am not on the Public Works Committee.

I have two other questions in this particular area. Then, before going into other areas of transport, my good friend the Hon. Graham Gunn (the member for Stuart) will ask a few questions relevant to his electorate. On page 6.40 in relation to the deepening of the Outer Harbor port and the government contribution, could the minister confirm whether the contribution from the government was actually, in real dollars, \$15 million, as I see in the budget papers, or \$30 million, as I see in the government's press release?

**The Hon. P.F. CONLON:** I can make that very plain for the member, and I am glad he has given me the opportunity to explain how much better a government we are than was his. His government privatised the ports—which did not particularly do a great deal, but I have to say I think the private operators are making substantially more money than the government thought they would make. At least it is not as bad as the TAB deal. But, they privatised the port. Some of the proceeds that should have been paid to government on behalf of taxpayers were set aside to build a deep sea grain terminal. We came to government and what we discovered is the deep sea grain terminal was in completely the wrong place and was an absolute dog of an idea. We entered into negotiations—

**Mr BRINDAL:** And then you did not agree with it.

**The Hon. P.F. CONLON:** I think you will find, if you ask a couple of grain growers, that it was in the wrong place. In fact, there may have been difficulty environmentally in deepening that part of the river. We negotiated with Flinders Ports to shift that to just behind Berth 6 at Outer Harbor, I think it is called, and that meant that, not only was it in a better position in terms of the environmental aspects of deepening, but it also saved those taxpayers' funds that would have gone to the government from the sale to be set aside for a port-related purpose.

When we say it is \$30 million of government funds, we have taken a \$15 million commitment out of the 2004-05 budget and put that in and added \$15 million of proceeds from the sale of a state government asset. If you do not want to call that state government money, so be it, but as far as I am concerned the other \$15 million were proceeds that should have gone to government, which were set aside for a terminal that this government managed to save, and we committed it to deepening the port. In my view, that is a \$30 million contribution from this government: \$15 million from this year's revenues and \$15 million from money set aside from the sale of the government asset. Flinders Ports likes to say that it is its money: it is not. It agreed a purchase price.

That money was supposed to go to government but some was set aside for a grain terminal. We moved the terminal, saved \$20 million, I think it was, and put \$15 million toward that and another couple of million towards upgrading rail. I think the government deserves a pat on the back for pulling that off. Rod Hook did a very good job in bringing it about.

As a consequence, industry has to find only \$15 million for a \$45 million deepening project. That is the bottom line: the industry that is going to get the benefit of the deepened port through port charges will have to find only \$15 million. Of that, \$7.5 million will come from grain producers. I reckon grain producers are getting a massive benefit for the payment of \$7.5 million towards the deepening.

**Mr BROKENSHIRE:** That confirms that the \$15 million is the figure. My next question is to do with Transport SA and the abalone ship *Destiny*. Can the minister confirm that Immigration SA did certify 21 work visas?

**The Hon. P.F. CONLON:** The role of Immigration SA is to certify, not to grant visas. No South Australian government agency has the power to grant visas: they are granted by the feds. There is a process of it certifying applications. It is no secret that we have been very keen on getting skilled migrants to South Australia, and Immigration SA was provided information for a 475 visa, it is called, that provided information that it should sponsor them because these skills were not available in Australia. The fundamental aspect of that visa is that the skills are not available locally.

Immigration SA was provided information that the skills were not available locally, but the truth is that not only were the skills available locally but an Australian crew had been sacked by the company. In my view, that means that Immigration SA was provided with misleading information and I am not very happy about that. I am not arguing about union rights or anything like that. Those visas exist for two purposes: one is that those skills do not exist and the other is that those people are going to come and add something. These people are on a ship offshore, using South Australian waters to grow abalone.

I am very unhappy about that and think that it is a very dangerous precedent. If the company does not like me, I do not care. I think it is a very dangerous precedent that people can have a floating factory, sit offshore and do whatever they want and not pay our taxes and abide by our laws, but sit in essentially South Australian waters.

*Mr Brindal interjecting:*

**The Hon. P.F. CONLON:** That is what they are doing.

*Mr Brindal interjecting:*

**The Hon. P.F. CONLON:** I agree with you: they should not be able to.

**An honourable member:** What's the navy doing? It's turning refugees away.

**The Hon. P.F. CONLON:** That's right. If these people were in a slightly ricketier boat they would have taken them away and locked them up in Nauru. I am unhappy that Immigration SA certified visas on the basis that these skills were not available when plainly they were available because an Australian crew had been sacked. I am not buying into the industrial relations between them and Australians: they can negotiate as hard as they want with an Australian crew, but if those skills are available in Australia you should not sort visa systems. It is demonstrable that they are available now.

I understand that the MUA is meeting Immigration SA to provide the full information on this. There is absolutely no doubt that seafarers are available in South Australia, and I am not happy with the processes that have been gone through. I put that on the record. The minister responsible, Kevin Foley, and I have had conversations and he also is not happy with people rorting our decent open facilitative approach to getting skilled migrants to South Australia.

**Mr BROKENSHIRE:** By way of supplementary question, my understanding is that DIMIA will not under any

circumstances issue those visas unless they are certified by Immigration SA. Effectively, Immigration SA, with the regional immigration for work, when we do not have the employment here—similar to the British police situation—effectively only rubber stamps it because they rely on that certification from Immigration SA.

**The Hon. P.F. CONLON:** I do not have responsibility for DIMIA. I have not issued those visas. I understand that Immigration SA has been in touch with them saying that they have now being provided with further information.

**Mr BROKENSHIRE:** Has the minister requested that the relevant cabinet minister, given that this is a crossover between the transport portfolio, the Treasurer's portfolio and even the Premier (given that Immigration SA comes under Premier and Cabinet), sat down and addressed this matter with Immigration SA to prevent this happening again, or is the minister saying that the blame for this lies with the owners of the enterprise?

**The Hon. P.F. CONLON:** Kevin Foley is aware of it and has expressed similar concerns to mine. I am sure he is more than capable of dealing with that agency. I am very keen that the baby is not thrown out with the bath water. We want to facilitate the entry of migrants with skills that are not available here. We have a lot of projects coming on in South Australia over the next few years—the Western Mining expansion, our roadworks, the warships and a range of resource projects—and we will be competing fiercely for skills and capacity. I want to ensure that we try to keep the immigration system as facilitative as possible. I will not speak for Kevin, but it seems to me as an outsider that Immigration SA has relied on information provided to it. I am sure Kevin will look at that. I do not want to start setting up a fence keeper attitude to it. We want to see a facilitative process for getting the skills we need to build the projects we want in this state. I am not happy with what appears to be someone wanting to rot our good nature and systems. Do you think they should be able to do it?

**Mr BROKENSHIRE:** I am asking questions about process.

**The Hon. P.F. CONLON:** I just thought you might have a view on it.

**Mr BROKENSHIRE:** I have a view that the government took its eye off the ball in certifying those visas.

**The Hon. P.F. CONLON:** I do not interview migrants in my office.

**Mr BROKENSHIRE:** But earlier last week you were blaming the federal government.

**The Hon. P.F. CONLON:** I said that we need to meet with the federal government to fix what I think is a gap in the laws. The only reason these people need visas is to come ashore. If they do not get visas, we will leave them on the ship for the year. The visa is a secondary issue. My concern is that someone—a foreign crew, a foreign company—can park in SA waters and run any sort of offshore business with people who do not have visas because they are not in a migration zone, and then sail away with the profits later.

**Mr HANNA:** It could be a casino next.

**The Hon. P.F. CONLON:** It could be a casino or maybe an alternative opposition floating offshore.

**The Hon. G.M. GUNN:** The need for upgraded transport facilities in the northern part of the state have always been very close to my heart. What is the current situation with the money which has been allocated to South Australia for the unincorporated areas? I understand that a certain percentage of the Roads to Recovery money was earmarked out of

incorporated areas. Where is that money, and who will have the ability to spend it? It has been brought to my attention that perhaps it might not all go on those outback roads. Is the minister in a position to advise the committee of the current status of that proposal?

**The Hon. P.F. CONLON:** I am told that we are in the process of consulting with the communities about the allocation of the money and, as a result of that consultation, they will be making a recommendation to me in due course. I will discuss that recommendation with the honourable member when I receive it to see what he thinks.

**The Hon. G.M. GUNN:** Thank you.

**The Hon. P.F. CONLON:** Maybe Lyn Breuer as well.

**The Hon. G.M. GUNN:** She is involved, too, yes.

**The Hon. P.F. CONLON:** We will have a look at it with you and Lyn.

**The Hon. G.M. GUNN:** That will be excellent.

**The Hon. P.F. CONLON:** Is that fine with you, mate? What a consultative bloke I am.

**The Hon. G.M. GUNN:** I think most of us are in a good mood today. I have had two inches of rain—I am in a really good mood. Yesterday, when I drove across the bridge at Port Augusta, I noticed that the Department of Transport and Urban Planning had installed a series of cameras. I think we have Sir Humphreys now wanting to check up on everyone who drives across the bridge. Who will be photographed? Who will have access to these photographs? What is the purpose of these cameras besides recording the timing of trucks? Will ordinary law-abiding citizens who travel across that bridge maybe half a dozen times a day be snapped by this camera?

**The Hon. P.F. CONLON:** These cameras are one of the best initiatives in road safety for many years. It is a joint program with New South Wales. The cameras have been installed to identify heavy traffic. We have coordinated software and information with New South Wales (which also has cameras) to catch heavy vehicle operators who are breaching the law in terms essentially of rest breaks. We have been trialing these cameras for some time and there have been a very large number of breaches. I think my advice was about 51 in a week, but I will check that. One of the breaches involved a truck that had breached those laws by approximately 16 hours. He had arrived at his destination 16 hours faster than he should have been able to under regulation. That is an extremely dangerous thing on our roads.

I think fatigued drivers of heavy vehicles are about as dangerous as you will get on our roads. I think this is a terrific system, and it is not aimed at ordinary motorists. It is not aimed at good folks like you, Graham, unless you start driving a heavy truck. Maybe Sammy Bass will be driving one, but he will be totally within the state!

**The Hon. G.M. GUNN:** I have a heavy vehicle licence.

**The Hon. P.F. CONLON:** I would like to see the capacity to extend this to other states as well. I have no sympathy for heavy vehicle drivers who are breaching those regulations in terms of rest stops, because a fatigued person in charge of a B-double is a very dangerous thing to have on the road.

**The Hon. G.M. GUNN:** Some of these heavy operators will have two drivers, which changes the whole configuration of the time in relation to the amount of hours they are allowed to drive. Some of them change drivers at Port Augusta. I know one motel has an ongoing arrangement.

**The Hon. P.F. CONLON:** It will be people who are identified as breaking the law and who are breaking the law

who will be prosecuted. People who are identified who have not been breaking the law will not be prosecuted. It is very straightforward.

**The Hon. G.M. GUNN:** The ordinary people driving their cars—

**The Hon. P.F. CONLON:** We just want them to stop doing it, that is all.

**The Hon. G.M. GUNN:** I do not have any problem with that. As the minister would know, I am on the road perhaps as much as any member of parliament. I want to ask the minister a road safety question. Last Monday, I think, I noted that between Adelaide and Port Wakefield set up on a trailer was one of those machines that indicates the speed that vehicles are travelling. I thought it was a very good initiative. Will the minister extend that initiative elsewhere? I thought it was a proactive course of action that—

**Mr BRINDAL:** We have had them around the city a few times.

**The Hon. G.M. GUNN:** Yes, but it is the first time I have seen them on that road. I ask the minister whether it will be extended elsewhere, because it indicates to people exactly how fast they are travelling—and to anyone else who may be observing them?

**The Hon. P.F. CONLON:** We have six of them and we intend using them, and we will also make them available to community groups. SAPOL also now has some. We think they are a good idea.

*Mr Brindal interjecting:*

**The ACTING CHAIRMAN (Mr Koutsantonis):** Order!

**The Hon. P.F. CONLON:** The member would know that we fund a number of community road safety groups in rural areas, which do a very good job. We were at Bordertown recently, and the group there is very active and does a good job.

**The Hon. G.M. GUNN:** One of the most important roads economically in South Australia (and the minister has talked about the importance of South Road) is the road between Lyndhurst and Moomba—

**The Hon. P.F. CONLON:** Is this the same road again?

**The Hon. G.M. GUNN:** —no—and we know what happens when you have a problem at Moomba. Does the government, through the minister's department, have any plans to commence a program to upgrade and start sealing that very important economic road in the north of the state? It is of the highest priority: it carries a huge amount of traffic. I point out to the minister that the Queensland government is proceeding with sealing the roads towards the border. I am told that a great deal of material is coming in to the north of the state from Queensland, and we would sooner see it go the other way. I just bring the matter to the minister's attention.

**The Hon. P.F. CONLON:** Does the member want yes/no answers?

**The Hon. G.M. GUNN:** Of course I do.

**The Hon. P.F. CONLON:** No.

**The ACTING CHAIRMAN:** That line of questioning has expired. We now move to transport planning. I declare the proposed payments open for examination and refer members to the Budget Statement, appendix C, page 3 and Portfolio Statement, Volume 2, part 6, pages 56 to 64. Everything is open now.

**The Hon. G.M. GUNN:** It seems that I did not have a win on the Lyndhurst to Moomba road. Can the minister give any indication about the road between Lyndhurst and Marree, which the previous government had planned to seal by this time? However, that has not happened, and I have received

a number of complaints in the past week in relation to the condition of sections of the road around William Creek. I know that the department has done some sealing in Marree, but can the minister indicate whether there are any plans to commence sealing the road between Lyndhurst and Marree?

**The Hon. P.F. CONLON:** There is a possibility of sealing part of it; four to five kilometres. That is a start.

**The Hon. G.M. GUNN:** It is a start. Will it be ongoing?

**The Hon. P.F. CONLON:** I do not think it was ever a committed program. I know that the previous government talked about it, but there was no committed program to seal that road.

**The Hon. G.M. GUNN:** I sat in on a meeting with the previous minister (and I will not say which officers) when we were told about what was to happen.

**The Hon. P.F. CONLON:** I will not argue with you, Graham: you have been here for about 700 years.

**The Hon. G.M. GUNN:** Can I say that there would have been a fair bit of difficulty caused behind the thing if it had been. Nevertheless, minister, I am pleased that we are—

**The Hon. P.F. CONLON:** Who was the minister, Henry Butler Senior, or Archibald Henry Peake?

**The Hon. G.M. GUNN:** It was the Hon. Dr Diana Laidlaw AM. I will let Robert ask some questions.

**The Hon. P.F. CONLON:** You might get a bit of what you want.

#### Membership:

Mr Lewis substituted for the Hon. G.M. Gunn.

**Mr LEWIS:** My question relates to those roads which are the responsibility of the state government through rural areas and, in particular, relates to the infrastructure arrangements wherein people seek to erect objects—shelters or anything else—on the roadside. I wonder who has responsibility for deciding whether such structures can be erected between the fence lines and, if so, whether the state government accepts itself as the authority on those roadways to determine whether or not such structures can be erected.

**The Hon. P.F. CONLON:** The road reserves, I am advised, are primarily the responsibility of the council, and most of those decisions about structures would be the council's. We do make them sometimes, do we not?

**Mr STEELE:** We can intervene, but principally—

**The Hon. P.F. CONLON:** We can intervene but the first responsibility is that of the councils.

**Mr LEWIS:** Even though the roadway is a state roadway?

**The Hon. P.F. CONLON:** That is right. The side of the road is the primary responsibility of whatever council it is in.

**Mr LEWIS:** Who will be responsible for any property damage which arises from a collision between the object so erected and the motorist or motorists involved in a collision?

**The Hon. P.F. CONLON:** You are basically asking for legal advice.

**Mr LEWIS:** No, I am not.

**The ACTING CHAIRMAN:** I remind the member for Hammond that hypothetical questions—

**Mr LEWIS:** It is not hypothetical at all, Mr Acting Chairman—

**The ACTING CHAIRMAN:** Order! Do not talk over me. The idea is that we examine the budget. The Chairman and I have been very lenient to references to budget lines, so the minister can give the best answer he can.

**The Hon. P.F. CONLON:** What I would say to the member for Hammond is that, like any other accident,



liability will more than likely be governed by the common law tort. If a council has negligently built the structure in the middle of a road, it might be liable; otherwise, it might be who was negligent. Kris, do you have any better legal advice than that?

**Mr HANNA:** I would not want to pass judgment quickly. I think it should be referred to private lawyers!

**Mr LEWIS:** There are cases in point already where people have sought to erect memorials to members of their families who have died on roadsides, and those memorials in turn have become hazards, and collisions have resulted with further property damage and injury.

**The Hon. P.F. CONLON:** If we thought a council decision to allow something to be erected was unsafe, we would intervene. So, if you in your local area believe that council has made decisions that are wrong, feel free to contact the Department of Transport because we do have powers to intervene, and we obviously do not support the creation of dangers on our roadways.

**Mr LEWIS:** I thank the minister for his answer.

**The CHAIRMAN:** Before we go to the member for Mawson, the member for Mitchell had a question on Trans-Adelaide, which is open now.

**Mr HANNA:** This is difficult because it may be a budget issue, or it may be a bureaucracy gone mad issue, but will the minister intervene to counter the decision by TransAdelaide to disallow storage of bicycles overnight at Adelaide Railway Station? There are many commuters who have business about town during the day, who wish to go backward and forward between home and the city by train, then use their bicycles during the day to go and do their business, and then store them at Adelaide Railway Station in the evening. I have been told that, recently, this was disallowed.

**The Hon. P.F. CONLON:** There have been a few issues. I was advised recently that they moved the storage facility into the platform. It was intended for people who catch public transport to use the bikes. I think there may be issues about trialling some buses and people using bikes. In short, I talked to the relevant officers. I was not aware that this was an issue. It was found that people had been storing bikes there for a long time. Basically, we want to facilitate people using bicycles, and I am happy to discuss that. I have already asked whether we can be a bit more flexible about people getting in from off the platform. I am very happy to have a look at it, and see if we can find a better way.

The bottom line is that there have been some issues. The response may not have been appropriate and may have solved some problems and created others. The storage of bikes is not usually something that is high up on the list of the chief executive or the minister, but I do know about this one. I am very happy to sit down and see if we can find a more flexible solution that suits you, and we will have a talk to you about that. I personally support people being able to cycle and use public transport. I think it is all positive.

**Mr BROKENSHIRE:** Minister, would you be able to provide now (if not now, in response to estimates questions) the total budget allocation for roads, as in road maintenance, for works like road shouldering, overtaking lanes and new works from the South Australian government's contribution, and then a separate piece of information from the federal government's contribution for the years 2003-04, 2004-05 and 2005-06?

**The Hon. P.F. CONLON:** There might be some arguments about the description of what is maintenance and what is not, and what is investing and what is not, but we will

certainly provide you with as much information as we can. Most of it, I would have thought, was discernible, but we will set it out. The commonwealth contributions are usually fairly discernible; they have a distinct line for that each year. We will get the *Hansard* and look at exactly what you have asked and see if we can provide it.

**Mr BROKENSHIRE:** To help the officers, I understand that the total amount of spend on those three areas is approximately \$120 million a year, or certainly it is for this current financial year. It is that amount of money that I am talking about. If they have any further problems, I am happy for them to ring me.

**The Hon. P.F. CONLON:** We will have a look at the *Hansard* and give you exactly what you have asked for. All that I will qualify is that, how you describe the project might be different from how transport officers describe it, as to whether or not it is in.

**Mr BROKENSHIRE:** I refer to the Community Road Safety Fund on page 6.3. What is the actual specific amount that is available now for the Community Road Safety Fund, and is that money entirely from expiation notices, speeding fines, etc., as we understand it is supposed to be? How much money in this current financial year 2004-05 and next year 2005-06 is actually new and additional money as a result of the money now being dedicated from expiation notices and the like into community road safety funding?

**The Hon. P.F. CONLON:** I will get you that, but the truth is that we always spend more on policing, traffic policing and road safety than the fund ever raises, and that is going to be continuous as long as the fund exists, I would say.

**Mr BROKENSHIRE:** I appreciate that, but I want to see what new or additional money has gone in there because, as you know, we had a—

**The Hon. P.F. CONLON:** Whatever revenues have come in have gone in there—that is the bottom line.

**Mr BROKENSHIRE:** Well we were putting money in, as you were, prior to the so-called dedicated expiation money going into that fund, and I would like to know if there is any additional or new money in there.

**The Hon. P.F. CONLON:** We will get you the details; it is just a matter of grabbing it. You do know that some of our measures have actually decreased revenues in expiations?

**Mr BROKENSHIRE:** I know that the Treasurer was disappointed about the decrease, for sure.

**The Hon. P.F. CONLON:** We are not, because it means people are not offending so much. The 50 kilometre zones and some of the red light cameras do alter behaviour.

**Mr BROKENSHIRE:** And they will certainly increase their revenue next year. Further to that, if I could have the amount of money that Transport SA is putting into SAPOL this year, 2004-05, and next year, 2005-06, for RBT work, and the amount of money that Transport SA is putting in next year for saturation policing—

**The Hon. P.F. CONLON:** We may not be able to do the RBT, because we provide funds to them, but it is not distinguished between projects. We provide the police funds but not necessarily for a specific purpose, like the RBT.

**Mr BROKENSHIRE:** To help clarify that, when I was police minister I was advised we were getting about \$2 million to \$2.2 million (from memory) from Transport SA that was being spent directly on RBT.

**The Hon. P.F. CONLON:** Well, I do not know about that, but I can tell you that when we recently increased traffic policing on long weekends, for example, I think we found another \$150 000 to \$200 000 a year (I will get the number)

just for that, in addition to what we do. Now, we will not know how the police spend that—whether it is on RBTs or speeding or overtime.

**Mr BROKENSHERE:** I would be happy with a global amount. I would also like to know the saturation policing amount of money, unless that is also global.

**The Hon. P.F. CONLON:** Well, we give them the money; the police give money too. You would probably need to get that line from the police minister.

**Mr BROKENSHERE:** It is a new announcement, that one, and there is going to be money allocated for the advertising campaign that will go with the saturation policing next year with respect to the debate we had about double demerit points. I would like to have that too, please. Are any components of the overall transport plan that the Hon. M.J. Wright delighted in announcing about two years ago (which plan appears to be diced in the bin) going to be used by the department, or is the department going to bring out a new transport plan through you? What is actually happening?

**The Hon. P.F. CONLON:** Certainly, components will be, but there will be a new transport plan. One thing that also changes the landscape is that those major committed works on South Road make a substantial difference to projections on traffic flows, and we are actually looking at some information on that at present. They are an entirely new initiative and were not committed at the time Michael Wright first did his work, so we are looking at some new information about traffic flow projections—some pretty startling projections, in fact, about the completion of those South Road projects and the likelihood of removing traffic from other roads. We want to work up those projections as well, but there will be a transport plan.

We all have different approaches, and my view as Minister for Infrastructure was to get some projects down. We have done some very good planning—the strategic plan is a great document for the state—and my priority was to get some projects down to go with the plans. I like building things.

**Mr BROKENSHERE:** We all do. We have a series of questions on public transport in a while, but one of the relevant points in the transport plan identified a significant increase (I cannot remember the percentage off the top of my head) in the use of public transport by 2015; however, in doing so it indicated that there would have to be an increase in public transport to get that. I think the goal was to double the figure, from memory. Will the minister say whether he still intends to keep that particular goal?

**The Hon. P.F. CONLON:** As the member would be aware, the goal is in the state strategic plan. I am not going to answer questions on the draft transport plan today, but I am quite happy to talk about commitments to public transport. We announced \$21 million in extra funding for an extension of the tram line and we got nothing but complaints and questions from you.

**Mr BROKENSHERE:** Rightly so.

**The Hon. P.F. CONLON:** I never quite understood that. Do you support the extension of the tramline or not, because that is a significant investment in public transport? Your colleague the member for Morphet not only supported it but said that I should extend it further. I am very confused. What do you think? Should we not build it?

**Mr BROKENSHERE:** I am not the minister any more. Ministers do not ask questions.

**The Hon. P.F. CONLON:** There will be an election next year. You have to put yourself forward as an alternative government. What about you?

**Mr BROKENSHERE:** I have no problem whatsoever with that. Will the minister please advise me either now or in a written response of what will be the increase in recurrent input of finances by his department to reach that goal in the infrastructure plan?

**The Hon. P.F. CONLON:** I am not going to answer questions about the draft transport plan. If you want to know what is in the budget, I am happy to tell you.

**Mr BROKENSHERE:** I refer to the budget line on page 6.14 which refers to a 4 per cent growth in public transport for next year. That is part of an overall projection of growth in public transport to meet the 2005 goal. My question is simple: how much money will the department have to put in to achieve not only the goal for next year but the forward goal on the basis that you cannot increase patronage without increasing infrastructure and services, which include bus drivers?

**The Hon. P.F. CONLON:** There are a number of ways in which patronage is increased. One of the innovations in the bus contracts is a requirement for the bus contractor to increase patronage. That is one instrument. Another is that you make it more attractive. That is why we have committed a substantial investment—I am very happy to say in my electorate—to the Oaklands Park interchange and the relocation of the train station. We are spending an awful lot of money on very expensive trams and upgrading the tramline to make it more attractive for people to use. We take our targets seriously. We have a range of initiatives, and we review our progress against those initiatives on a regular basis.

I have had recent discussions with one of the operators of the bus services about some innovative ideas about services. You ask how much we will have to spend. That is a nonsense question. There is a range of initiatives to make public transport more attractive. If people can take the bus to Oaklands Park station, or drive there and park in the car parks that we will provide, go onto a nice clean station and get into a nice clean train and go to the city, they are more likely to do that. Another issue is the utilisation rate. The honourable member's question is not capable of an answer. What I can tell you is what we have committed and the initiatives we have taken, including what I think is a very clever requirement in the contracts to increase patronage. That really puts pressure on those people to make sure that services are attractive to the people who use them.

We will introduce \$81.5 million worth of new buses over four years. People like riding in nicer buses. It is all about making the service better and more attractive. There is a range of initiatives, and we will keep measuring against them. Let me say this: in the State Strategic Plan we have laid down an ambitious target. We will be measured against that target. You have got a big free kick. We have set targets for ourselves, and we will measure them on an ongoing basis. You can keep coming back and asking those questions. Do you know what I hope? I hope that you keep asking those questions for about another eight years. That would be very nice.

#### Membership:

Mr Caica substituted for Mr Hanna.

**Mr BRINDAL:** I refer to Budget Paper 2, page 6.22, program 2 'Performance Criteria' and sub-program 2.1 'Maintaining roads'. The question is quite simple: will the minister give details of the revenue and expenditure for sub-

program 2.1, and can the minister give a breakdown of the government's maintenance program for 2005-06 on a region-by-region basis?

**The Hon. P.F. CONLON:** What, off the top of my head?

**Mr BRINDAL:** No; I realise that the minister will have to take that question on notice.

**The Hon. P.F. CONLON:** We will bring that one back for you, mate.

**Mr BRINDAL:** I could not find this in the budget papers. Before coming to government the now Attorney-General absolutely promised that a first priority of a state Labor government would be the reopening of Barton Road. I can find no mention of it in the budget papers—

*Mr Koutsantonis interjecting:*

**Mr BRINDAL:** That is what I am saying: I can find no mention of it. I am therefore asking the minister what the government's policy is.

**The Hon. P.F. CONLON:** This issue has been around for a very long time. We are long-term planners, and we have a plan.

**Mr BRINDAL:** But that plan does not exist at present, or does it exist? What is the plan?

**The Hon. P.F. CONLON:** It is a good plan.

**Mr KOUTSANTONIS:** What is your plan for Barton Road?

**The CHAIRMAN:** Order!

**Mr BRINDAL:** That is to be revealed. Like the minister's plan, it is one in the formulation. I refer to Budget Paper 5, pages 21 and 22 'Works in progress', and the particular subject is 'AusLink funding'. Will the minister provide a breakdown of the projects in the AusLink major works funding of \$19.090 million and in Auslink's minor works funding of \$1.920 million for 2005-06?

**The Hon. P.F. CONLON:** The Sturt Highway is about \$6.79 million, \$5.3 million on the northern access, \$6.25 million for pavement rehabilitation on the Dukes Highway, \$0.25 million on the Hampstead, Mullers and Regency roads intersection, and another \$500 000 on the Salisbury Highway/Virginia access controls. That is a total of \$19.09 million, if you would like to add that up.

**Mr BRINDAL:** Was the \$1.920 million, which involved the minor works funding programs, in the same program?

**The Hon. P.F. CONLON:** I will take that on notice. Why are you interested in this?

**Mr BRINDAL:** I refer to Budget Paper 5, page 23, 'Works in progress—it sounds like the member for West Torrens—'rural and remote transport.' Will the minister advise whether any of the \$9.946 million allocated to rural and remote transport in 2005-06 is, in fact, federal government funding? You can take that on notice, if you like.

**The Hon. P.F. CONLON:** I think some of it is, but we will check that. We think \$2.1 million, but we will check that. If that is not right, I will get an answer.

**Mr BRINDAL:** My next question relates to Budget Paper 5, page 22, works in progress, 'Port River Expressway'. How much of the \$70 million allocated to the Port River Expressway, stages 2 and 3, in 2005-06 is a federal government contribution?

**The Hon. P.F. CONLON:** It is less than half. It is a big lump. I think we are spending their money first. We will get you the detail.

**Mr BRINDAL:** I refer to Budget Paper 3, page 3.9, 'Fees and charges', vehicle registration. Given that the current inflation rate and the CPI in Adelaide is running at 2.2 per cent, why has motor vehicle registration increased by 3.7 per

cent for four cylinder vehicles and 3 per cent for six cylinder vehicles—

**The Hon. P.F. CONLON:** We apply the same formula you used to apply.

**Mr BRINDAL:** Minister, please hear the question, because the increases are 3.7 per cent for four cylinder vehicles, 3.6 per cent for six cylinder vehicles and 2.9 per cent for eight cylinder vehicles—which hardly seems environmentally friendly, even if it is what we used to do.

**The Hon. P.F. CONLON:** We will check that. Did you notice we put down third party premiums recently?

*Mr Brokenshire interjecting:*

**The Hon. P.F. CONLON:** That is because, when we got to government, we found it was bloody insolvent after you guys had been in charge. We are a great government doing a good job.

*Members interjecting:*

**The CHAIRMAN:** Order! I bring the committee to order.

**Mr BRINDAL:** I refer to Budget Paper 4, Volume 2, page 6.18, works in progress, 'Mawson Lakes public transport interchange', which is integral to the Port River Expressway. Why was there an underspending of \$3.772 million in 2004-05 for the Mawson Lakes public transport interchange?

**The Hon. P.F. CONLON:** Sometimes we get started early and sometimes the contractor gets started later. There is a series of answers that showed where we brought some works ahead—and this one started a bit later. It is all there and committed and will be done.

**Mr BRINDAL:** It is behind schedule.

**The Hon. P.F. CONLON:** We know it is behind schedule, but I did not notice you jumping out of your seat to pat us on the back when we brought ahead a whole lot of works.

**Mr BRINDAL:** I did not notice you jumping out of your seat and patting us on the back when we brought forward the Cross Road project by eight years.

**The Hon. P.F. CONLON:** I was always very constructive when in opposition and always tried to help you people.

**Mr BRINDAL:** You might have been, but you had some colleagues who weren't.

**The CHAIRMAN:** This is all very pleasant, but perhaps the member for Unley has some questions.

**The Hon. G.M. GUNN:** Mention was made of the rural arterial program. Will the minister indicate how much money will be spent this year on rural arterial roads; in particular, whether there will sufficient funds to complete the sealing of the road between Blanchetown and Morgan, which is of particular interest to me and the long-suffering people up there.

**The Hon. P.F. CONLON:** No, we are not doing it, sorry, mate. Do you or do you not want us to seal it?

**The Hon. G.M. GUNN:** I certainly do.

**The Hon. P.F. CONLON:** Okay, we will look at that.

**The Hon. G.M. GUNN:** My next question relates to surplus land owned by the former South Australian Railways. Some of the surplus land has considerable amounts of assets on it, which people are interested in salvaging. Is it the intention of the government to clean up some of this land and make it available to members of the public who may wish to purchase it.

**The Hon. P.F. CONLON:** Apart from that issue, I have asked for a review of transport land in general and in terms of land that should be released, and that is happening as we speak. I am sure they are beavering away back there. I see no reason why we should keep land in Transport for which we

do not have a future use, and I am currently reviewing that issue. I think it should have been done a long time ago by both governments. In relation to any rail land for which we do not have a use, I am quite happy to look at any reasonable project. In particular, I do not see any reason why we should not consider leasing some of those lands for which we may have a future use to people such as local councils, which might want to make some use of it. I am very pragmatic about that, and I think we should try to be sensible about it. If the member has a realistic proposition in relation to specific land, he should come and talk to us and we will tell him what we can do. I make the point that, in relation to rail land in particular, as opposed to all other transport land, the one issue is that often, because of practices of the past, remediation of rail land is a greater burden than the value of it.

**Mr BROKENSHERE:** Minister, the government is reviewing the position it will take on regional bus services. Can the minister explain, whilst he is only undertaking a review at the moment, why there is a drop in funding from \$4.991 million in the 2004-05 budget to \$3.995 million in the 2005-06 budget?

**The Hon. P.F. CONLON:** What page is the member referring to? I cannot see any reason why regional funding would be going down.

**Mr BROKENSHERE:** Page 6.26, 'Program 2: Performance Criteria', under the heading 'Sub-program: 2.5—Regional Public Passenger Transport Services'.

**The Hon. P.F. CONLON:** My advice is that, in real terms, the funding has gone up something like 9 per cent. The funding for regional passenger transport is the same for 2004-05, with a CPI adjustment. The reduction that appears in the numbers the member is looking at has arisen from an internal process relating to overhead allocations, that is, not being allocated to those projects, and the way in which they work. The actual service component has increased with the CPI. The other side of that is that we will continue negotiations with regional councils about funding bus services into the future, because they do not appear to have any rational base. It seems that the history of them is lost from corporate knowledge.

**Mr BROKENSHERE:** Just on that issue, given that, when I was a minister, I used to have good public servants telling me things like that, can I have an explanatory notice about where that anomaly occurs—not now but when the minister sends the rest of the material?

**The Hon. P.F. CONLON:** Overall spending in regional passenger services, apart from that program, is actually up.

**Mr BROKENSHERE:** Can the minister advise how much the government has allocated in the current budget for continuing the rail track re-sleeper project to replace timber sleepers on the suburban rail tracks with concrete sleepers? Is this covered under minor works? If so, how much has been allocated to the resleeper project?

**The Hon. P.F. CONLON:** I will get you the detail on that.

**Mr BROKENSHERE:** Both the minister and I have a lot of interest in South-East Rail and, no doubt, the department does too because it is still highlighting that as a focus in the current budget papers. Can the minister advise me of the current state of play with Transport SA with respect to reinvigorating Rail South-East?

**The Hon. P.F. CONLON:** You would know that \$10 million has been set aside as a state government contribution to South-East Rail for some time. We are trying to encourage a private operator to operate that rail. It is obvious

that the case for a private operator does not stack up unless the upgrade through to Portland is part of the mix, that is, if the Victorians are also prepared to upgrade. It appears to me that—and I do not know what the transport people think—unless the upgrade of the rail to Portland is included in the mix, it is not something that is an attractive business case for a private operator. I spoke to Peter Batchelor on the phone firstly, then we met with him about these issues a couple of weeks ago on our trip to Alice Springs, which no doubt Wayne Matthew will be asking about and whether or not it was a waste of money to go to the Ministerial Council on Transport. We raised it again with them.

The truth is that the Victorians are in the process of analysing the business cases and we are in the difficult position of not being in a position to decide finally on South-East Rail until they make a decision about the rail to Portland. We are not prepared to give up on it, but we want to keep the option open of doing it, because our people say that the use of rail through to Portland for many of the products in the area would be the best use. However, my own view is that, if the Victorians do not choose to upgrade their rail through to Portland, there will not be a business case for South-East Rail and we might as well take the \$10 million away and go and look at some road solutions into the future. It is a little frustrating because I would really like to find out whether it is a road-rail solution so that we can then start master planning the future down there.

This is a difficult issue at present. We are hoping to encourage the Victorians to make a decision as quickly as they can and we are happy to provide officers to work with them at any time but, until such time as the Victorian government can make a decision about upgrading the rail to Portland, I am afraid that we are locked in a holding pattern with South-East Rail. We only have two options. One is that we wait for the Victorians to make a decision and the other is that we abandon it and look at a road solution. I think that the wise course is, unfortunately, to stay in a holding pattern until we can find out what the Victorians are doing. All we can do is encourage them to make a decision as quickly as possible.

**Mr BROKENSHERE:** I have a supplementary to that. Did the Victorian transport minister indicated to you when they may make a decision?

**The Hon. P.F. CONLON:** No; that is a bit of the frustration. We are having ongoing discussions. In fact, we cannot even get an answer on that.

**Mr BROKENSHERE:** So, it will not be in the foreseeable future probably.

**The Hon. P.F. CONLON:** At some point, we will have to say to Victoria that, if there is no decision by a certain time, we will have to give up on the rail option and start devising a road option. But I really do not want to go down that path until we know that that is what the strategy will be. I believe that it is very important that, with the growth in volume, we have strategy for freight in particular in the South-East. The region is doing very well, and I think it has a terrific local member in Rory McEwen. Ever since he has not been Liberal any more, I reckon he has been a really good bloke.

**Mr BROKENSHERE:** He certainly is not Liberal any more—you are right there.

**The Hon. P.F. CONLON:** He was a member of the Liberal Party but he is a terribly conservative man. Until the Victorians can make a decision, we are a bit stuck. But there

will be a point when we cannot wait for the Victorians any longer, but we have not reached it yet.

**Mr BROKENSHIRE:** Let us say, hypothetically, that transport in Victoria will proceed with a rail upgrade to Portland. In its support for Rail SE, did Transport SA envisage the development of a freight marshalling interchange? If so, would it be outside Mount Gambier, or will Transport SA continue to run freight through the heart of Mount Gambier on the existing rail corridor through the town, particularly given that land has now been handed back to the City of Mount Gambier?

**The Hon. P.F. CONLON:** No; that level of work has not been undertaken. These things are usually a parcel of options and, if you want a briefing on those options, we are happy to supply them. The point is made that a lot of the freight will be loaded much further north—outside Penola, in particular. I am not certain we will ever get the rail solution up, and I put on the record that I think there is a risk that we will never get the rail solution up. We cannot wait forever in the South-East, and we might simply have to move on to improving road infrastructure. We also need to know the attitude of the Victorians to one of the other suggested solutions on the Border Road, as much of that reserve is in Victoria. It is difficult for us to finalise a strategy for freight in the South-East until the Victorians have decided their strategy. After all, it is their port, and that is the problem.

**Mr BROKENSHIRE:** Did the Victorian Minister for Transport show any excitement in sharing in the Border Road venture, if it were to proceed?

**The Hon. P.F. CONLON:** I do not think they will even look at roads until they decide about rail. Auspine has shown a lot of excitement—but it would. I think that, in relation to roads, there is an issue about major users assisting in the cost, because they are of tremendous benefit to their industry.

**Mr BROKENSHIRE:** I have a question about Eyre Peninsula, where the government has committed \$10 million to road and rail efficiency improvements, including \$5 million to the Lincoln Highway and \$3 million for the Cowell to Lock Road over two years. However, the budget shows expenditure of only \$2.563 million to the total Eyre Peninsula grain transport plan for 2005-06. Yet there is a total expenditure of \$5.713 million. How does that work, based on the press release of 4 May?

**The Hon. P.F. CONLON:** Some of that money is a commitment to rail and, until such time as we get a commitment from the commonwealth, we cannot spend money. The commonwealth needs to come to the party, and we are continuing discussions. It is a bit complicated. I will get it for the member.

**Mr BROKENSHIRE:** It is just confusing.

**The Hon. P.F. CONLON:** There is money moving backwards and forwards between two years.

**Mr BROKENSHIRE:** I have a couple of questions from Mr Venning, who has leave at the moment for an important assignment. Given that the government in September 2004 announced that the installation of street lighting at the intersection of Sturt and Murray streets at Nuriootpa had been approved, is there any allocation of funds in this budget for the work to commence?

**The Hon. P.F. CONLON:** We will get Ivan an answer on that.

**Mr BROKENSHIRE:** Secondly, is the government allocating any funding towards the construction of a new roadway entrance from Richmond Grove at the Kroemer's Crossing intersection?

**The Hon. P.F. CONLON:** I feel like resigning as minister. I have let him down badly.

**Mr BROKENSHIRE:** The member for Schubert will call for your resignation. I have one more question from him: is the government allocating any funds for the upgrade of the Barossa Valley Way from Lyndoch to Tanunda?

**The Hon. P.F. CONLON:** It is a project that has been identified in the infrastructure plan. There is not committed funding for it at present. It is one of the projects on a list that we would like to do as funding becomes available. It is certainly identified as a priority, but I have to be honest with Ivan that we do not have committed funding for it yet.

**Mr BROKENSHIRE:** I refer to page 15. How much money is expected to be raised through port charges to assist expenditure on Kangaroo Island road upgrades?

**The Hon. P.F. CONLON:** It is \$117 000 for the remainder of this year and about \$400 000 in the year thereafter. It will make a very substantial difference to their capacities.

**Mr BROKENSHIRE:** Would the minister be able to advise me, if not tonight, exactly what will be done to the roads, which roads will be upgraded, and projected completion dates for those?

**The Hon. P.F. CONLON:** Essentially, this is a recognition of the difficulty the council has with its roads, but they are council roads and the funds will be expended by council. I am sure if you asked the council it will let you know what its priorities are, but I do not think there is any need for us to second-guess the council in regard to its own roads.

**Mr BROKENSHIRE:** On page 6.16, in relation to transport services for South Australia, there has to be a plausible explanation, I am sure. In 2004-05 it shows a budgeted figure of \$78.993 million under net cost of services, and an estimated result this year of \$156.69 million. I am wondering about the reason for that.

**The Hon. P.F. CONLON:** They are accounting measures, accounting for the Community Road Safety Fund in a different way now and some change from operating to investing or investing to operating. I will give the honourable member the details, but it is basically all accounting.

**Mr BROKENSHIRE:** I thought it may have been, but I was interested in the huge discrepancy. While the minister is getting those figures, in the line regulating the transport system there is a nearly \$2.5 million difference. It is probably the same thing, but if the minister could get some information on that, it would be appreciated. The famous Bombardier Glenelg to Victoria Square tramline contract, although it is not under the minister's stewardship, was a \$38 million blowout from the start.

**The Hon. P.F. CONLON:** There is a very limited number of places you can buy trams in the world, and that is the bottom line. If you want new trams, you have to go and buy them in those places.

**Mr BROKENSHIRE:** I know it blew out by \$30 million and the government was not able to get the wide-bodied, hundred per cent low-level platforms. Given the Premier's announcement—and there is some comment on this in the budget papers, for which I congratulate the department in getting together so quickly, given that the Premier got back from Portland only a few weeks ago—has any work been done in assessing the costings, the infrastructure requirements and whether there will be any additional trams needed to accommodate regular services with an extension initially to the railway station and then through to North Adelaide? Have there been any integration and assessments between—

**The Hon. P.F. CONLON:** Yes, there have. Just find us money in the budget.

**Mr BROKENSHIRE:** I am wondering if we may be able to get a little more recent information on the assessment of the strategic evaluation of that extension than I have been able to get so far, which is February 1993, such as business cases, scoping studies, traffic planning, management strategies, etc.

**The Hon. P.F. CONLON:** We will provide the honourable member with what information is appropriate to provide.

**The Hon. G.M. GUNN:** Can the minister give us an update on the likelihood of the government supporting the councils in the regional cities that are providing bus services to their constituents? I recall walking through a throng of people down at Mount Gambier, and they actually were quite excited. We did speak to them and help them—

**The Hon. P.F. CONLON:** I remember it, too.

**The Hon. G.M. GUNN:** I think there are one or two others down there who also remember it. It was rather an interesting occasion. On a very important occasion like this, I thought we should have an update.

**The Hon. P.F. CONLON:** I am more than happy to. I remember the people, too, and I remember the commitment made on the spot by your government to fund all regional bus services. I cannot wait to cost it, because an awful lot of regional centres do not get any bus services at the moment. They are looking forward to your free buses. We have had positive discussions with the mayors of those regional cities. Joy Baluch was her usual engaging, entertaining delightful self—a wonderful woman, a great mayor and one of the great characters in South Australia. The best I would say about the progress of those discussions is to repeat what Steve Perryman said: ‘We have had more progress in half an hour than we have had in the last 10 years.’ I think 10 years might have included a bit of your government as well. That is pretty good progress for the town you are talking about. I am always happy to quote a mayor who says something nice about us.

**Mr BROKENSHIRE:** I refer to program 6.14, targets 2005-06, is to prepare a detailed business case for the electrification and upgrading of Adelaide’s passenger rail network to develop an Adelaide rapid transit system (ARTS). It reads like quite an interesting business case. What is the intention with the development of that business case—is it to completely change the rail infrastructure we have now, modify it or turn it into light rail?

**The Hon. P.F. CONLON:** It is to do what it says: to study the case for electrification of light rail. It is merely to look at the case. I suspect it will be very expensive, and it is a long way from being funded yet. There is no doubt that it is a desirable thing in many ways, but we are looking at it.

**Mr BROKENSHIRE:** How much money is allocated for the business case?

**The Hon. P.F. CONLON:** It is prepared from existing resources.

**Mr BROKENSHIRE:** The minister can take it on notice.

**The Hon. P.F. CONLON:** It is prepared from existing resources. I understand we have some existing funds for external consultants, if necessary. In terms of what resources will be applied, I will get you a figure, but mostly it will be internal resources. We have a substantial number of people who work at transport and transport planning, so I am sure we will manage.

**Mr BROKENSHIRE:** I have some omnibus questions, as follows:

1. Did all departments and agencies reporting to the minister meet all required budget savings targets for 2003-04 and 2004-05 set for them in the 2002-03, 2003-04 and 2004-05 budgets and, if not, what specific proposed project and program cuts were not implemented?

2. Will the minister provide a detailed breakdown of expenditure on consultants in 2004-05 for all departments and agencies reporting to him, listing the name of the consultant, the cost, the work undertaken and the method of appointment?

3. For each department or agency reporting to the minister, how many surplus employees are there as at 30 June 2005, and for each surplus employee what is the title or classification of the employee and total employment cost of the employee?

4. In the financial year 2003-04, for all departments and agencies reporting to the minister, what underspending on projects and programs was not approved by cabinet for carry over expenditure into 2004-05?

5. For all departments and agencies reporting to the minister, what is the estimated level of under expenditure for 2004-05; and has cabinet already approved any carryover expenditure into 2005-06 and, if so, how much?

6. (1) What was the total number of employees with a total employment cost of \$100 000 or more per employee; and also, as a subcategory, what was the total number of employees with a total employment cost of \$200 000—I think we would all like that—

**The Hon. P.F. CONLON:** Your mate Martin Hamilton-Smith says that workers do not get paid enough in this state.

**Mr BROKENSHIRE:** I think we would all like \$200 000, you and me included—or more per employee, for all departments and agencies reporting to the minister as at 30 June 2004?

(2) What is the estimate for 30 June 2005?

(3) Between 30 June 2004 and 30 June 2005, will the minister list the 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?

7. Please provide a detailed breakdown for each of the forward estimate years of the specific administration measures which will lead to a reduction in operating costs in the portfolio.

With that, the opposition has no further questions on transport.

**The Hon. P.F. CONLON:** I place on the record my gratitude for the assistance of our public servants here today and also to Hansard.

**The CHAIRMAN:** I close the following lines: Minister for Energy, Minister for Infrastructure, Minister for Transport, departments for transport, energy and infrastructure, administered items for transport, energy and infrastructure and the Minister for Transport, TransAdelaide. I declare both those examinations completed.

## ADJOURNMENT

At 6 p.m. the committee adjourned until Friday 17 June at 9.30 a.m.