

HOUSE OF ASSEMBLY**Wednesday 18 October 2006****ESTIMATES COMMITTEE A****Chair:**

Ms M.G.Thompson

Members:

Mr L. W. Bignell
 Ms V. Ciccarello
 Ms C. C. Fox
 The Hon. G.M. Gunn
 Dr D. McFetridge
 Mr D.G. Pisoni

The committee met at 9 a.m.

 Arts SA, \$103 912 000
Witness:

The Hon. M.D. Rann, Premier, Minister for Economic Development, Minister for Social Inclusion, Minister for the Arts, Minister for Sustainability and Climate Change.

Additional Witness:

The Hon. J.D. Hill, Minister Assisting the Premier in the Arts.

Departmental Advisers:

Mr. W. McCann, Chief Executive, Department of the Premier and Cabinet.

Mr G. Mackie, Executive Director, Arts SA.

Mr J. Andary, Director, Arts Development and Planning, Arts SA.

Ms J. Worth, Director, Cultural Heritage and Special Projects, Arts SA.

Ms A. Reid, Director, Strategy, Policy and Initiatives, Arts SA.

Mr G. Kling, Manager, Budget and Financial, Arts SA.

The CHAIR: Estimates committees are a relatively informal procedure and, as such, there is no need to stand to ask or answer questions. The committee will determine an approximate time for consideration of proposed payments to facilitate changeover of departmental staff. I ask the minister and the lead speaker for the opposition to indicate whether they have agreed on a timetable for today's proceedings and, if so, provide the chair with a copy.

The Hon. M.D. RANN: I understand we have agreed a timetable.

The CHAIR: 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 17 November. I propose to allow both the minister and the lead speaker for the opposition to make opening statements of about 10 minutes each. 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 are to be directed to the minister, not the minister's advisers. The minister may refer questions to advisers for a response. I also advise that for the purposes of the committee there will be some freedom allowed for television coverage by allowing a short period of filming from the northern gallery.

I declare the proposed payments open for examination and refer members to the Budget Statement, in particular pages 2.6 to 2.8, and the Portfolio Statements, Volume 1, Part 1. I now invite the Premier to make a brief opening statement if he wishes.

The Hon. M.D. RANN: I thank everyone for being here today and I am sure it will be very rewarding for us all. Arts is in a very buoyant state in South Australia in 2006. I am told that creative industries employ 16 500 South Australians and add about \$1 billion to our GSP. We have much artistic and commercial activity and success at present. Last night I launched the Adelaide Festival Centre's exciting and comprehensive 2007 program, with specific theatre, dance and music programs being the highlight. Douglas Gautier, the new CEO of the Adelaide Festival Centre, is doing a tremendous job. Basically, dance festivals and a whole series of theatrical and musical events are planned to light up the Adelaide Festival Centre throughout the year. We are delighted to see someone with his contacts and entrepreneurial spirit.

We are doing particularly well in the film industry. Films arising from the Adelaide Film Festival, in conjunction with the South Australian Film Corporation, are achieving critical and commercial success. *Look Both Ways* made a clean sweep of last year's AFI Awards, and I am predicting likewise in December for *Ten Canoes*. It was one of the big hits of the Cannes Film Festival. A lot is happening in the film industry. The inaugural Ruby Awards were an outstanding success last month. Local arts companies, such as the Australian Dance Theatre, with *Held* and *Devolution*, are earning rave reviews for their performances around the world.

Recently, the Adelaide Symphony Orchestra launched an impressive program for 2007. I think that the ASO is one of the state's icons. Thousands of people are turning up for the Sundays at the Festival Centre program. We have recently launched the SA Premier's Arts Partnership Fund, which is designed to bring together small arts companies and business in sponsorship arrangements. The state government is building on this with over \$100 million in arts funding in the budget—one of the highest totals in history. Of course, that includes \$8 million over three years to upgrade the Dunstan Playhouse and other parts of the Festival Centre which, in my view, is long overdue. I am sure that anyone who has been there would agree that it is getting a little tired. It needs to be upgraded. We have seen upgrades of other parts of the Festival Centre, and this can only be good.

We have provided \$2 million over four years for the Adelaide International Guitar Festival. I predict that this will be the next big WOMAD equivalent in Adelaide. Almost coincidentally, I met with the head of the New York Guitar Festival at WOMAD this year. We then had a discussion about having a southern hemisphere equivalent. I met with him again during a visit to New York, and we have signed the deal. I think that this will be another outstanding international festival based in Adelaide.

Also, we made the decision to make the Fringe Festival an annual event. We are providing \$2 million for that, as well as \$500 000 for free events at the Adelaide Festival of Arts. Everyone will remember the great opening nights of the Adelaide Festival. As well, \$200 000 has been provided to continue the Adelaide Festival of Ideas. This is a biennial event. There is also a one-off amount of \$200 000 for the Festival Centre's 'Winter' program. Other programs being supported by the government include Out of the Square by Suburban Theatre Productions, \$1 million for the Richard Llewellyn Arts and Disability Trust Fund and the Fringe Benefits discount tickets scheme for young people.

Dr McFETRIDGE: The committee should be aware that the Liberal Party has a strong record of supporting the arts. I noted last night when he made the wonderful announcements about the Festival Centre that the Premier said that the centre was opened by Gough and Don. That is quite true, but it was started by Steele Hall. In addition, we cannot forget the fantastic efforts the Hon. Diana Laidlaw has put into the arts over the years. Certainly, she is looking over my shoulder and giving me some support and frank advice.

As the Premier said, the arts is a huge industry in South Australia. In fact, I would like to see the creative industry, as the Premier called it, incorporated into what is called the experience industry. When one looks overseas one can see that Sweden does focus on the experience industry with arts, culture and tourism all lumped into one. It is a huge industry, and it could be the new industry for South Australia. When you have 30 000 people employed in tourism and 16 000 people employed in the creative industries it is a big, multibillion dollar industry employing tens of thousands of people.

The experience industry, I predict, will be the big growth industry for South Australia. To continue that industry's growth and to foster it, obviously, we need to be spending money. This is one area where the opposition, as I say, has a long history of supporting the arts. We would encourage further spending in this area. While we do have some cuts in this budget (and I will be seeking information on those specific cuts), it is pleasing to see that funding is being put in place and that we are fostering the arts.

The Fringe Festival going annually is probably one of the really top announcements of this budget. I was in Edinburgh in July and I spoke with the Edinburgh Fringe people who were very enthusiastic not only about what they had been doing but also what Adelaide has been doing. Our Fringe going annually was strongly supported by them, and I have come back with that strong opinion. We will want some further detail on some of the planning that has gone into that, but I see that money is in the budget for that support.

The need to foster our film industry is something that is happening. I do have questions about providing money for films such as *Wolf Creek*, though. I am very rarely disturbed by a film, but I found *Wolf Creek* quite disturbing. After speaking to some overseas tourism operators, it is not a film I would recommend to overseas tourists coming to Australia.

I know that the Premier is visiting the APY lands this weekend. Aboriginal arts is a huge area of employment and potential for Aboriginal communities. One area of Aboriginal arts I would like to see looked at is the verification and authenticity of Aboriginal art. That area needs to be looked at and examined in a way so that the artists themselves will continue to benefit from the boom in the sales and popularity of Aboriginal art.

If you are going to keep developing Adelaide as an iconic place to visit for the experience industries, you really do need to keep developing a precinct that will be attractive, accessible and, above all, iconic. We have the perfect place in Adelaide, that is, the western end of North Terrace. Certainly, while I have not completed any funding or costings on a proposal down that end of the city, in July I did speak to the Guggenheim Museum's corporate development officers in New York, and they are very keen to look at a proposal from Adelaide.

You are talking about big money but, certainly, when you have the world's best collection of Aboriginal artefacts in our own museum having it located in the Guggenheim is something that should be considered. I invite the Premier to contact the Guggenheim and have some discussions with the appropriate people. I visited England in July and looked at the National Space Museum. The Andy Thomas National Space Museum could also be located on North Terrace. When you see a rocket from Woomera on display overseas you start to think that we are doing something wrong. I also visited the National Museum of Play in Rochester, New York. This was not just about kids playing in sandpits: it was about literacy and numeracy. It was high-tech. It was the Investigator Science Centre 10 times over. Certainly, that could be incorporated in the precinct on North Terrace. I think that the Mem Fox Museum of Play could be considered. Obviously, I am suggesting names here, but we need to have a long-term vision. It is a multimillion dollar vision, and a vision that we need to have for the experience industry in South Australia.

I encourage the government to keep fostering the arts in Australia. It is part of what I call the experience industry. As I said, it is a multibillion dollar industry employing tens of thousands of people. I look forward to getting answers to some of the queries the opposition has today.

The CHAIR: Premier, would you like to introduce your advisers now?

The Hon. M.D. RANN: I think it is appropriate that I acknowledge the bipartisan support and also the great contribution of Diana Laidlaw to the arts. Whilst I am proud of the Adelaide Film Festival, the Guitar Festival, WOMAD and the Fringe being held annually, I know that Diana can be incredibly proud of Windmill and a range of other initiatives that were hers during her time as minister for the arts.

On my right is, of course, the Minister Assisting in the Arts, John Hill. I should say that we share the portfolio, unlike some minister-assisting arrangements where a minister assisting is sent out to functions. We divide responsibilities. The State Library, for instance, reports directly to John Hill, as do the Adelaide Festival Centre Trust, the History Trust and the State Theatre Company; whereas the Adelaide Festival and the film industry and other areas, such as the Museum and Art Gallery, report to me. So it is essentially a shared portfolio.

I also introduce Warren McCann, CEO of the Department of the Premier and Cabinet, who also of course has responsibility as overlord of the arts. Greg Mackie is Executive Director of Arts SA and, of course, has had a distinguished

history in the arts before assuming that position in government. Jeff Andary is Director, Arts Development and Planning; Janet Worth is Director, Cultural Heritage and Special Projects; Alexandra Reid is Director, Strategy, Policy and Initiatives; and Gerry Kling is Manager, Budget and Finance.

Dr McFETRIDGE: I acknowledge Greg Mackie and the cooperation I have had from Greg and his officers. My first question relates to Budget Paper 3, pages 2.7 and 2.8, savings initiatives and grant reductions. What grant programs will be affected by savings strategies, operating efficiencies, efficiency dividends and grant reductions?

The Hon. M.D. RANN: I will ask Mr Mackie to respond in that area.

Mr MACKIE: Thank you, Premier. In respect of the financial year 2006-07, there is a total savings contribution by the arts of \$376 000. That allocation is being not equally apportioned because there are some aspects of the arts portfolio that are more vulnerable and other aspects of the arts portfolio that have a capacity to accommodate budget savings and, indeed, an ability to generate additional sponsorship revenue and additional box office revenue. The makers of art and the programs that support the makers of art have not been required to make any contribution and, indeed, in the majority of instances the Treasury allowance for inflation has been applied to each of those organisations and each of those grant programs for independent artists. The savings are being shared across the cultural heritage sector and the presenter organisations, which have been quite successful in recent years in attracting additional corporate sponsorship and, indeed, additional funds from other tiers of government.

Dr McFETRIDGE: How were the spending initiatives outlined in Budget Paper 5 arrived at, and is there a list of priority targets that may be having to look over their shoulder? The grant cuts are listed on page 2.7 and you have outlined some of them. Is there another list of targets that we should be looking at? Is there another agenda here?

The Hon. M.D. RANN: We can provide you with that information.

Dr McFETRIDGE: I want to know which organisations need to get out there and bang the drum with our corporate sponsors.

Mr MACKIE: All of them.

Dr McFETRIDGE: The Investigator Science Centre, in particular. How many staff work in Arts SA, and how many will be affected by the announced changes in the Public Service numbers?

Mr MACKIE: Within the Arts SA central office there are approximately 45 employees, plus about an additional 20, so about 65. But included within that complement are our finance and HR services branches which are, in fact, a part of the whole of DPC and provide those services to the whole of DPC. As regards the full-time equivalents related specifically to Arts SA, we are talking about approximately 25.

Dr McFETRIDGE: That is full-time employees in Arts SA?

Mr MACKIE: Central office.

Dr McFETRIDGE: And none of those will be affected by the proposed cuts in the Public Service?

Mr MACKIE: No.

Dr McFETRIDGE: In September the minister announced the funding for a theatre development fund. This is Budget Paper 4, Volume 1, page 1.23, grants and subsidies, theatre development fund. How much money is there in the fund? Is

this new money to the budget, or has this money been allocated from reductions in other areas?

Mr MACKIE: The theatre development strategy that the Premier announced on 26 September is funded by \$210 000 per year, which is funding that was previously allocated to the organisations funded through the arts industry development program, organisations development funding stream, in respect of theatre activity, and those funds have also been supplemented by the newly announced regional theatre initiative in which Arts SA, the Australia Council and Country Arts SA are partners. That regional theatre initiative brings about \$160 000 per year from Arts SA funds, about \$100 000 per year from the Australia Council and about \$135 000 in kind from Country Arts SA over the course of the next couple of years.

Ms CICCARELLO: I refer to Budget Paper 4, Volume 1, page 1.23. Will the Premier elaborate on what he has been doing to ensure the successful development of the creative industries?

The Hon. M.D. RANN: In 2005, the government commissioned a report into the creative industries in South Australia to determine the status of and potential for growth of these industries in our state. It is interesting that that report found that the creative industries in SA employed 16 500 people, which is about 2.5 per cent of state employment, I am told. They pay annual wages of about \$640 million with a turnover of about \$2 billion and contribute \$1 billion to GSP. It is estimated that the sector contributes about \$100 million to \$120 million per annum in direct exports. That is something that often a lot of people do not think about, but our arts are a significant exporter. Whilst disparate and broad, this industry sector is comparable in size to both automotive and mining in terms of employment and gross state product.

South Australia has always had a reputation for creativity and innovation, and the South Australian government has continued to build that reputation. This year we have increased funding to the creative arts sector by over 9 per cent, including capital, I am told, from \$95.971 million in 2005-06 to \$104.812 million. This includes the first legislative capital funding for the \$8 million upgrade of the Adelaide Festival Centre and the \$1.8 million upgrade of the Lion Arts Centre. We have been promoting South Australia's reputation for the arts through the Adelaide Festival, the Adelaide Fringe, the Cabaret Festival, WOMAdelaide, the Adelaide Film Festival and a range of other areas. I have announced that the Adelaide Fringe will be presented annually from 2007.

I am told that over 900 000 people attended the Fringe this year, which is an astonishing figure, and audiences spent \$39.4 million. Making the Fringe an annual event will help to sustain and grow the creative industries in this state by providing a vital opportunity for local artists to showcase their work. The government also increased funding for the 2006 Cabaret Festival, another Diana Laidlaw initiative. The focus of this festival has increasingly been on the engagement and employment of local talent, funding provided by government spent on the employment of South Australian artistic talent. We want to do the same with the Guitar Festival. I want there to be a substantial local component so that our festivals do not just showcase international artists but also foster local artists.

We are looking forward to the Jimi Hendrix spectacle on the last night of the Guitar Festival in Elder Park. Some of the world great guitarists and Australian guitarists will come together in a jam session, I am told, to celebrate Jimi

Hendrix, who was part of the youth of many of us. Apart from our Festival features, we have also increased funding to the Adelaide Festival Centre to expand its programming throughout the year. The focus of these new program initiatives will be on further engaging with local creative arts companies, including the State Theatre Company, Adelaide Symphony Orchestra, ADT and Leigh Warren and Dancers, along with smaller ensembles and arts training institutions.

The Festival Centre for years was the flagship of the arts, the mother ship of the arts, and a lot of the others have gone off elsewhere. What we want to try to do is bring back that sense of the Adelaide Festival Centre being the mother ship for the arts and bring some of the organisations back into the centre. The new South Australian Regional Centre For Culture program, an initiative of John Hill and Greg Mackie, will encourage new partnerships and investment in cultural infrastructure and increase access to the arts for regional South Australians. The government has allocated \$1.8 million over the next four years to commence this initiative, and Port Augusta has been selected as the first centre.

To put this in to context, in Europe, obviously on a massively bigger scale, every year a different city in Europe is designated years in advance as the European City of Culture. I remember Nicosia in Cyprus, and this year or next year it is Liverpool. We have some fantastic theatres in regional South Australia. It showed real vision to have the Robert Helpmann Theatre in Mount Gambier, the Keith Michell Theatre and the Middleback Theatre. We have fantastic theatres in regional South Australia, but we wanted to try to think of something that would help put a focus on a region and also give it a critical mass to generate other artistic and cultural initiatives. This is a kind of mini-European City of Culture, and Port Augusta will be the first one.

It is quite a big financial commitment by the state government but we think it will pay dividends. I am sure the local member will be very supportive because I know he is a great supporter of the arts.

The Hon. G.M. GUNN: You didn't bargain on having me there!

The Hon. M.D. RANN: But we are very pleased that you will be there. A significant sector within the creative industries is the screen-based industry, and there are three targets in the Fostering Creativity section of South Australia's Strategic Plan relating to screen industries. Target 4.3, to significantly grow and expand South Australia's share of the national feature film industry to match our population of 4.4 million and to double our share of television production within 10 years, has been met and exceeded only a couple of years into the life of the plan. Progress on the third target is still not resolved. The success of screen-based industries is reflected in the growing number of the sector's companies experiencing strong export growth.

One such example is Rolf De Heer's *Ten Canoes*, which won the Special Jury Prize at the Cannes International Film Festival and was selected as Australia's official entry for consideration for best foreign language picture at next year's Academy Awards in Los Angeles. The film has been sold to countries such as France, Belgium, Germany, Great Britain, the Czech Republic, Romania, Russia, the United States and Canada. The film was financed to the tune of \$440 000 by the Adelaide Film Festival investment fund which we established, and the South Australian Film Corporation.

The Adelaide Film Festival is quite unique in the world. Most international film festivals just screen pictures from elsewhere and the artistic director goes off around the world

and looks at films and then chooses the best, in their view. Ours is different because it actually invests in every step of the creative process, from script development right through to the actual funding of the film-making and post-production. Someone told me there are 1500 film festivals in the world. The Adelaide Film Festival and just a handful of others actually invest in making films. Our first two, *Look Both Ways* and *Ten Canoes*, in terms of feature films, have been massive, world-wide critical successes. So, all power to them.

In addition to Rolf's successes, there are a multitude of other successful film-makers in South Australia. This is reflected in the nominations for the nation's film industry returns for 2006. In the broader screen industry sector—and this is why I talked about exports—Rising Sun Pictures has delivered more than 100 visual effects shots to the film *Superman Returns*. Chrome Studios, the largest Australian video game developer, has established an Adelaide studio employing many of the former Ratbag staff to assist in their rapidly expanding export business.

The People's Republic of Animation established a partnership with the Shanghai Animation Film Studio with the aid of a state government market access grant. The Shanghai studio is one of only two studios with wide distribution in China. The state government has played a lead role in several new initiatives to promote and grow the screen industry's mEga SA, the South Australian industry development program, to grow the mobile content industry commenced in July 2006. In fact, 35 entrepreneurs, digital artists and programmers have begun intensive training in the development of mobile content. This industry-led government-backed initiative enjoys the leadership of two nationally leading South Australian companies: Kukin Studio and m.Net Corporation.

Carnegie Mellon University's Entertainment Technology Centre commenced in Adelaide earlier this year. The CMUETC not only brings international students to Adelaide, but also brings extensive expertise and global networks in the electronic entertainment industry. Their students in Pittsburgh go on to work for Spielberg and Disney and people like that.

In addition, a consultant has been engaged to explore the creation of the screen industry's hub in the west end of Adelaide's CBD. This project could potentially help to enhance the arts hub, which has been developing in the area for some time, and create a renown centre for screen industries nationally.

The government is also committed to helping the development of emerging and developing creative practitioners. The Lion Arts Centre is the home to many second-tier organisations and, as a consequence, we have allocated \$1.8 million over four years to upgrade the internal and external features of these facilities which play such an important role in supporting the innovative and creative artists. These include the Jam Factory, which is doing a brilliant job, Leigh Warren and Dancers, Patch Theatre, Nexus, the Experimental Art Foundation and the Media Resource Centre.

To support and encourage local artists, we have also established an annual arts award event. The event aims to celebrate and honour its achievers in the creative and prosperous arts sector. Named after Dame Ruby Litchfield, the 2006 Ruby Awards are comprised of six categories, and the winners were announced during a special presentation at the Dunstan Playhouse in September. The awards were positively embraced by the arts and cultural community and extensively promoted in the media. I want to congratulate *The Advertiser* for its support and coverage of the arts.

The government is committed to ensuring we have world-class arts venues and high quality arts experiences for all South Australians and for our national and international visitors. Through these initiatives that I have outlined here today, as well as many others, we are maximising the quality and creative capacities of our artists, art workers, arts companies and organisations, and giving South Australia a well deserved reputation for excellence, originality and vitality.

Ms CICCARELLO: Again from Portfolio Statement Budget Paper 4, Volume 1, 1.23, what is the South Australian government doing to offset the increase in core operating costs of the Adelaide Festival of Ideas?

The Hon. M.D. RANN: The Adelaide Festival of Ideas was the brainchild of Mr Mackie, who also, of course, played a central role in Writers' Week. It gets mentioned around the world, just as Writers' Week does. Since its inception in 1999, the biennial Adelaide Festival of Ideas has grown significantly in national and international stature. The number of speakers and sessions has doubled. Attendances have increased by 65 per cent and the festival has developed as a destination for interstate visitors.

As a result of this growth and general cost increases, expenditure on the festival has increased by 38 per cent since 2001. In the same period, the festival's revenue has increased by 6 per cent, most significantly in the area of sponsorship, which has risen by 77 per cent, and in box office, which has risen by 14 per cent. You have to remember that most of the events are free and we see huge numbers, thousands of people, going to venues often in the North Terrace and university precinct.

However, despite its commendable increase, the government believes that it is vital to the high standard of the event that funding be further increased. The South Australian government will therefore provide an additional \$50 000 a year in operating funds over the next four years, that is from 2006-07 to 2009-10. These additional funds will double the government's operating grant for the Festival of Ideas from \$100 000 to \$200 000 per festival. This increase will enable the Festival of Ideas to maintain its edge as a significant event which attracts high profile influential speakers. It will also ensure the event's continuing growth and success and its further contribution to Adelaide's reputation as a sophisticated, creative city.

I should say how it is great in the creative industries that some things of course then foster other things to happen. It was attending the Festival of Ideas when I was in opposition that led me to the idea of setting up our Thinkers in Residence scheme. We now have some world class thinkers coming down and spending time with us in master classes and a whole range of other areas. So many of the projects that have been spawned by the thinkers program came out of my attending the Festival of Ideas. So, well done, Mr Mackie, and particularly well done to Rose Wight, who runs the Festival of Ideas and has also run the Writers Week.

All around the world people in publishing and famous writers and philosophers mention Rose White. She is one of our state's great icons: if only we had more Rose Wight in our state. Even though there are hundreds of other writers weeks around the world, the reason why this is one of two in the world (along with Hay-on-Wye in Wales) that they come to is because they are so fearful of Rose. They love her and fear her simultaneously and they know it is not worth their while refusing.

Ms CICCARELLO: It is nice to know that creative things come from a lot of people in Norwood. I refer to Budget Paper 4, Volume 1, page 1.24. In light of the decision to provide funding to allow the Adelaide Fringe to become an annual event, will the minister comment on the outcomes of the 2006 Adelaide Fringe Festival?

The Hon. J.D. HILL: The Premier gave a little bit of this information but I can give a bit more. The results of a survey conducted during the 2006 Adelaide Fringe indicate that 907 700 people attended the ticketed and free events of the 2006 Fringe, spending \$39.4 million on tickets, food and drinks, entertainment, accommodation and travel in South Australia. This compares favourably with the 2004 Fringe's estimated attendances of 783 400—an economic impact of \$24 million. This clearly illustrates the value of this major event in our arts calendar.

Fringe audiences comprised 74 per cent from Adelaide and 26 per cent from intrastate, interstate and overseas. Interstate visitors made up 13 per cent of total visitors, with the majority of these from New South Wales (48 per cent) and Victoria (36 per cent). Of the 85 per cent of visitors from intrastate, 32 per cent were from the Adelaide Hills and 18 per cent were from the Flinders and outback regions, which demonstrates that the Fringe is for all of South Australia, not just Adelaide.

The survey indicated that 68 per cent of the visitors came to Adelaide specifically to attend the fringe and therefore would not have made the trip to South Australia if not for the event. They stayed for an average of 11.8 nights in Adelaide and .7 nights elsewhere in the state. Total average expenditure for visitors was between \$709 and \$1 056, and for Adelaide residents from \$115 to \$209 per person. The overwhelming majority (97 per cent of people surveyed) said that they would return for another Adelaide Fringe. These results obviously vindicate the decision to make the Adelaide Fringe an annual event from 2007.

The Hon. G.M. GUNN: The Premier and the minister would be aware that a few months ago Country Arts SA briefed myself and a number of other people in relation to a proposal to redevelop the old institute building in Port Augusta—which was, I thought, a very good idea—to provide a location for arts to take place in that city. I wonder if the Premier or the minister can bring us up to date as to when that is likely to take place and supply any other interesting information in relation to that particular building. I think it is true to say there was a lack of facilities in Port Augusta. Port Augusta missed out on getting any theatres. My understanding is that Port Augusta was in line but then Ted Connolly came along and Port Pirie had to be looked after, so there is now nothing in Port Augusta. I wonder if you could bring us up to date.

The Hon. J.D. HILL: The Premier has already mentioned in general terms the Regional Centre for Culture program. Port Augusta is the first cab off the rank. Our intention is to put in funding over a two-year period. Some of the funding, approximately a quarter of it, would be for capital works or for something which would be a legacy for the community after the festival has gone, and it is really that matter to which you are referring. The rest of it is for programming.

We have been talking to the commonwealth government as well, and we are reasonably optimistic that they will put some funding into this program as well. I am not quite sure how much and what the parameters will be, but we are optimistic. We are also looking for commercial sponsorship and we are talking with the major companies based in

Adelaide. We are asking the opera, the ASO, the State Theatre, the library, all of those organisations which receive state funding, to put something on in that community as well, and the response we are getting has been very positive. This will be a really big event in the life of Port Augusta. Regarding programming, I think we are looking at towards the end of next year, and early next year for the actual content.

Country Arts has been working with the city council on the upgrading of that facility to which the member referred because, as he said, there is not really a performance place in Port Augusta. The institute building would lend itself to an intimate cabaret, small theatre, entertainment sort of space, and it would be terrific, I think. I will be talking with the mayor in the near future, but I gather that the council has ambitions that the old town hall ought to be restored as a matter of high priority. Whilst I understand their ambitions I think it is unrealistic that the fund that we have available could be used for that purpose, because it would not make a dent in the needs of that building, which would amount to multimillion dollars. So, we really need to talk this through with the city council. Our goal would be to upgrade the facility to which you refer, provided the council is willing to cooperate, and to have a permanent venue which could then be used by the citizens of Port Augusta and surrounds well after the festival is finished.

The Hon. M.D. RANN: I think we could boost the arts in Port Augusta by perhaps funding a production of 'Gunny and Joy: The Musical'.

Mr PISONI: Will the Premier outline the funding requirement for the redistribution of the SA Video and Film Collection to public libraries and say what additional funds have been allocated specifically for that purpose?

The Hon. J.D. HILL: As part of the Towards 2010: Developing the Public Library Network Implementation Plan, a review of the SA Video and Film Collection commenced in August 2005 and concluded in July this year with a paper prepared for the libraries board. The review investigated the use and operation of the collection and considered stakeholders' needs and alternative service provision models. The review revealed that the collection was underutilised, with only 2 562 people from approximately 11 000 members actively accessing and using the collection in the past two years, and only 42 per cent of the collection had actually been used in the past five years. The Video and Film Collection has become outdated and, although DVD purchases have been made in recent years, there is no doubt that there is duplication of resources within public libraries.

Resources are currently being diverted to priorities such as the future directions of the P2 system, which is part of the interlibrary sharing information system, and interlibrary loans (ILL). The potential use of interlibrary loans for the Video and Film Collection means that dispersing the collection to public libraries will allow the collection to still be available to the general public. Registered users will be informed of the decision to disperse the collection and no new bookings or members will be accepted from 1 October 2006. All existing bookings will be honoured until 22 December this year. The core collection of items will be dispersed to public libraries from January 2007, with historically significant items to be acquired by the State Library for preservation. Money allocated to materials for this collection from the 2005-06 and 2006-07 budgets are to be placed in libraries' budget grids in February 2007.

Mr PISONI: What will the savings to the South Australian library service be for the redistribution of the SA

Video and Film Collection? Will any of those savings be reallocated to public libraries for those libraries to purchase additional facilities to house the collection and have staff enter them into their systems?

The Hon. J.D. HILL: We will have a closer look at that question and, if there is any further information that I can give you, I will. My understanding is that this is not about any savings as such. Perhaps Mr Mackie might elaborate.

Mr MACKIE: As I understand it, the decision to disperse the collection across the public libraries network will, in fact, increase access to the collection. It is not about a diminution of the collection: it is about an improvement to access. As a very active interlibrary loan system operates right across South Australia, people will still be able to request and access the collection from their local library rather than the specific site of the film and video collection, as has been the case in the past.

Ms FOX: I refer to Budget Paper 4, Volume 1, page 1.24. We have read that the new CEO of the Adelaide Festival Centre Trust is increasing the trust's programming activities. Is any enhancement of the building planned?

The Hon. J.D. HILL: The government has allocated \$8 million over three years to upgrade the Dunstan Playhouse auditorium, public foyers and the Festival Centre art space. I attended *Uncle Vanya* last night in the Dunstan Playhouse, which was a superb presentation. It would be difficult to get tickets now as I think the whole season is just about sold out. I, personally, will be very disappointed to see the old vinyl chairs disappear and that squeaking sound they make during performances.

The Hon. M.D. Rann interjecting:

The Hon. J.D. HILL: As the Premier said, somebody behind me, a rather large gentlemen, actually fell through the seat onto the floor. I will also miss terribly the faded blue carpet. I think when we remove the carpet we will cut it up into small strips and sell it as heritage items or mementos for patrons.

The Adelaide Festival Centre is South Australia's flagship venue for the performing arts. It hosts significant national and international arts events such as the Adelaide Festival, the Adelaide Cabaret Festival, the Australian Performing Arts and, of course, the world-famous *Ring Cycle*. The drama centre, now named the Dunstan Playhouse, has been operating since 1974, and it is well overdue for upgrading and updating. The proposed work was identified in the 1997 master plan for the centre. The auditorium, public foyers and visual arts venue will be transformed and updated to become vital spaces for local and overseas productions and exhibitions. The project was an election commitment which was driven by the recognition that the creative industries contribute almost \$1 billion to the state's economy and, together with the state's festivals, draw large numbers of visitors. I am really looking forward to this. I think it will improve the amenity for visitors and performers.

Dr McFETRIDGE: I refer to Volume 3, page 2.7: operating initiatives in the Adelaide Festival Centre Trust. What is the budget allocation for upgrading Adelaide Festival Centre technical equipment to digital? If there is no allocation, will the Adelaide Festival Centre Trust undertake a survey of technical needs?

The Hon. J.D. HILL: I will ask Mr Mackie to respond.

Mr MACKIE: There is the intention within the \$8 million refurbishment program over three years to include upgrade of technical equipment for the Dunstan Playhouse, and indeed the Drama Centre, which includes the Playhouse

and the Space. While I do not have specific figures for you, we can provide that detail at a later date, but I can assure you that there will be attention to the latest developments in theatre presentation technology.

Dr McFETRIDGE: I think minister Hill referred to the capital works plan for the Festival Centre, but is the Dunstan Playhouse the only theatre space at the Adelaide Festival Centre that needs an upgrade—and this is almost a Dorothy Dixier, isn't it? Is the Dunstan Playhouse the only theatre space at the Adelaide Festival Centre that is in need of an upgrade?

The Hon. J.D. HILL: Of course, the main Festival Theatre itself was upgraded under the former minister's regime. Diana Laidlaw found funds for that, and it does look good. It was terrific last night. I think everybody who was there for the opening of the 2007 Festival Centre year would agree, and the foyers and so on are in pretty good shape, and the artworks have been upgraded or been conserved properly. If we get the Dunstan Playhouse and the Arts Space upgraded, I guess that just leaves The Space to be upgraded. I am not too sure The Space needs a lot of work. In essence it is just a box which things are done to. But I guess all areas need upgrading from time to time. Mr Mackie might have a view about that.

Mr MACKIE: Technical equipment is shared between the Dunstan Playhouse and the space called The Space, and, in addition, during Cabaret Festival time there are other short makeshift spaces created within the Drama Centre, and they also benefit from the upgrade of equipment that is provided to the whole Drama Centre.

Dr McFETRIDGE: Budget Paper 4, Volume 1, page 119, 'Grants and subsidies', and the dear Royal Geographical Society: can the minister tell us what is the plan for the future of the Royal Geographical Society of South Australia at the State Library, and is it the intention of the Libraries Board and—and I understand they are seeking Crown Law opinion on this—to take control of the Royal Geographical Society's collection?

The Hon. J.D. HILL: I thank the member for Morphett for his question. The Royal Geographical Society has occupied premises within the State Library since 1906. In 1906 and 1971 the Libraries Board developed agreements with the association, that is the Royal Geographical Society of South Australia Incorporated, providing the society with free accommodation at the State Library in return for public access to the society's library collection. In 2000 the Crown Solicitor recommended that the board develop new agreements for all State Library tenancies to reflect the current legal environment, including termination clauses. On 5 December 2005 negotiations were discontinued. The board then sought advice from the Crown Solicitor's Office. The library continues to take advice on this matter, including exploring other options for accommodation for the association.

I have got to say in general terms, they have had tenancy there for a hundred years, and one understands their great interest in maintaining a presence there. The reality is, though, the books from the association take up the entire top floor gallery, as I understand it, of the Mortlock Library, as well as a reading room, and I guess the most optimistic or the most buoyant kind of estimation of the number of people who use that gallery would be that it is not very many, and this is a gallery which could be used for other purposes. While I do not think the library or anybody else wants to see the Geographical Society thrown out into the cold, as it were, we

do need to be sensible about how we use valuable space on North Terrace, and a collection of books—I am sure the association will be able to give you figures, but it is not a major part of the library's services these days, and it would be good if the association and the library could reach accommodation so that that space could be used for purposes which might have a bit more relevance to the community of South Australia. At the same time, those who are interested in accessing the Royal Geographical Society's materials—and they are very interesting materials; I have been there and had a look at them—could still occur.

Mr PISONI: I refer to the Arts Portfolio, Budget Paper 4, Volume 1, 1.23, 'Expenses'. What is the ratio of paid employees for arts festivals against volunteers?

The Hon. M.D. RANN: We will have to take that one on notice. Off the top of my head I cannot tell you. I do know there is an enormous number of volunteers in the arts. When you think about it, at the Art Gallery there are volunteer guides, just as there are volunteers at the Botanic Gardens. The other day I saw Bob Gregory, former minister, there pruning the roses. The Museum also has volunteers. So right through the system there is an extraordinary number of volunteers that help make the arts special, and, of course, not only do people give a lot but they also get a lot out of volunteering through the arts. But I think that is a very good question and we will follow up on it.

Mr PISONI: Again, Arts Portfolio, Budget Paper 4, Volume 1, 1.23, 'Grants and subsidies': will the Australian Dance Theatre receive additional funding to bring the company up to the full number of dancers, and will the Australian Dance Theatre undertake a regional tour, and will each of the regional theatres be up to occupational health and safety standards for any tour that they may undertake?

The Hon. M.D. RANN: On that, I just want to say that the Australian Dance Theatre is just an outstanding asset for us, as it has been over many years in different incarnations. There have been times when there have been controversies, when Meryl Tankard was there, but when you look back, things like *Songs of Mara*, and others, brought great credit to the company and to the state, and I think that under Garry's current leadership the Australian Dance Theatre is getting rave reviews; perhaps better reviews internationally than any other dance company in Australia. I will ask the minister who covers that area to respond.

The Hon. J.D. HILL: From memory, we fund about \$918 000 a year for the ADT. As the Premier said, it is an internationally renowned company. It is fair to say that Garry Stewart is one of the hottest choreographers in the world these days, and the company spends an enormous amount of time touring Europe and Japan. In the next few months it will spend a lot of time abroad, including a tour to Paris. The money we provide is indexed at the normal indexation rate. The investment of the South Australian government in the ADT is fairly substantial. All companies would like to receive more money to do more ambitious things, but the reality is that government can put only so much money into individual companies. It is then up to the companies to find support from other sources, including the commonwealth government and private enterprise sponsorships; and I know the ADT is actively pursuing that area. Its private sponsorship has not been as strong as it might have been in the past, and I know they are putting a lot of work into that area.

Mr PISONI: I refer to Budget Paper 4, Volume 1, page 1.23, 'Grants and subsidies'. What were the costs of relocating the South Australian Film Corporation from

Hendon to the West End? What costs have been incurred in changes to all printing materials? What projects were funded by the SAFC and what was the return?

The Hon. M.D. RANN: It has not been shifted to the West End so there are no costs at present. We are looking at options. The Hendon studios are run-down and the lease comes up in 2008, from memory. We are looking at options to bring the South Australian Film Corporation and its studios into the city or the near vicinity. I looked at a site at Glenside, namely, the former Z Ward for the criminally insane, but I do not think that is suitable. Given that we have the entertainment technology centre of Carnegie Mellon, the Adelaide Symphony Orchestra and Arts SA based on the western side of the city—we have an arts precinct—it would be terrific if we could bring SAFC into the western part of the city. We are looking at various options at present and we are doing a business case. I would like it to happen. I think it would be wonderful to have the film-makers in the midst of the city. It would be a good cross-fertilisation of ideas. The film-makers tell me they need somewhere near decent coffee—apparently that is critically important in the film-making process. Obviously, it is expensive. It costs tens of millions of dollars to build new film studios, which have to be soundproofed, and buy all the equipment that goes with it. We are actively looking at business cases and we are looking at a couple of sites on the western side of the city.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 1.19. In 1984 when the Mortlock Library was created to house a collection of South Australiana, the public was encouraged to donate money to match the Mortlock Endowment for its creation. Donors of over \$10 000 (in 1984 dollars) were to have their name plaques placed along the book bays. During the rebuilding program of the State Library, all these plaques were removed and replaced by sponsors. Were any of the donors consulted regarding these changes?

The Hon. J.D. HILL: This is the first time it has been raised with me. I am not aware of it, but I am happy to follow it up.

Dr McFETRIDGE: I refer to page 1.20 and external revenue received by the library. Will the minister advise the amount of external revenue received by the State Library from rental payment for a commercial catering operation in the North Terrace building and what moneys have been received for the hiring out of the Mortlock Library for functions?

The Hon. J.D. HILL: I will get the information for the honourable member, but I have to say that Alan Smith, the new CE of the library, is taking a very entrepreneurial approach to the resources of the library and is getting revenue for the library, which is something we would encourage, as well as providing public access to various rooms in the library which often were under-utilised. I visited the library the other day to open the Des Ross Room to commemorate the life and achievements of Des Ross, chairman of the library from the early 1990s through to the mid 1990s. One of the rooms in the library is now named after him. He was chairman at the time five-year rolling agreements with local government were established for the funding of public libraries.

At that time, Alan Smith was telling me about the rooms that he was able to use for public events to get some income from the library. On the day I was there the Mortlock Library was being set up for a dinner that night. Alan Smith said that, in the past, the Mortlock Library would close at five o'clock

and it would not be used very often. Now it is used for a range of dinners and public events, which I think is just terrific. Not only does it give an income to the library but also it means that more people have access to that space. As to how much, I cannot tell the honourable member off the top of my head, but I will get that information for him.

Mr PISONI: I refer to Budget Paper 4, Volume 1, page 1.21, 'Grants and subsidies'. Will the minister please outline the outcomes—or lack of them—of the restoration of the *Southern Cross* replica aircraft? How often does the Historical Aircraft Restoration Society report on the progress of the *Southern Cross* aircraft, and has it been given any indication of when the aircraft—which was built with public subscriptions—will be available for the public to view?

The Hon. J.D. HILL: I am disappointed that the member for Mawson did not ask me this question because I could have said, 'Biggles flies again!' I am glad that the opposition is maintaining its deep and abiding interest in this project. As members would be aware, the Historical Aircraft Restoration Society Incorporated (HARS) has been successful in securing the ownership of the *Southern Cross* Replica Aircraft (SCRA). Under the terms and conditions for transfer of ownership of SCRA to HARS, HARS has undertaken to own and operate the aircraft from South Australia, to repair it to airworthiness and licence standards and to fly it regularly in South Australian skies.

The deed of hire and assignment to effect the transfer of ownership of the aircraft to HARS was executed on 22 December 2005. There is a dispute about ownership of some of the aircraft's equipment and spare parts. The Crown Solicitor's Office is advising Arts SA on this matter. It does not surprise me because the previous holders of the aircraft—those responsible for its crashing, those responsible for flying it in breach of its licence conditions—have disputed every single step of the way. It is therefore no surprise to me that there is still a dispute.

The Crown Solicitor's Office is also assisting Arts SA to ascertain the status of some of the aircraft's equipment that appears to be missing from the same group that has disputed everything else. In the meantime, I have approved the aircraft being moved to designated workshops in South Australia, New South Wales and Queensland to allow HARS to undertake a detailed assessment of the damage to SCRA and to establish a program of works for its repair. Ownership of the aircraft will pass to HARS once an agreed repair plan is in place. I will be delighted to inform the house when this historic and important event occurs. I will be cheering very loudly.

The Hon. G.M. GUNN: Will you go for a ride in it?

The Hon. J.D. HILL: No way in the world would I get up in that aircraft.

The Hon. M.D. RANN: It is a replica.

The Hon. J.D. HILL: I think it is one of the most ridiculous things in which this state has ever got involved—building a replica aircraft which had no real relationship to our state. We are now spending enormous amounts of Public Service time going through legal hurdles and a whole lot of administrative hurdles so that the thing can be repaired. It was damaged as a result of a crash caused by the group that was running it previously. We should never have had the aircraft built. It is just crazy. I hope that, eventually, we will be able to sort it out by passing it on to HARS, an organisation which looks after historic aircraft.

The Hon. M.D. RANN: I know that premiers in other states have their own VIP aircraft. I did once say that in South

Australia if the state government had a Premier's plane—which was a glider known as Air Force 13—you would lose office over it. I want to assure everyone that there is no intention of this being part of the Premier's flight.

Dr McFETRIDGE: I have heard various stories about the Premier in light aircraft. The main concern was the number of by-elections that would be held if the plane went down, but we will move on. The Premier is flying to the APY lands this weekend?

The Hon. M.D. RANN: Yes, I am.

Dr McFETRIDGE: I hope it is a safe trip. We are going there the following weekend. I refer to Budget Paper 4, Volume 1, page 1.23, 'Aboriginal art'. Has the state government allocated funds for the provision of artists' facilities for the production of indigenous arts, and has the government purchased any indigenous arts from communities?

The Hon. M.D. RANN: I am delighted with this question. From memory, I think it was around about the time of the first WOMAD I attended as Premier that I met with some Aboriginal artists from the lands who were producing this fantastic, fabulous art—sort of the next generation of art along from the dot paintings of the Western Desert. I had previously been approached by Colin Koch who told me about a project he had in the lands, which was to encourage the establishment of Aboriginal art centres in a number of the communities.

At that stage, women in particular (older women, middle-aged women, mums and girls) were involved in producing these fantastic works of art. We put in some money to support it, and so did the federal government. I put in quite a bit of money at the start to keep it going. I visited a couple of years ago. I think that the honourable member has seen them, too, but they are fabulous works of art. I cannot attend for the 25th anniversary (I think the honourable member is attending) because I will be in India. I am going to the lands this weekend having, of course, attended the 10th anniversary of the lands some years ago when I was the minister for aboriginal affairs.

During my time there I hope that I will be able to visit some of the art centres. I am also taking with me a representative of the Protocol Division of the Premier's department. We exchange gifts with visiting diplomats, heads of state and so on. I have asked a representative of Protocol to come along and look at using some of these art works as state gifts for visiting delegations. I think that would be most appropriate. It would provide support. The projects are very important because not only do they produce terrific art but also they provide an income. They also provide mutual support for people. It is about cultural acquisition. So I think it is a very good project, and I know the federal government has supported it as well. Do you have anything to add, Mr Mackie?

Mr MACKIE: Perhaps also reference to the Premier's indigenous art collection and acquisition.

The Hon. M.D. RANN: We also have a Premier's indigenous art collection and acquisition program, so we think this is very important. As was recognised previously, this state, at the Art Gallery, the Museum and Tandanya, has easily the best collection of Aboriginal art and artefacts in the nation, and we want to continue to acquire works of art. I thought it would be good to take Protocol staff with me this weekend to see if we can look at purchasing some art as our representative gifts when we have visiting prime ministers, diplomats and so on.

The Hon. J.D. HILL: Members may be aware of two pieces of Aboriginal art outside the Speaker's office. These large pieces of work were produced by members of the community in Watarru, which is in the APY lands. It is near what was known as Mount Lindsay. Watarru is the most remote community in Australia, extraordinarily enough, and I visited it a year or two ago as minister for the environment. The environment department was, and still is, running a program called Kuka Kanyini, which is working with local people to look after their own land, in particular, getting rid of feral animals, fixing watering holes and monitoring biodiversity in the region. It is a great program and has brought in kids and adults and given people purpose and meaning in their life. They had to report on what they had done and the two paintings in the hallway are part of their report to us on the work they were doing. There are three smaller pictures in my office downstairs and I invite any member who wants to see them to come and have a look. They wanted me, I guess as minister, to hold them for a period of time and make sure they are put into the public estate in some way. We are hoping to get members of the community to parliament in the near future to have an official handing over ceremony of those pieces in the gallery outside the Speaker's room.

I take this opportunity to thank the Speaker for hanging them in such a prominent place, and I think any member who has looked at them will agree they are outstanding pieces of work. Also, I have a booklet in my office, if members want to look at it, which goes through the meaning of the pictures and explains the symbols and the story that is told within them.

Dr McFETRIDGE: Is any work being done to ensure that Aboriginal artists are continuing to reap the benefits of the popularity and price of their art work? Verification of authenticity is something that is a real issue in Aboriginal art, as I understand it.

The Hon. M.D. RANN: That is one of the reasons we put money into Ku Arts, which I think has about five centres now, from memory, in the lands, because it keeps it going. There are obviously hundreds of Aboriginal artists involved—not just women now but also men are becoming involved, I am told, which is terrific.

The Hon. J.D. HILL: As I understand it, as part of the ILUA, an arts centre will be constructed at Marla on the edge of the lands which will be a place where visitors and tourists can go and purchase the arts. This will be controlled by the APY lands people themselves, so it will help ensure the outcome the member is talking about. I also advise the house that Colin Koch has just established an organisation called Our Mob, and an exhibition of their work was shown in the Festival Centre a little while ago. Our Mob brings together Aboriginal artists from all over South Australia, and they went through training and a series of workshops, and part of the workshopping was the commercial aspects of production so they essentially could limit the opportunities for being ripped off.

Mr PISONI: Budget Paper 4, Volume 1, page 1.23, 'Grants and subsidies': how much funding from this year's 2006-07 budget and the 2007-08 budget will be allocated to the Adelaide Symphony Orchestra from state government funds?

The Hon. M.D. RANN: I will ask the minister responsible for the orchestra to respond.

The Hon. J.D. HILL: I thank the member for the question. The SA government has provided the Adelaide

Symphony Orchestra with a four-year funding package of \$2.1 million in new funds to ensure divestment from the ABC and maintenance of the ensemble of 74 players, and the Australian government will be providing the orchestra with an additional \$6.7 million over the same period. Orchestras will become public companies limited by guarantee. The base grant to the orchestra is \$1.772 million from the state, and that is indexed over the next three or four years in accordance with our agreement with the commonwealth government.

Mr PISONI: Budget Paper 4, Volume 1, page 1.23: 'Grants and subsidies'. What workplace reforms have been initiated by the Adelaide Symphony Orchestra, referring to the minister's answer in last year's estimates?

The Hon. J.D. HILL: I point out to the member, and I will give the information as I have it, that the orchestra is not a state government instrumentality, it is not established by state government legislation, and it is not controlled by a board that is established by the state. It is a commonwealth organisation currently with the ABC, and to be, I guess, demutualised, if that is the right language. But I can give some information about it.

It is anticipated that all symphony orchestras will be divested from the ABC by 31 December. The inaugural chairs of the new independent orchestral companies have been selected in close consultation between the Australian and state government ministers, and Tim O'Loughlin has been appointed the inaugural chair of the orchestra in South Australia. One of his first jobs will be to appoint another board. One of the main issues has been the superannuation arrangements for the orchestral players and staff, who are required to cease their access to the commonwealth superannuation schemes. I have certainly lobbied on behalf of the players, but the commonwealth does not want these players to continue in the commonwealth superannuation scheme. They will be able to maintain their existing benefits, but all new contributions will have to be under some other scheme.

I think that is unfortunate. It would have been relatively easy for the commonwealth to allow the players to maintain their relationship with the superannuation scheme and have new players under a new scheme, much the same way as politicians change schemes for those who follow them but maintain the existing relationship for those who are here. However, the commonwealth has not agreed to that. The Australia Council's Symphony Orchestra Musicians Association (SOMA), with whom I have met, and the orchestras have all commissioned an independent actuarial report on the issue. Future superannuation arrangements for the orchestras will be a matter for the orchestra management and boards to determine and will be negotiated with employees in the context of future enterprise agreements.

I understand that the commonwealth has agreed to make payments to the orchestra in advance of the need for those payments to be spent. That will allow the boards to invest the money, then some of the return from that investment will be able to be used to try to address some of the superannuation issues. Greg Mackie, the Arts SA Executive Director, is representing the states and territories on the Cultural Ministers Council's Orchestras Review Implementation Steering Group. I hope that addresses the honourable member's general concerns. The members of the orchestra, the players and other workers in the orchestra, will have a board to whom they answer and they will have employment contracts with that board. The nature of those contracts I cannot really give any information on unless Mr Mackie has some further information.

Mr MACKIE: I would only add that, as part of the federal review of orchestras, one of the areas of development that was identified was in the nature of workplace reforms. Those workplace reforms will be pursued in negotiations between management and the players and other employees over the next few years.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 1.11, under Targets/2005-06 Highlights. The second from bottom dot point states:

In association with the Department of Education and Children's Services (DECS), review the Artsmart Strategy and identify program priorities for 2007-08.

Does this target include the cutting of the instrumental music program in schools?

The Hon. M.D. RANN: No, it does not. In 2003 we launched the Artsmart program for 2003-06. ARTSmart is Australia's first arts education strategy. Later this year a forum will be held to assess the outcomes of the initial phase of ARTSmart. In the meantime, the Department of Education and Children's Services and Arts SA have identified many positive outcomes in clusters of disadvantaged schools and preschools to the north and south of Adelaide where ARTSmart is being implemented intensively. These positive outcomes include:

- improvements in students' literacy skills and understanding of the arts;
- successful use of the arts to promote problem solving and learning across curricula;
- improvements in students' behaviour and self esteem; and
- better engagement with parents.

The Department of Education and Children's Services and Arts SA are currently consulting with the ARTSmart steering group regarding priorities for the next phase of ARTSmart, which will be rolled out in the 2007 school year. A key objective will be to strengthen and extend significantly ARTSmart's impact across the states. We anticipate that there will be more opportunities for students in a wide range of schools and preschools to learn in and through the arts, and more opportunities for South Australian artists to work with students and teachers. Planning is also under way to develop a quality assurance scheme that will recognise schools and artists who meet a set of ARTSmart criteria and ARTSmart schools and artists.

A new broadly-based ARTSmart reference group with representation from the arts and education sectors and the wider community will be established at the beginning of 2007 to build on the achievements to date and to help take ARTSmart to the next level in its development. It is all about strengthening it.

Dr McFETRIDGE: I refer to Volume 3, page 2.7, Creative Industries. The Creative Industries in South Australia report was prepared for the cross-government steering committee. What is the progress of training artists, technicians and personnel in the creative industries, and does this include musicians?

The Hon. M.D. RANN: We will obtain a report on that.

Dr McFETRIDGE: I have the same reference, Grants and Subsidies. Has the state government put aside any funding to develop the key recommendations from the Charles Landry report regarding the development of a talent strategy and was the proposed removal of the school instrumental music program in any way connected with the Thinkers report?

The Hon. M.D. RANN: I will get a report on that.

Dr McFETRIDGE: This question is for Mr Hill going to Melbourne next week. I refer to Budget Paper 4, Volume 1, page 124, the *Ring Cycle*. What costs to the state are attributed to the Melbourne recording of the Adelaide *Ring Cycle's Das Rheingold*?

The Hon. J.D. HILL: I will get a report, but I am not aware it has cost us anything. In fact, Melba is a private organisation which received, I think, \$5 million or so from the commonwealth to undertake very high quality digital recordings of outstanding Australian performances for posterity, and also for sale. It was recorded during the *Ring Cycle* in Adelaide. I am not aware that there are any costs to the state associated with those recordings, but we are very pleased that those recordings were made. I understand that the orchestra and the opera company have received great praise for the quality of the work that was recorded, and I commend them for that. I am happy to get a report for you, but I do not believe there was any cost.

The Hon. M.D. RANN: I know there has been speculation that I am somehow anti Wagner. In fact, there was a silly piece in *The Bulletin* some time ago written by Leo Schofield (who is famous for bringing the Edinburgh Tattoo to Sydney), who said that I should be announcing the new *Ring* and what a disgrace I was, or something like that—that is how I read it, anyway. The fact is that at that stage we had not had a proposition for a new *Ring Cycle*. A case was not put to us by anyone that I am aware of. So, we are basically seeking expressions of interest. We are having a feasibility study about whether or not we will have another *Ring Cycle* and whether it is a different version of the one we have just had, or something completely different. We are not ruling anything out. I want to congratulate Diana Laidlaw for the *Ring Cycle*. I went to one of them. I went to the opening night with the Governor, and people said that because I was not at the other events I was anti Wagner and that all of this had something to do with the Second World War. It is bizarre.

From memory, parliament was sitting, and there seemed to be a little bit of a fandango going on about Wagner. I just want to assure you that it has nothing to do with my family's involvement in the Second World War, or anything else. We are having a feasibility study and if it works, it works. I think the ASO deserves enormous credit, and so does the State Opera. It is a brilliant *Ring Cycle*. I wish I could have gone to the *Ride of the Valkyries* sequence. As you know, there is that great film that affected our youth.

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

House of Assembly, \$7 184 000
 Joint Parliamentary Services, \$9 739 000
 Legislative Council, \$4 466 000

Membership:

The Hon. I.F. Evans substituted for Dr McFetridge.

Additional Departmental Advisers:

Mr M. Lehman, Deputy Clerk, House of Assembly.
 Mr J. Neldner, Finance Manager, Joint Parliamentary Services.
 Mr P. Spencer, Leader, Hansard.
 Mr C. Grantham, Catering Manager, Catering Division.

Ms J. Newton-Farrelly, Acting Parliamentary Librarian, Parliamentary Library.

The CHAIR: I declare the proposed payments open for examination and refer members to the Budget Statement, in particular Appendix C. Premier, do you have a brief statement?

The Hon. M.D. RANN: Just to say—rather than speaking about policy matters—how we all owe so much to the people who work in Parliament House. This is not only a venerable institution and one that is constantly adapting to new times and new procedures, but we are all so reliant—when parliament is sitting and committees are meeting—on the services of *Hansard*, the Parliamentary Library and their research unit, the messengers, a whole range of people who really make this place what it is. They have to put up with a lot. They have to put up with politicians. The caretakers do a brilliant job.

I want also to commend the work being done with solar power, and this is about the only parliament in the world that has got solar power, and I understand it has now gone to solar hot water systems. So it is a parliament that is adapting to new times, and I just want to thank everybody for their contribution on behalf of the politicians, on behalf of the elected representatives, but also on behalf of the people of this state.

People always sling off at parliaments and parliamentarians, except when they do not have one, then they fight and risk their lives to secure one. If it makes people feel better about themselves by slinging off at politicians and parliament and parliamentarians, then obviously that is also an added thing that we can provide to the community.

I am pleased to see the Speaker here, the youngest speaker, I understand, in the Commonwealth of Nations; maybe in world history. He is doing a good job.

The CHAIR: Leader, do you have a statement?

The Hon. I.F. EVANS: Just simply to endorse the Liberal Party's thanks to all the people involved in the parliament. Like the Premier on behalf of his government, we certainly appreciate all the efforts of all the parliamentary staff. It is an interesting and difficult environment to work in and the staff certainly support us all very well and we certainly appreciate that.

Premier, I just have a couple of questions. Will there be a regional sitting of the parliament in this four-year term? If so, when, where and what is the cost?

The Hon. M.D. RANN: I think that is a good idea; if you would support that. I think it needs bipartisan support to occur. We had the first one last May in the city of Mount Gambier on the stage of the Robert Helpmann Theatre. It was the first time the House of Assembly had met outside of Adelaide. I know it meant a huge amount to local people. It was a feeling of recognition.

Both your government and my government have regular country cabinet meetings, and I think that is a very useful process. We take the ministers and the heads of Public Service departments to country towns. We have also a new innovation of having a public meeting in the town hall or elsewhere, where people come along and ask questions, but that is the government. I think the fact of the parliament going to location is a recognition that, whilst we have a relatively small population, we are about twice the size of Spain in area, and a lot of people in regional areas refer to decisions being made south of Gepps Cross. I think that it also is terrific to see all those school groups coming through; school group after school group after school group.

It is not a matter for the government, in a sense: it is a matter for the parliament, a matter for the Speaker and for the opposition and the government. If we agree on it then it will happen. There was some idea that it should be at a Spencer Gulf city because we were at Mount Gambier last time. I guess the other thing is to have a location where people from the other cities could be part of it as well, so maybe if it was not one of the Spencer Gulf cities. I do not believe that any decisions have been made. Is the Speaker aware of any? I have not been involved in any conversations about it for some considerable time. If the leader has some ideas, I would be happy to hear them. We could do it in a decent, bipartisan way.

The Hon. I.F. EVANS: When will the government release its discussion paper on the reform of the upper house?

The Hon. M.D. RANN: That is something that we are still looking at, and I will get a report back on that. The idea would be that a referendum would go to the people at the next election. My original proposal was that there be an opportunity for the people to decide on whether they keep the upper house as it is, a referendum question with no change as one option. The second option would be to abolish the upper house and go like Queensland or New Zealand. The third option would be to retain the upper house but with perhaps fewer members, and to have four-year terms rather than eight-year terms. Eight years seems an incredibly long time. At least four-year terms would mean that elections would be contemporaneous with the lower house. I will ask the Attorney-General for an update.

Mr PISONI: This is under 'Joint Parliamentary Services', Budget Paper 3, page C.3. What plans are in place and what is the budget for the celebration of the 150th year of parliament?

The Hon. M.D. RANN: I will get a report on that. I think it would be terrific if there is some recognition. Perhaps Mr Lehman could respond.

Mr LEHMAN: The two houses have formed a sesquicentenary planning committee, which has representation from all parties and both houses. There was an initial problem with identifying funds to cover some pretty ambitious ideas that had been submitted to the committee by members, and some members of the public. The committee has whittled that down and decided to concentrate on the 150th anniversary of the first meeting of the House of Assembly on 22 April 2007.

We have made a request for the government to consider a ceremonial opening as close as possible to that date, a public opening of Parliament House, because that day happens to be a Sunday next year. We have also commissioned an additional history of the parliament of South Australia that takes up the history from the Combe's *Responsible Government in South Australia*, which finishes in 1957. So we have commissioned an author to update that history.

The Hon. M.D. RANN: Whilst I am responsible for the film industry, I cannot quite see *Hansard: The Movie*, but it depends on whether we get a good script.

The Hon. I.F. EVANS: As part of the 150 years celebration, or as an ongoing program, is the parliament considering introducing a living history program to the parliament as they have in Western Australia, which is an oral history form of presentation? I understand that they interview members of parliament and have that recorded as part of the state's history. Is that the intention?

The Hon. M.D. RANN: I think that is an excellent idea. There is so much history around this place. I first came down here, I think, in 1977. I worked for three premiers before

becoming a member nearly 21 years ago. What concerns me is that there is so much history in this place that is much richer than the *Hansard* report, and that includes some of the great characters of this place, the member for Stuart being one of them. I think it would be terrific if people got an opportunity to tell their stories. I could tell a whole lot of stories about the Dunstan and Corcoran eras but no-one has ever asked me, and I think that an oral history program would be terrific. I know that the leader of the opposition, with his family connections, is part of the history of this place.

I think it would be a terrific thing to have an oral history and to put a tape recorder not only under present MPs but perhaps, more importantly, past MPs. I understand that it has been considered. The past members' association has made a representation about it. I think it is a great idea and, again, it should be embraced in a bipartisan way and, if the leader supports it, so will I. Some of the stories would have to be put in a vault not to be opened until X—a bit like the presidential papers and so on. Some of them could be told now, but I think that it would be a history that is part of the history of this state, and I think that it would make people aware of how much we all worked together, rather than against each other, through committees and the like. I think I tried to tell some of the stories about working with Ted Chapman on the public works standing committee and about various aircraft incidents. We need to get all these down; they are part of South Australia's story. This place belongs to the people, not to the politicians. If the true story of the parliament were revealed, the parliament's reputation would be enhanced.

The Hon. I.F. EVANS: In last year's *Hansard*, there was a reference to work being done on a closed-circuit TV system for the parliament. There were issues about costs, and I am just wondering whether that project has been completed but is not proceeding or whether work is still being done.

Mr LEHMAN: Some initial scoping work was done on the proposal. It really now rests with the desire of the two houses as to whether they want to proceed with it. It is capable of being delivered at a couple of levels: either webcasting in-house, in order to keep members who are not in the chamber informed as to what is happening in the two chambers, or it could be configured so that it could be broadcast across the world wide web. Again, we have some costings on both those options. It is a matter of the appropriate officers making the appropriate decisions.

The Hon. M.D. RANN: Let me just get this right. If we were being depicted on the world wide web, as we are speaking we would be beamed out. People in the New Guinea Highlands, in places like Nome in Alaska, Inuit people, and people in the great metropolitan cities of Europe and the United States could watch us during question time. This is obviously something that needs careful consideration.

The CHAIR: The time agreed for examination of this line having expired, I declare the examination of the proposed payments completed.

State Governor's Establishment, \$2 629 000

Additional Departmental Advisers:

Mr T. Goodes, Executive Director, Services Division.

Ms M. Griffiths, Principal Financial Consultant. Corporate Affairs Branch, Services Division.

The CHAIR: I declare the proposed payments open for examination and I refer members to the Budget Statement, in particular Appendix C. Premier, do you have any comments to make?

The Hon. M.D. RANN: I begin by paying tribute to our Governor, Marjorie Jackson-Nelson, who will complete her extended term as Governor on 31 July next year. I do not think we have had a better Governor than Marjorie Jackson-Nelson. She has an astonishing work rate. She is one of those people who builds bridges between different people in our community, and someone who is unbelievably accessible. She is constantly visiting country areas and she was there during the bushfires on the West Coast as a comfort to people.

Marjorie Jackson-Nelson has opened up Government House more than any other previous Governor. She was appointed by John Olsen, and I think it was a brilliant appointment. She certainly enjoys bipartisan support. I will be totally frank; I asked her to stay on for another five years, and I will not tell you what the response was, but she said that she would agree to extend her term by eight or nine months. But she wants to spend more time with her grandchildren. She recently celebrated her 75th birthday. But a wonderful governor, someone who is both respected and greatly loved.

After her decision not to agree to a second five-year term, or indeed an extra three-year term, I approached Maurice de Rohan, our Agent-General in London, and asked him to consider whether I should approach The Queen for his appointment as Governor of South Australia. I know he would have loved to have done that, and unfortunately we have recently suffered a great tragedy in the untimely death of Maurice de Rohan. I think he would have been an outstanding governor; someone who had enormous skills; was a great ambassador for our state in Britain; obviously was on the Board of the MCC; Chairman of the Cutty Sark Trust; was honoured by the Queen some years ago for his work that he did on behalf of disaster victims. I want to pay tribute to Maurice de Rohan when the parliament returns, and also for a memorial service. But he was a great Agent-General and he would have made a great governor. I also want to pay tribute to the Lieutenant-Governor Bruno Krumins who will finish on the same day as Marjorie Jackson-Nelson. So obviously we are now looking for a new governor, a new lieutenant-governor and a new agent-general. All of those three positions are very important.

The Hon. I.F. EVANS: On behalf of the opposition I would like to endorse the remarks the Premier has just made about Her Excellency and also Maurice de Rohan. Her Excellency has done a fantastic job over her term as governor. She travels the state widely, she is accessible to everyone, and she is universally liked throughout the state. She is held in very high regard through all community groups. She works very hard. She has the great ability to get on well with everyone, and really is a great asset to the state. We will be sad to see her go, but we certainly understand her reasons and we wish her well in due course in retirement.

Premier, I am just wondering what is the process for the replacement of the Governor and the Deputy Governor in regards to consultation with the opposition. You did do me the courtesy of ringing me the morning you announced Her Excellency was going to accept a small extension to her time. I am just wondering what the process is from here.

The Hon. M.D. RANN: I am very happy to receive ideas for replacement governors from opposition, or from government members, or from the community. A number of names

have been put forward. Obviously we do have a fair bit of time because of the governor's decision to allow us to extend her appointment, and I should say I have received a letter from Her Majesty The Queen agreeing to that extension. We have got a bit of time. I would imagine that, if we are talking about someone being sworn in on 1 August, I would need to notify Buckingham Palace probably prior to Easter or Anzac Day of next year. It takes a few months or a few weeks at least to go through the system, but I am happy to receive ideas from the opposition. I can see Mr Gunn standing up. I am not sure whether he's self-nominating.

The Hon. G.M. GUNN: I endorse the comment in relation to the outstanding work that our current Governor performs on behalf of the people of South Australia. As someone who has been a member of parliament for a while and seen a number of governors, I think this Governor has performed that role in an outstanding fashion, and we should be most grateful. I would like to also add how sorry I was to learn of the recent passing of Maurice de Rohan. From my experience dealing with agents-general, I thought that he did an outstanding job on behalf of the people of South Australia. And those of us who have had the pleasure of his hospitality on the canals will never forget that opportunity. So on behalf of my wife and myself we would like to extend our sympathy to his family and are very disappointed that he could not take up the role as governor because I believe he would have performed in the same way as he did as Agent-General and would have served the state with distinction.

The CHAIR: There being no further questions, I declare the examination of the proposed payments completed, and thank you to the advisers.

Department of the Premier and Cabinet, \$69 232 000
Administered Items for the Department of the Premier
and Cabinet, \$22 335 000
Department of Trade and Economic Development,
\$60 261 000
Office of Public Employment, \$5 668 000

Additional Departmental Advisers:

Mr D. Waterford, Acting Deputy Secretary, Policy Implementation Division.

Mr R. Garrand, Chief Executive, Department of Trade and Economic Development.

Mr J. Burston, Director, Office of Economic Development Board.

Air Vice-Marshal R. McLennan, Chief Executive, Defence Unit.

Ms M. Evans, Senior Parliamentary Coordinator, Services Division.

Ms A. Allison, Director, Corporate Services.

Ms M. Hine, Manager Climate Change, Sustainability and Climate Change Division.

Ms S. Ziersch, Director Policy Climate Change, Sustainability and Climate Change Division.

The CHAIR: I will commence with an opening statement as there are a number of new advisers. Estimates committees are a relatively informal procedure and, as such, there is no need to stand to ask or answer questions. The committee will determine an approximate time for consideration of proposed payments to facilitate changeover of departmental advisers.

I ask the Premier and the lead speaker for the opposition if they could indicate whether they have an agreed timetable for today's proceedings and, if so, provide a copy to the chair.

The Hon. I.F. EVANS: It is just an hour and three-quarters on the Department of the Premier and Cabinet, and other matters.

The CHAIR: Are all the advisers required for all those components available at present?

The Hon. M.D. RANN: Yes.

The CHAIR: I remind everyone that if the minister undertakes to supply information at a later date it must be submitted to the committee secretary by no later than Friday 17 November. All questions are to be directed to the minister (in this case the Premier), not to the advisers. The Premier may refer questions to advisers for a response.

I declare the proposed payments open for examination and refer members to the Budget Statement, in particular pages 2.6 to 2.10 and the Portfolio Statements, Volume 1, Parts 1 and 2. Premier, do you wish to make an opening statement?

The Hon. M.D. RANN: Earlier I covered the area as Minister for the Arts. I should inform the committee of an important announcement I made this morning in relation to Cheltenham Racecourse—one that touches on many aspects of my portfolios, especially sustainability. The government is prepared to give approval for the South Australian Jockey Club to sell Cheltenham Racecourse, but only if developers allow for 20 hectares of open space. Initially, we demanded a minimum of 30 per cent open space. I should point out that it is normally 12.5 per cent—that is what the law in the state provides. We demanded a minimum of 30 per cent of open space, but the latest proposal, I am told, amounts to 40.6 per cent. I am told that it is about four times the size of AAMI Stadium and 13 times the size of Elder Park. I want the open space to include a wetlands to recycle stormwater, more than 5 000 trees, bike paths and other facilities.

If the SAJC does not agree to the increase in open space the state government will not approve the sale. On the issue of economic development, optimism and confidence have returned to our state—something both encouraged by and reflected in our healthy economy. Our state budget is in the black. We had an AAA-rated economy in the 12 months to August 2006. The value of South Australian merchandise exports rose by 16 per cent. We are on the cusp of a mining boom in the light of exploration spending, smashing through the \$100 million target that we set for it a few years ago.

We have seen the biggest annual rise in net overseas migration for 34 years—the biggest increase in migration, I am told, since about 1972. We have a record 34 100 apprentices and trainees. People keep saying to me, 'Why are you spending so much time promoting us as an education or university city?' I am going off to India again in about 10 days, and that is because it is incredibly important for our economy. Foreign student numbers have risen from about 6 000 in the year 2000, I am told, to 18 000 in 2005, with education now being our state's fifth biggest export. Student numbers are likely to receive a further boost in the future with the development of our 'university city' concept.

Last Thursday we received some wonderful news on the jobs front. South Australian unemployment in September dropped to 4.7 per cent, both trend and seasonally adjusted. That is lower than the national figure and the lowest trend figure since records started. We have a high of 756 400 South Australians in total employment and a record high in trend full-time employment of 524 300. I am advised that 64 300 jobs have been created in South Australia since March 2002,

and third party endorsements continue with an update of the landmark 2004 study showing that Adelaide is the third most competitive city in the world, up from tenth place two years ago.

I am advised that \$30 billion worth of major projects are either in the works or on the horizon, including, of course, the \$6 billion Air Warfare Destroyers project based at Osborne; the more than doubling in size of Olympic Dam which we are very confident will be approved and which has been recently massively revalued upwards; the Prominent Hill mine, the start of which I was pleased to celebrate a few weeks ago; and OneSteel's \$355 million project Magnet at Whyalla, which I visited last week. The Hon. Kevin Foley's fifth budget brought down last month is an example of continued sound economic management—it is South Australia's fifth budget surplus in five years.

We are scheduled to deliver operating surpluses in excess of \$162 million in the three years up to and including 2009-10. I am advised that more than \$300 million in taxes will be cut over the next five years on our way to a record cut of \$1.57 billion by 2010-11. We will carry out a range of measures over the coming years to foster even greater prosperity. Through the Competitiveness Council, we will cut red tape by 25 per cent and make South Australia the most competitive place in which to do business in Australia and New Zealand. We will make the Public Service more efficient, effective and responsive through the Government Reform Commission. We will draw up a revised version of South Australia's Strategic Plan and pursue its new targets.

One industry central to the future of the state is defence. In 2005-06 alone, South Australia has recorded a number of big defence wins, including \$10 billion worth of projects in the space of about 10 months, including:

- the \$6 billion Air Warfare Destroyers project;
- the \$1 billion contract for AP-3C Orion capability upgrades and through-life support;
- \$1 billion for the Coastwatch maritime surveillance project to be headquartered in South Australia; and
- the Air Warfare Destroyers Systems Centre.

I should say that, whilst all the attention was on our winning the bid to get the commonwealth to locate the Air Warfare Destroyers project in this state (and that was up against Melbourne), winning the Air Warfare Destroyers Systems Centre was much harder, but it was critically important for the high-end level of this project. We were up against Sydney, from memory. It was a much tougher bid but a critically important one. By the end of 2011 we are very hopeful that a mechanised army battalion will be based at Edinburgh, leading to an army presence which, I expect, will be larger than the originally planned 1 200 persons. We expect that precinct to be much bigger than what has been announced. In 2006, South Australia has very impressive defence industry assets and strengths. Techport Australia at Osborne will be the nation's premier shipyard. Among other things it can:

- expand unfettered by urban encroachment;
- cover 60 hectares;
- include a protected harbour, deep-channel port, Maritime Skills Centre, the Air Warfare Systems Centre, warehousing and fabrication plants, a wharf and transfer system and the biggest shiplift in the southern hemisphere;
- a life of 50-100 years;
- capable of undertaking a wide range of manufacturing projects; and

provide a huge range of opportunities for national and international suppliers to get involved in the Air Warfare Destroyers project and to locate themselves on site.

South Australia has a highly educated skilled work force, along with a responsive tertiary education and TAFE sector. This has been enhanced by the setting up of the Centre for Excellence in Defence and Industry Systems Capability (CEDISC)—a partnership between the University of South Australia and DSTO. I was very pleased to sign the contract for the funding of that. We are working with the newly established Adelaide branch of Carnegie Mellon to attract its Software Engineering Institute to South Australia.

I have been in talks with federal ministers, and we have signed a heads of agreement with Cranfield University in Britain (which is world renowned for its defence science and industry expertise), with a view to its having a presence in South Australia. Before the break, I mentioned the Governor. Improvements will be made to Government House in 2005-06 to reflect security and safety issues. The Office of Public Employment was established on 1 July 2005 following a review of the former office of the commissioner for public employment. Obviously, changes will be made in that area, but I am very pleased with the work that has been done.

Regarding South Australia's Strategic Plan, the Executive Committee of Cabinet was formed in July 2005 to give special attention to implementation of the plan. A progress report on the plan was released in June 2006 following the work of an independent audit committee. Key findings of the review found—do not forget that this is a 10-year plan—that 19 targets had already been met or exceeded, 24 targets were on track, 11 targets had progress made but were unlikely to be reached, 11 targets had little or no negative movement and 19 targets were unclear because of measuring tools in terms of the 10 years. So, essentially, just two years into a 10-year plan, we as a state have achieved or are on our way to achieving more than 50 per cent of the targets.

In regard to sustainability and climate change, I created and took on this portfolio, the first in Australia. In fact, someone told me they are not aware of any minister for climate change anywhere in the world. Our efforts on climate change have drawn praise from people such as David Suzuki, Al Gore and Mikhail Gorbachev. The state government is carrying out a range of measures using biofuels on buses and trains, placing solar panels on 250 schools, placing solar panels on major public buildings on North Terrace, with the airport still to come. In the last few days I have just signed the contract to install the panels on the roof of the airport, which I think is about a \$1 million contract. We are also putting mini wind turbines on state government buildings. We are fostering renewable energy. Approximately 51 per cent of Australia's wind power is located here, and I am told 45 per cent of our grid-connected solar power is located in South Australia. We have 90 per cent of the national effort on hot rocks.

We are leading efforts to draw up a national climate change policy. We are leading COAG's climate change work program. We have released the state's draft greenhouse strategy. We are seeking to set up a state-based national emissions trading scheme. We are also advocating a proposed mandatory reporting scheme for greenhouse gas emissions. We are about to introduce into parliament a climate change and greenhouse emissions reduction bill, the first of its kind in Australia and, I am told, one of only three in the world. I know that the leader supports this because he announced the same target. We are giving that the backing of law. We will

set up a climate change council. Legislation will aim to cut South Australian emissions by 60 per cent of 1990 levels by 2050. We also aim to boost South Australia's use of renewable energy so that it amounts to 20 per cent of total electricity consumption by 2014. We are also introducing feed-in laws, providing rebates for energy generated by home solar units.

We announced at the weekend that South Australia will soon become part of the green power market. This will be not just a target or a law but a contract for the government to buy 20 per cent of its power as green power—that is, for our hospitals, schools, government buildings and police stations. That is double the next highest state, which is Victoria.

In regard to social inclusion, in May 2006 Monsignor David Cappelletti was appointed Commissioner for Social Inclusion, and the new position has increased access to bureaucracy to more quickly progress the government's social inclusion agenda. The commissioner's current focus is on reform of mental health and a review of the juvenile justice system on top of existing responsibilities for homelessness, suicide prevention, disability, Aboriginal health, drugs, school retention and youth employment.

The Hon. I.F. EVANS: I think we will go straight to questions. Premier, given your statement and the announcement about Cheltenham, will the government now be allowing an increase in the density or height of the development allowed on the Cheltenham Racecourse land over and above what is already proposed so that the racing industry can get the return it requires from the sale of Cheltenham now that the open space component has increased from 30 per cent to 40 per cent, thus reducing the amount of land available for redevelopment? The reason I ask the question is that we have already spoken to people who have suggested that what will happen now is that the development will be approved with either a higher density or a higher development—a two or three storey development—so the racing industry can get its return on investments. I am wondering what the government's position is on that.

The Hon. M.D. RANN: I am not aware of increasing height limits. I have not been involved in any discussions on that. It might be worth asking Patrick Conlon. I am happy to get a report. Some of the critics were saying, 'We want for the western suburbs what people have in the eastern suburbs with Lochiel Park.' The open space area will be, I am told, double that of Lochiel Park (20 hectares), and 40.6 per cent of the area, which is a huge amount. I understand the SAJC has made comment on this today. We have taken a hard decision, and it is about balance. We did not want it to be zoned industrial, which I understand was a previous plan. Certainly, people have raised that. I am happy to check it, and I am not sure whether or not it is true. But the fact of the matter is we think this creates one of the great parklands for the western suburbs. It is a win-win for everyone. It is a win for the community and I think it is about putting things in balance. Normally, our law says 12.5 per cent of areas for development should be left as open space. We are saying 40.6 per cent—that is a hell of a lot more than 12.5 per cent. I am happy to get a report on that. I am not aware of changes to height limits.

The Hon. I.F. EVANS: The Premier mentioned the 12.5 per cent. I guess the previous question was not about whether there was an existing document but more about the government's position on allowing taller development on the site.

The Hon. M.D. RANN: As I say, I am happy to get a report, or maybe you could ask Pat Conlon this afternoon.

The Hon. I.F. EVANS: The Premier mentioned the 12.5 per cent. Next to the Cheltenham Racecourse is the old Actil site which is being developed for housing. That commercial developer is being asked to provide only 12.5 per cent open space, the minimum under the law, yet the site next door, the Cheltenham Racecourse site, is being asked to provide 40 per cent. Where is the balance between the two developments?

The Hon. M.D. RANN: The balance is perfect, because we are talking about the difference between an industrial site with, I understand, a great big factory on it, and an area that has been open space for donkeys' years. I am happy to defend the people of the western suburbs: they wanted a significant area of open space and they are going to get it. I am sure that there will be a lot of people grizzling in the SAJC, but the fact of the matter is that it will be parklands open for the public all the time, not just for the punters some of the time, which I guess is my key point about this. The place is locked up most of the time, I am told. This way, the SAJC gets to sell a big area of its land—60 per cent—and make a profit on that, because it did not want to run races at Cheltenham, and the public get a big area of parklands. It is going to have 5 000 trees as well as wetlands, picnic areas and recreation areas, and everyone wins in this.

The Hon. I.F. EVANS: I want to explore the inconsistency between what the government is doing with its land and what it is requiring the SAJC to do with its. The government is about to close 17 schools and will be selling the land there, much of which will go to housing development. Will the government be requiring of itself a 40 per cent open space requirement on the sites that it is selling? Why is it that the government demands one standard of the SAJC and a different standard of itself? And why is open space in the northern suburbs of Adelaide any less valuable than that in the western suburbs of Adelaide?

The Hon. M.D. RANN: The leader would remember the famous case of the Salisbury East open space up at Cobbler Creek. There were proposals for development there, and a very ambitious local member stopped that. There was a trade-off because there was going to be an interconnector built between Salisbury and Golden Grove that required a major road to go through but, out of that, came the balance of preserving this massive area that is there for all time as part of our national parks system. We are not going to change the rules that all developments, government or otherwise, will be 40 per cent: that would be silly; but we are mindful that people in the western suburbs are saying 'What about us?' in terms of open space.

They saw what we did with Lochiel Park and they wanted something similar, and we have done something that is of major community benefit to the western suburbs. And I am not going to apologise for that.

Ms CICCARELLO: In an earlier session this morning the Premier alluded to the fact that he got the idea of the Thinkers in Residence program following his attendance at the Festival of Ideas. Can he advise some of the key initiatives and programs that have resulted from the work undertaken by the Thinkers in Residence?

The Hon. M.D. RANN: The Thinkers in Residence program gets an enormous amount of support from people, from its partners and so on, as part of bringing people out. However, I recently heard some criticism on ABC radio, funnily enough from a program that often has Thinkers in

Residence on it. Apparently, they like the thinkers but not the program, although we did try to point out to them that the thinkers are the program. The Adelaide Thinkers in Residence program brings world-class thinkers to live and work in Adelaide to assist in the strategic development and promotion of our state. The program adds to the considerable pool of talented people already living in South Australia and contributing to our policy environment by providing different perspectives and solutions on key policy questions.

I should say that someone said, 'Why don't we have local Thinkers in Residence?' But they are here already! The names that they mentioned were people who were already here making contributions. I am not quite sure how we could bring people here who are already here, but that is one of the issues with the morning program on the ABC. Thank God they are bringing in these new editorial rules with the ABC nationally. It is a terrific thing and I strongly support it.

The Thinkers program also helps to build local, national and international networks and to position South Australia as an innovative and creative community. As world leaders in their field, Thinkers are able to challenge our beliefs, spark fresh ideas and set new directions for South Australia. The results of Baroness Susan Greenfield's residency, I am told, include no fewer than nine programs under the combined title of the Bragg Initiative. Members will remember the Braggs, William and Lawrence, both Nobel prizewinners from South Australia. The initiative aims to advance our ability to train and retain scientists in South Australia, strengthen our research and the public understanding of the importance of science.

It is a major collaboration between the Royal Institution of Great Britain and the South Australian government, involving sharing and advancing scientific heritage and research, public events, schools programs, media projects, communication and other activities. Activities under the initiative build on an increased leadership capability in science, technology, maths and engineering education. This is achieved by bringing science and scientists into contact with South Australian schools, community, media and policy development. Robert Champion de Crespigny chairs the Bragg Initiative advisory group. Other members of the board include Melvin Mansell, Editor of *The Advertiser*, who I have to say has been a great enthusiast; Peter Yates, who used to be the head of the Packer empire and who is now managing director of Alco Equity Partners; Prof. Max Brennan, South Australia's chief scientist; and Professor Richard Head, Director of the CSIRO's preventative health national flagship.

This group provides a forum for influential state leaders in science and communication to oversee the coordination, promotion and implementation of the nine science-based initiatives that compose the Bragg Initiative. These include the Oxford Centre for the Science of the Mind, the James Martin 21st Century School, Science Outside the Square, twinning teachers and scientists programs, women in science, engineering and technology, health and community services, continuing training for teachers and, most significantly, the Australian Science and Media Centre and science infrastructure and research.

The Oxford Centre for Science of the Mind is an interdisciplinary research project directed by Susan Greenfield, involving research from six departments at Oxford University. It is funded by the Templeton Foundation based in the US and links neuroscientists, mathematicians and ethicists into understanding consciousness and belief systems. Through this program, South Australian researchers can

contribute to the intellectual capital of current studies, in return gaining appropriate recognition and forging innovative academic links that would not otherwise have been possible or even imaginable. The value of this program to the wider community has the potential to be considerable, raising the profile of South Australia as an intellectual hub and offering exciting intellectual enticement to attract scientists to Australia.

The James Martin 21st Century School project establishes links with an international funded research project that pursues new thinking about issues for the 21st century. The health and community services continuing training program is focused on the development of a graduate certificate in neuroscience for South Australian teachers. It is a new course developed by the three universities under the South Australian neurosciences institute. DECS has committed to sponsor 15 scholarships each year for three years. The first students commenced in February 2006.

The Science Outside the Square 2006 program involves running forums, embracing science, in relation to sport, art, education or other issues that are important to people's lives—anyone who was at AAMI Stadium to see transfixed Port Adelaide supporters looking at this fantastic thing on the science of sport. The forums are held in interesting and diverse locations appropriate to the issue. Venues have included the Hindmarsh Stadium, Mawson Lakes, the Palms Function Centre in Whyalla and Wayville Showgrounds. Eight metropolitan and two regional events have been held for this program and thousands of people have attended them across the state.

The Australian Science Media Centre was officially launched and opened on 2 August 2005. It is a fully functional and financially viable national centre based on the Science Media Centre in the UK. This is based in Adelaide and services the media of the nation. The role of the centre is to respond proactively and reactively when a major science news story hits the headlines. It connects scientists with the media. It has very strong support from News Limited, Macquarie Bank, the Nine Network, Shell Limited, ResMed, John Fairfax Holdings and the Royal Australian Chemical Institution are all heavily involved in the organisation's board.

I will just talk again about some of the things flowing out from Thinkers in Residence. The Twinning Teachers and Scientists program aims to enthuse and upskill the teachers of science in the state. It uses new technologies, particularly through the internet, and puts teachers and scientists in touch with each other in informal and productive ways. It was Herbert Girardet's report on making Adelaide a green city which has led to substantial changes in government policy. Just think about what has happened since he came here: the introduction of feed-in laws (which we will be introducing next year), allowing owners of solar panels to sell electricity back to the grid; the tripling of the One Million Trees campaign, which came after my meetings with Girardet; solar and wind power initiatives, which we have already detailed; the introduction of compulsory plumbed rainwater tanks in new dwellings built after July 2006, and five-star energy efficiency ratings; preference for all new government office leases to be in buildings that have at least a five-star energy rating; the development of a model green village for the nation—the Lochiel Park development—incorporating ecologically sustainable development technologies. These measures set a new pace for sustainable development and important new precedents.

Moira Smith's residency focuses on the commercialisation of bioscience. One of her key recommendations is centred on the establishment of a bioscience incubator. As a consequence, the government is allocating \$12.9 million to construct Australia's first dedicated bioscience business incubator. The building of the facility will commence in 2007, with finalisation due in 2008. There are a whole range of other initiatives out of Dr Smith's residency. There was the blast theory residency, improving industry understanding of the use of wireless technology. A project has been funded for South Australian artists to develop film interactive works to be delivered over mobile phones. One South Australian company has also been commissioned to develop animations to the London Science Museum.

There was Peter Wintonick's wonderful work on film and the film industry. Peter Cullen, Australian Thinker in Residence, championed emerging water policy in South Australia and provided a challenge to the existing national water initiative. He provided vital expert advice to the government in determining state policy and preparing for discussions regarding water initiatives at COAG, that is, the rescue of the River Murray. I drew heavily on Peter Cullen's advice. In addition, he was instrumental in the government's decision to proclaim the west Mount Lofty catchment.

Professor Stephen Schneider's report will be finalised and provided to the government in the upcoming months. Indeed, his residency has just finished. Despite this, we are already seeing the influence of his work. He has provided vital expert input—this is a world-standing thinker—to the development of our climate change legislation and feed-in laws.

Rosanne Haggerty, another Thinker in Residence, who has just finished her residency, will provide her final report to the government in coming months. Her Street to Home project was a key plank of Rosanne's interim report. The project aims to house rough sleepers, and in its first financial year of operation the initiative has already been very successful. During this time 68 people were housed in long-term sustainable housing with 100 per cent success rate for maintaining people in housing. A further 220 homeless people were placed in transitional accommodation.

In addition, Rosanne has also established a homeless initiative from New York in South Australia called Common Ground, Adelaide which is managed and promoted by a business leaders steering group. I understand they include Anthony Toop, Theo Maras, Bob Borman, Jim Kouts, Deborah Hamilton, and others. On 16 October 2006, Common Ground, Adelaide was launched in New York by former Liberal premier now Consul-General, John Olsen, and senior federal Liberal party minister and now Australian Ambassador to the UN, Robert Hill.

So, not only has the Thinkers in Residence program achieved remarkable results and helped government to establish best practices from around the world here in South Australia, the program and its results have been widely embraced by different levels of government, business and the community. A major testament to the success of the program is the attraction of matching funding through partners and sponsors. Eleven organisations, independent of state government agencies, have financed our various thinkers. They include: The Body Shop, the Property Council, the University of South Australia, m.Net, Internode, ANAT, the City of Playford, Onkaparinga and Marion councils, Adelaide City Council, Urban Construct and the CSIRO. There is much more in this briefing. The Thinkers in Residence program has been worth the money so far when you compare it with the

cost of funding \$100 million for the consultants to sell ETSA. The sort of projects we are getting are fantastic.

Ms CICCARELLO: I refer to Budget Paper 4, Volume 1 at page 1.13. Premier, can you outline what is happening with the update of the South Australian Strategic Plan?

The Hon. M.D. RANN: When I launched the plan in 2004 I said that independent experts, without spin, would assess the state's progress against its 84 targets and that their report would be publicly available for all to see. I honoured that promise at the end of June with the release of the independent Audit Committee report. That report found that after just two years into a 10-year plan South Australia has achieved, or is on track to achieve, more than 50 per cent of its targets. I think that is a fantastic result.

I said in 2004 when we released the plan that we would not reach every target in the first two years of a 10-year plan, because there would have been nothing more cynical than to have set the bar too low simply to congratulate ourselves when we achieved easy targets. There are 19 targets where progress is deemed unclear, usually because of problems with the data. This does not mean that progress is not happening; just that in the next version of the plan other ways of measuring progress will need to be developed.

So we are updating the plan because it must be a living document that responds to changing circumstances. If it is to be a guide to our future as a community, a goad to action, the plan must be able to be changed. Where data do not exist, or where there are better ways of measuring our progress, we should be prepared to change. We will change targets to make them clearer or more measurable, but we will not change them to water them down. If anything, I want the new targets to be set at more ambitious levels. This idea that we are somehow going to water it down is not the plan. The plan is that we want this to be a goad to action and to be relevant to the state. Some critics have said that some of the things are not measurable. Well, we are trying to make them measurable.

This has been the most open and transparent process of engaging the community in the state's history. Over 1 600 people, I am told, were involved: elected officials, community leaders, business people, farmers, service providers, teachers and students. Transcripts of every meeting and copies of every submission are available on the plan web site for all to see.

Right now, over 100 community representatives participating on working groups (coordinated by the citizen-led Strategic Plan Update Team) are making specific recommendations for improving the plan. These proposed changes will go to the executive committee of cabinet, and the South Australian Strategic Plan Community Connection Unit will convene a series of public meetings around the state in November to present the update team's recommendations to community leaders and interested citizens before ExComm acts on them. I expect the revised Strategic Plan will be released in the first half of December. I want to congratulate Jeff Tryons. Jeff, of course, is from Oregon. He has been working with us for some time. Oregon is the world leader in this kind of planning, and we are delighted with the work that Jeff has been doing in our state.

The CHAIR: I remind the camera operator in the gallery that filming is only permitted of those asking and answering questions.

Ms CICCARELLO: I refer to Budget Paper 4, Volume 1, pages 2.11 to 2.12. Premier, we are aware of the \$6 billion Air Warfare Destroyer Project which will be undertaken in

Adelaide, but what are some of the other defence projects which South Australia is currently working on?

The Hon. M.D. RANN: Defence is one of the key industries for South Australia to grow and meet our economic targets in South Australia's Strategic Plan. We have just achieved, as you know, a new record high in the number of South Australians in work, and more South Australians are in full-time jobs than ever before. Our unemployment rate is the lowest on record; lower than the national rate.

We want to lock in those gains for the future, and that is why it has been so important to go for broke in defence and mining. Since mid-2005 (I think about May) South Australia has won \$10 billion worth of defence and defence related work. This is in line with the defence sector plans that we outlined in 2005, which from memory included increasing the numbers of jobs in the defence industry from 16 000 to 28 000.

The largest of these is the air warfare destroyer contract, which was won by the Australian Shipbuilding Corporation (ASC). We are supporting this project through the Port Adelaide Maritime Corporation and the development of a sustainable defence industry hub (Techport Australia) at Osborne. The air warfare destroyer project is the largest military build project in Australia's history. It will generate contracts and jobs throughout South Australia's small and medium enterprises, and it will demand advanced high-end skills.

Already there are about 200 defence science and technology people working on systems integration for the air warfare destroyers at the systems centre in Felixstow. I understand that is going to be a temporary home for the systems centre. The systems centre is currently based at Felixstow but we want it to be down at the Port.

We announced today that we are also going for a significant slice of the \$2 billion amphibious shipbuilding contract. I have already mentioned that we have won the rights for a new Army battalion and families to move to Adelaide. This will provide a big economic boost. This significant full-time Army presence will attract investment and grow employment not only in the defence industry and supporting small to medium size enterprises, but every sector of the economy. The South Australian Government Defence Unit will continue liaison with defence to understand their requirements and will develop a whole-of-state approach to ensure effective implementation of the project to meet the Army's needs.

An important project with synergies to the new battalion is Project Overlander. This is something that I want to stress today. We are currently working unbelievably hard to win the Project Overlander, which is a \$3 billion project to replace Australian Defence Force field vehicles and trailers, mainly for the Army. They are going to replace all Army vehicles. This is the next project in our sights.

We are also working to supply technology to the Army's hardened and networked initiative and Army combat systems and a range of other land-based ADF projects worth many hundreds of millions of dollars, such as planned upgrades to soldier combat systems and battle space communications, upgrades to the ASLAV Army vehicles—what when I was a kid were known as armoured personnel carriers—and artillery replacement. In aerospace, I am pleased to say that Surveillance Australia, a subsidiary of National Air Support, won the \$1 billion Coastwatch project, whilst Tenix and Australia Aerospace have won the \$1 billion contract to provide upgrades and through-life support to the AP-3C

Orion. South Australia could play a major role with regard to work on the eventual replacements for the Orions to provide manned aircraft for maritime surveillance and response capabilities worth between \$3.5 billion and \$4.5 billion.

We are also aiming to get the best possible share from the future contract for the unmanned aerial vehicles project worth about \$1 billion and we are working to increase the state's engagement in the joint strike fighter program and use of the Woomera training area. We are delighted that we have Roxley McLennan, a former Air Vice-Marshal who replaced Admiral Kevin Scarce. Kevin Scarce is still part of what we are doing in the defence push, as is Admiral Shackleton, and former head of the Australian Navy. I am delighted that General Peter Cosgrove has agreed to head up the Defence Industry Advisory Board (DIAB) of which I am also a member.

On the electronics front, the Centre of Excellence in Defence and Industry Systems Capability has been established, and it is undertaking collaborative research and training initiatives to help defence and industry improve their skills in critical systems technology areas. We are working to attract the Carnegie Mellon Software Engineering Institute (SEI) to Adelaide as we outlined during the recent election campaign. On that, I have recently had meetings with Brendan Nelson, Julie Bishop and Alexander Downer. From memory, SEI is about 50 per cent funded in Pittsburgh by the US Defence Department, about 25 per cent by Homeland Security and the rest by some of the big players in defence. It is a major research institution. If we can bring this off, it will be a massive boost to the state.

The Hon. I.F. EVANS: Premier, has the Economic Development Board expressed a view of the proposed abolition of AWAs and the impact on South Australian businesses like mining and transport? If not, will the government be asking the Economic Development Board for its assessment of the impact on the South Australian economy on the abolition of AWAs, and why not?

The Hon. M.D. RANN: I have just been advised that they have not considered that. As you know, the Economic Development Board played a major role through the summit process and then later in setting up the State Strategic Plan. It played the critical role in suggesting the PACE initiative which was about getting exploration going. It came directly from the board. They said that we were the most under-explored place that they knew of apart from Siberia, and we went for \$100 million worth of exploration which was a massive leap on what had been happening and we smashed that target way ahead of time. That was an Economic Development Board initiated policy initiative which has been spectacularly successful and, of course, they have also worked very heavily on the defence front in terms of winning the air warfare destroyer project and in a range of other areas. However, I have asked the Economic Development Board—in fact, this has not been announced—to continue to play an important role as the government's principal economic advisory body working to its charter and performance agreement. The EDB will continue to play an important leadership role with the local business community and beyond the state's borders with respect to investment promotion and delivery of major projects in the state. I have asked the board to now focus its attention on skills and work force development, planning and infrastructure, and budget reforms.

The Hon. I.F. EVANS: Premier, do you support the abolition of AWAs, given that the Western Australian Premier and the Victorian government are declining to support the proposal? The Western Australian Premier has flat out removed himself from that policy and the Victorian minister this week was asked seven times and refused to comment. Do you support the abolition of AWAs?

The Hon. M.D. RANN: What I do oppose is the current WorkChoices legislation and I oppose it with vigour. Let's put this into perspective. We have, by far, the best industrial relations system in the nation without doubt. It has worked incredibly well to our benefit. It has worked well for us in winning projects and even in meeting with the Prime Minister to talk about the decision about where to locate the air warfare destroyers project—whether it was Melbourne or Adelaide. One of the things I went in really hard on was the fact that we had the best industrial relations record—massively better than Victoria's. Which state in the nation has a federal industrial relations system? This is before WorkChoices. Only one of them, and that was Victoria.

My point is that we have had, through our industrial relations system in this state, an outstanding result that has helped us win jobs and with those job figures the likes of which most people did not predict South Australia would achieve. When we are arguing to win jobs here, when we are talking about competitiveness—and we have asked the Economic Development Board through a sub-committee to come down and reduce red tape and improve competitiveness—one of the things we have got going for us strongly is better industrial relations. So, I am not going to hide in any way from the fact that we are fiercely opposed to WorkChoices because it is about the dumbing down of industry. Why would we give up the best industrial relations system in Australia for something that will make it much more fractious, that will actually deprive kids of bargaining power?

So, again let us look at the figures. South Australia lost 0.3 working days per 1 000 employees due to industrial disputation in the June quarter of 2006; it lost 0.3 working days per 1 000 employees. Only Tasmania had a better record during this period. The national average was 3.1. So, 0.3 here and 3.1 nationally. This continues South Australia's excellent industrial relations record of the last few years.

The Hon. I.F. EVANS: Premier, given your comment about the Economic Development Board's role in looking at improving competitiveness, has the Economic Development Board or any of the members raised concerns about WorkCover with the Premier or the government? I ask the question because WorkCover's unfunded liability has gone from \$67 million to nearly \$700 million over a five-year period. South Australia has the highest premium of any state in Australia, and this obviously affects our competitiveness. Has the Economic Development Board raised that with you?

The Hon. M.D. RANN: Various members of the Economic Development Board over the years have raised all sorts of issues with me, including WorkCover issues, and WorkCover is included in the mix of all of the things to do with competitiveness. But what we have done, after getting tenth in the world and first in Australia on competitiveness, we have kept our foot on the accelerator. As a result, we have been cutting taxes. When we put all those rebates out on the land tax, someone came in and actually brought a thank-you letter in one day, which was special. We have been trying to further increase competitiveness, and then we get another update report which shows we have gone from tenth in the

world to third in the world. What we are doing now is we have asked the Economic Development Board, or the subcommittee that is chaired by Karlene Maywald as Minister for Small Business and minister assisting in the area of industry, Leader of the National Party, to have a look at a 25 per cent reduction in regulations by 2008 in order to further increase competitiveness.

We are looking at the things of the timeliness of decisions about licensing and so on. WorkCover is constantly looking at ways. You have seen some decisions on WorkCover in terms of the way it does its legal work that achieves substantial reductions in costs, and it has implemented a range of other initiatives designed to make WorkCover more competitive. No-one is suggesting to me that we do away with WorkCover and go back to the law of the jungle. No business leader has come up to me and said, 'Why don't we put it all over to the private sector?' They would not be doing that because it would be an absolute disaster with all the money going to the lawyers, and none of us wants to see that.

The Hon. I.F. EVANS: Given that the Competitiveness Council is going to look at cost competitiveness, and that is part of the Economic Development Board's charter, with the Competitiveness Council being a subcommittee of it, will the Premier be referring WorkCover to the Economic Development Board or the Competitiveness Council so they can investigate ways to improve WorkCover and make it more competitive? The reality is the Victorian system is 119 per cent funded, we are in the 60s, and our premium is the highest of any state in South Australia. It has to be a disadvantage for our businesses. I am just wondering why they wouldn't be investigating that?

The Hon. M.D. RANN: I will get a report back on that, but my point is that we have got a board that includes the head of Business SA, a board that includes other business leaders, who know that they have got to ensure that the fund is viable, and at the same time keep premiums down, and at the same time obviously act decently towards injured workers. It is about getting that balance right. I do not think the state would be served by privatising WorkCover. I think that would end up being a disaster for business in this state. I do not know what you guys think, but I think it would be a disaster.

The Hon. I.F. EVANS: Just as a supplementary: in the other states, the premiums are 1.2 per cent, 1.6 per cent, and 2.06 per cent. We are at 3 per cent. The Victorian scheme just returned a profit of over a billion dollars. The Victorian scheme has had three premium reductions in three years and the New South Wales scheme has had three premium reductions in one year. The cynics might suggest there might be a state election in New South Wales and that is why they had three reductions in one year, but the reality is they have. Our scheme has gone from a \$67 million unfunded liability in March 2002 to a \$693 million unfunded liability now. Our scheme seems to be going against the trend of all other schemes. I am wondering whether you are proposing to do anything about it or are you simply going to leave it to the board?

The Hon. M.D. RANN: I have great confidence in the board and the board's leadership. As I say, we have the head of Business SA on the board. We have a very distinguished accountant, Bruce Carter, as the chair of the board. You have got business and unions. You have Janet Giles, other business people, and former head of the Victorian industrial relations system, Philip Bentley, and others, on the board. It is an outstanding board and I have confidence in them.

Ms FOX: I refer to Budget Paper 4, Volume 1, page 1.13. Will you explain the importance of the university city project and the benefits it will bring to the state?

The Hon. M.D. RANN: The university city concept came from the work of the EDB, in particular its 2003 report 'A framework for the economic development of South Australia'. In April 2006 the government commissioned a feasibility study with a brief for the Department of the Premier and Cabinet to assess the known current opportunities, strengths, limitations and risks for Adelaide becoming a university city. This year progress towards achieving the university city vision included Carnegie Mellon, a high quality US university, opening its doors on 22 May and a heads of agreement between the state and Cranfield University in the United Kingdom signed on 24 May. Carnegie Mellon, which is a top ranking and prestigious American university, has established two postgraduate schools in Adelaide. It is a great achievement for South Australia that Carnegie Mellon has chosen to make Adelaide its Asia-Pacific base. We want the base to grow—so does the federal government.

I get a lot of criticism from the Deputy Leader of the Opposition about Carnegie Mellon. I bring this quote to the attention of the Deputy Leader of the Opposition (who is not here). On 4 September this year I received a letter which states:

Please convey my best wishes and congratulations to all those who worked tirelessly to bring the Carnegie Mellon Campus to Australia. It is indeed a milestone in the history of our country's tertiary education. I trust the existence of the campus fosters similar education exchanges in the years ahead.

The letter is signed by the Prime Minister of Australia, the Hon. John Howard. I know that the Deputy Leader of the Opposition has cast aspersions over Carnegie Mellon and other foreign universities establishing campuses in Adelaide, but, at the same time, Carnegie Mellon was made possible because of the support of the commonwealth government. It amended two pieces of federal law, which passed with bipartisan support, and minister Alexander Downer is funding a total of 80 Carnegie Mellon-AusAID scholarships. In fact, when the bill to make these amendments was being debated in the House of Representatives on 14 September 2005, the then minister for education (Dr Brendan Nelson) said:

The Australian branch of Carnegie Mellon University is expected to attract more students to Adelaide from the Asia-Pacific region and contribute to its plan to transform Adelaide into a global university city of excellence. It will also further internationalise the South Australian economy, bringing further revenue and prestige to that state. The introduction into the sector of such a highly regarded international university will increase diversity and choice within the Australian higher education sector, make Australia more globally competitive and part of the global higher education marketplace, and attract students from around the world who are seeking a high quality education experience.

First, it was the Prime Minister and now we have Brendan Nelson endorsing it. Carnegie Mellon is the youngest university ranked in the top 25 in the world. It is known for innovation, excellence and interdisciplinary collaboration. For example, Carnegie Mellon is ranked No. 1 in the United States for information technology management teaching. When one considers all the exceptional American universities, such as Harvard, Yale, Stanford, Princeton, Virginia and Columbia, it is exciting to think that students from South Australia and elsewhere can now study IT management at the best university teaching in the world.

Two postgraduate schools of the top ranking Carnegie Mellon University began teaching in Adelaide in May. The John Heinz III School of Public Policy is named after the former Republican Senator for Pennsylvania John Heinz III of the Heinz baked beans family. He died in a plane crash and his wife, who has a trustee's position at the Heinz school, is married to John Kerry, the Democrats Senator from Massachusetts who was the presidential nominee for the Democrats in the last presidential election. In addition to the Heinz school, there is the entertainment technology centre.

Carnegie Mellon is an outstanding fit with our strategic plan, not only in attracting more students to Adelaide but also in making a long-term contribution to South Australia's knowledge base and economic prosperity. Our foreign student numbers are going through the roof. In 2000 about 6 000 overseas students were studying in Adelaide, but five years later that figure had tripled to 18 000. Given this strong increase in enrolments and the strength of our business case for Carnegie Mellon, we are very confident of a high level of enrolments in this leading international university. We believe that the level of our investment in both the Heinz school and the entertainment technology centre is modest compared to the opportunities for South Australia. Partnerships with foreign universities will contribute to building a skilled work force for key industry areas, including mining, defence and sustainability, by attracting more students to Adelaide through the availability of new programs and increased research capability.

Ms FOX: I refer to Budget Paper 4, Volume 1, page 1.17. What has been the response to the draft of the climate change legislation that was released in June 2006 and how does the government propose to engage South Australian industry in reducing emissions, given the legislated 2050 target?

The Hon. M.D. RANN: South Australia continues to lead the nation in tackling the impacts of climate change. Central to this is the Climate Change and Greenhouse Emissions Reduction Bill 2006, which was released for public consultation in June 2006. The bill has two key targets, including reducing the state's greenhouse gas emissions by 60 per cent from 1990 levels by 2050; and I know that the Leader of the Opposition announced the same target during the election campaign. Also, we will be increasing our renewable energy use so that it comprises 20 per cent of total electricity consumption by the end of 2014.

For the first time in Australia these targets will be given the force of law. I understand that South Australia will become the third place in the world to introduce such legislation. The state government has already announced two initiatives that will help reach these targets. The first is the purchase of green power. The government will purchase 20 per cent of its energy requirements from certified green power. Green power is government-accredited, clean, renewable energy sourced from the sun, wind, water and waste.

This will mean that we should meet our own targets ahead of schedule. The state government and its departments will reach our 20 per cent target by 1 January 2008. This will place us in a clear national leadership position. The second highest jurisdiction is Victoria, which currently buys 10 per cent of green power. From memory, the commonwealth is about 8 per cent and another state is about 5 per cent. The second is the nation's first feed-in law. In 2007, South Australia will be the first state or territory to legislate for people with solar panels to be rewarded for returning any surplus power to the electricity grid.

These two initiatives show that the state government is prepared to lead by example. We are putting our money where our mouth is. As of 13 October, 140 written submissions had been received in respect of the draft legislation—115 from South Australia, 21 from interstate and four from overseas, including from the Under Secretary of the United Nations (Mr Jose Antonio Ocampo), Steve Howard from the Climate Group in the United Kingdom and Mr Mikhail Gorbachev, former head of the Soviet Union who is now head of Green Cross International in Switzerland.

Additionally, 31 letters of acknowledgment have been received—15 from South Australia, 13 from interstate and three from overseas—from Prime Minister Tony Blair, former president Bill Clinton and the Hon. David Benson-Pope MP from New Zealand. The detail of the submissions is currently being analysed. However, the submissions and correspondence generally have commended the government's leadership and initiative in this area. Professor Stephen Schneider (Adelaide Thinker in Residence on environmental issues and a partner at Stanford University with Paul Erlich), Al Gore (a former vice president of the United States) and David Suzuki have also publicly commended the government's leadership, especially given the absence of national leadership on such an important issue.

The government therefore remains committed to introducing the actual bill into parliament in the last sitting period of 2006. The legislation seeks to:

- set interim and sector-specific targets;
- require a four-yearly report to parliament on progress;
- establish voluntary sectorial agreements;
- establish voluntary carbon offset emissions programs; and
- establish the Premier's Climate Change Council as a consultative mechanism for advising on the implementation of the legislation.

The Premier's Climate Change Council and sectorial agreements are critical elements of the legislation designed to ensure that the government will work closely with the South Australian business community in developing policy responses to climate change. The Premier's Climate Change Council will provide independent advice to the minister on climate change policies and programs, including the initiation of specific projects and plans and the identification of costs and opportunities. The voluntary sectorial agreements will identify what sector specific actions can be taken to help achieve the emissions, reductions and renewable energy targets.

The agreement will also seek to recognise prior actions taken by industry to reduce greenhouse emissions. It is becoming clearer by the day that climate change will strike Australia earlier and more severely than any other developed nation in the world. Therefore, it is imperative that the federal government follows our lead and establishes the same targets that we have proposed in law.

Mr BIGNELL: I congratulate the Premier on the great work he has done over the past five years. The congratulations that he has received from Al Gore, David Suzuki, Mikhail Gorbachev and other world leaders are thoroughly deserved. Someone in Australian politics has finally grasped the nettle and done something that is extremely popular throughout South Australia, particularly in the seat of Mawson. My question refers to Budget Paper 4, Volume 1, page 1.17. The Premier recently announced the government's intention to introduce a feed-in law in South Australia. What are the reasons and how will South Australians benefit from this new legislation?

The Hon. M.D. RANN: As I mentioned earlier, South Australia continues to be the clear national leader in solar and wind power. As we say, with less than 8 per cent of Australia's population, South Australia has 51 per cent of the nation's wind power capacity and 45 per cent of the nation's grid-connected solar energy. In 2007, South Australia will again lead the nation by becoming Australia's first jurisdiction to legislate (I hope) for people with solar panels to be rewarded for returning their surplus power to the grid. Feed-in measures have been introduced into 16 of the 25 European Union countries and seven other countries outside Europe, including Canada, China and Israel.

Internationally, feed-in laws have been proved to be efficient policy measures to promote the uptake of renewable energy. In South Australia the proposed five-year legislation comes at a time when the federal government is progressively withdrawing its support for the uptake of renewable technologies in the residential sector. The Mandatory Renewable Energy Target (MRET) scheme is likely to reach its target next year, and the federal government has indicated that it will not be renewed. That is really disappointing. I have spoken to the Prime Minister personally about this.

Similarly, the federal photovoltaic rebate program will be phased out by the end of June 2007. It has only about eight or nine months to go. Again, that is a subsidy for people to install solar panels but that will be phased out. The two biggest federal initiatives in the face of drought and climate change are being phased out or closed. Consultation is therefore currently under way with energy retailers, regulators and distributors. The initial consultation will centre on consumers receiving a price for this power up to double the price they pay for conventional power. This bonus would apply for a fixed five-year period. The costs of this initiative will be recovered from consumers as a whole. The precise cost impact will be dependent on a number of variables, particularly the increased deployment of solar panels as a result of the feed-in laws.

On modelling undertaken by DPC and PACE based on the numbers of solar panels in South Australia today, which I am advised is currently 1 500 (I guess that means homes), I am told that the impact on consumer prices would be negligible. Increasingly, the take-up of solar panels helps all consumers because they provide power at the time of peak demand. This reduces the need for investment in power generating capacity at peak times. The cost has to be met by consumers. Obviously, we need to look at airconditioning. I am pleased to hear from Dean Brown that a South Australian company has made a major breakthrough in the energy efficiency of air conditioners and, given that peak demand for power is at a time when air conditioners are most in use, I was very pleased to be briefed about that the other day by the former Liberal premier.

This feed-in mechanism is expected to encourage the deployment of solar panels, leading to greater community acceptance of this technology and eventually to other renewable energy technologies. The increased uptake of solar systems will help lead to business, employment and vocational training opportunities in the manufacture, installation and servicing of systems. Ultimately, a feed-in law will form another element of our support for the renewable energy industry. Our aim is to ensure that South Australia is the more supportive state in Australia for the renewables sector and to demonstrate this is the logical place to trial new low emission technologies. I mentioned that 90 per cent of the money on

geothermal technology—and it is many millions of dollars—is being spent in South Australia.

The Hon. I.F. EVANS: Page 2.10 of Volume 1 in relation to the Economic Development Board: what is the total budget of each work force development strategy, and how many FTEs are allocated to each strategy—that is, minerals, defence, advanced manufacturing, electronics and ICT?

The Hon. M.D. RANN: I will ask Ray Garrard to respond.

Mr GARRARD: A skills statement was announced recently which outlined about \$98 million worth of initiatives. In terms of those specific areas, and I will go through them and give some details further on, the minerals resource skills centre has been allocated about \$8 million to roll that out. In terms of the maritime skills centre, I think the number is about \$20 million or thereabouts. There is some additional money in the Department of Trade and Economic Development budget to do some work force development initiatives, and I think the amount is around the \$800 000 mark. That is in addition to the substantial funds that DFEEST has. We are working across government on a lot of the work force development issues, so the department of trade is working very closely with DFEEST and other government agencies in doing work force development strategies for key industry sectors. I am happy to provide more details and the exact numbers out of session.

The Hon. I.F. EVANS: That would be the numbers across government, not just divided up per agency? You mentioned DFEEST.

Mr GARRARD: The \$98 million is across government, and that covers a whole raft of initiatives in terms of work force development.

The Hon. M.D. RANN: Do not forget that, overall, there will be 10 new trade schools and the mining skill centres which will devolve through to places such as Port Augusta, Port Pirie, Whyalla, Ceduna and Adelaide, as well as the defence skills centre.

The Hon. I.F. EVANS: Regarding the Department of the Premier and Cabinet at page 1.31, why is the government budgeting for a cash alignment payment of \$4.873 million at the same time as the department is receiving a \$5.2 million equity contribution?

The Hon. M.D. RANN: I will invite Mr McCann to respond. We will see if we can get a response now. If not, we will get a report.

Mr McCANN: I think we will take it on notice and provide the member with a report later, if we may.

The Hon. I.F. EVANS: Can you answer the first part of the question? Why are you budgeting for a cash alignment repayment at the end of next year? Why would you not be budgeting to spend all your money? My understanding of the cash alignment policy is you pay back what you do not spend, so in your budget you are planning not to spend \$4.8 million. I am not sure why you are doing that.

Mr McCANN: We will see if we can get an answer within the next few minutes and provide it to the member.

The Hon. I.F. EVANS: In relation to the Department of the Premier and Cabinet, page 2.7, what programs or officers will the departmental efficiencies and the efficiency dividend be taken from; what positions and how many positions will be removed as a result of the departmental efficiency and the efficiency dividend proposed; and what impact on services is expected as a result of the departmental efficiencies and efficiency dividend?

The Hon. M.D. RANN: Are you talking about DTED?

The Hon. I.F. EVANS: I am talking about Department of the Premier and Cabinet. It is on page 2.7. There are different amounts for the Economic Development Board on another page. I am talking about page 2.7.

The Hon. M.D. RANN: We will get a report on this. As the member knows, we are making changes relating to OPE, which will be absorbed within the department, but we will get a report on it.

The Hon. I.F. EVANS: These are not OPE: they are identified. These are the bland descriptions of 'departmental efficiencies' and another heading 'efficiency dividend'. They are in Budget Paper 3, page 2.7.

The Hon. M.D. RANN: There is an efficiency dividend that applies across the whole of government. Is the member referring to that?

The Hon. I.F. EVANS: It is your description, not mine. There is a bland description, a one-line description, 'Departmental efficiencies.' There is another line, 'Efficiency dividends.' What programs or offices will the dividends be taken from? What positions and how many positions will be removed as a result of those two, and what impact on services will there be as a result of those two?

Mr McCANN: The 0.25 efficiency dividend will be applied equally across all the programs of the department. The broader category of 'Efficiency dividends' is made up of a number of savings applied to the department's programs, and we can get a list of those. They will be some administrative savings and some staff reductions across the department. We can provide the leader with a list of the detail of how that is made up out of session.

Mr HANNA: I have two questions. One is on climate change programs, and it is a double bungler question. With the shameful ending of the federal MRET program, will the state government introduce a South Australian MRET target? Secondly, what is the state government doing to promote development of geothermal energy?

The Hon. M.D. RANN: Some of this may have been covered before the honourable member arrived. We originally set ourselves a target in terms of our share of sustainable energy. When we announced the target some years ago people thought it was unachievable, but we have easily smashed that target. We are well on track, I am told, to reach 15 per cent of our share of electricity coming from renewables by about 2009. Again, no-one in the country would come within cooee, unless we are referring to hydro. In terms of wind and solar, that is the position. As I mentioned before, we provide 51 per cent of the nation's wind power, with 7.5 per cent of the population, and 45 per cent of the nation's solar power. That is before the introduction of the Prime Minister's Solar Cities project for northern Adelaide and before the introduction of our feed-in laws.

The two things that I announced in recent weeks are that we will be the first state to introduce feed-in laws, which reduces the time in terms of the pay-back period for people installing solar panels and, secondly, that we also have incentive schemes for people to have solar hot water systems. Also, as a state government, we decided to use our purchasing power. About nought per cent of our purchasing, I am told, came from when DAIS goes out and contracts to buy electricity for fire stations, police stations and the big government buildings such as state administration and the Education Department, and also the schools and the hospitals, so we are going from a standing start to 20, which will be double the highest in Australia, which is Victoria's. We will achieve that by 1 January 2008.

We set ourselves a target of 2014 and we have decided to put our money where our mouth is and use our buying power in terms of the state's purchase of electricity. The feed-in laws are part of it, and I am very confident that we will reach our 20 per cent renewables target for the whole state, not just for government departments. I am challenging councils and businesses to follow our lead.

Mr HANNA: In terms of that question, what specifically is the government doing to promote development of geothermal energy?

The Hon. M.D. RANN: Obviously we have been working through PIRSA, and we have 90 per cent of the national effort on geothermal happening. Of Australia's effort on geothermal, 90 per cent is happening in South Australia. PIRSA works very closely with a whole range of companies that are spending tens of millions of dollars on it, I am told.

Mr HANNA: I did hear all that earlier this morning, but can I be very specific there: is the Premier ruling out that there will be a replacement of the federal MRET scheme in South Australia?

The Hon. M.D. RANN: We are not going to allow the commonwealth to get away with pulling out of something and then we put in the money: we are not going to be mugs. What we are going to do is bring in feed-in laws, which is about encouraging a bigger solar take-up and also about making it more viable. No state has done that. I understand that Victoria is stepping in with a VRET scheme, which is replacing what happens when MRET goes.

Mr HANNA: We are not doing that?

The Hon. M.D. RANN: No, because they are putting it in to reach 10 per cent. We are going for 20 per cent, so we do not need to.

The CHAIR: May I remind the honourable member that questions are through the chair: this is not the time for a debate.

Mr HANNA: Thank you for your indulgence with my previous informality. I wish to clarify one final point. There is no state budget money directly going to promote geothermal energy?

The Hon. M.D. RANN: I am sure there would be some effort in Primary Industries. Because we have 90 per cent of the national effort going in, what we have been doing is fast tracking, encouraging and working with them. I do not believe that millions of dollars are being spent by PIRSA but I think that PIRSA has been activity assisting, which is why they have chosen this state rather than elsewhere.

The Hon. G.M. GUNN: Innamincka.

The Hon. M.D. RANN: In the honourable member's electorate. It is the geothermal centre of Australia. And a great pub!

Mr HANNA: My final question is in respect of the Social Inclusion budget line, specifically in relation to the report on mental health services that the Social Inclusion Board will provide to government shortly. Will the Premier guarantee that, within a month or two of that report being received by government, it will be made public?

The Hon. M.D. RANN: It is a report to cabinet. The government requested advice from the Social Inclusion Board on mental health reform. The board undertook an extensive consultation process between December 2005 and early 2006. There are four panels representing a range of interest groups: consumers and advocates, the mental health work force and professions, non-government organisations and public sector management. Specific consultations were held across all country regions and with Aboriginal people. The consultation

also included a four-day phone-in and an on-line survey. Each of the panels provided the board with a communique of its advice on policy directions reforming the mental health system. In total, over 1400 people were involved in the consultation. The board is particularly grateful to those who shared their experiences and insights as consumers of the mental health system.

Since May 2006, the board has been working with a broad-based reference group drawn from the consultation panels to support its deliberations. At the same time, the Social Inclusion Unit has been engaged in extensive research nationally and internationally, and has sought the advice of experts from Australia and overseas.

The board expects to have prepared its advice for the government by early December 2006. The commitments already made by the government to mental health will be maintained. The advice of the board will determine the essential framework to confidently move forward on a five-year program of reform that will improve the life experiences of South Australians with impaired mental health, their carers and their families. That does not answer your question, but it gives you a bit of background. I do not know whether people have given material in confidence; it involves people who are the consumers of mental health. I will ask David Cappo. I am not being evasive; I just do not know.

The Hon. I.F. EVANS: Referring to Volume 1, page 1.18, the government has set a target of reducing energy consumption by 25 per cent by 2010. Does this target include the power consumed by government corporations, such as SA Water? In other words, is SA Water's power purchase included in the calculation that you are seeking to reduce?

The Hon. M.D. RANN: It is a 25 per cent reduction across government.

The Hon. I.F. EVANS: I am asking if SA Water is included in your definition of 'government' for that target?

The Hon. M.D. RANN: I will check that. It might be that in some areas you would get a 40 per cent reduction and in other areas a 15 per cent reduction. But the whole idea was to get a 25 per cent reduction across government, and that is what we want to achieve. I am sure there will be variables in the mix. I do know, for instance, that one of the reasons that I have strongly advocated a desalination plant is to help support the expansion of Roxby Downs.

I met with some of the leaders of the environmental movement and I have also had meetings with BHP Billiton. Some people in the environmental movement do not like desalination plants, but the choice was a further raid on the Great Artesian Basin, pumping River Murray water up beyond Port Augusta (an extra 330 kilometres up to Roxby), or building a desalination plant. Desalination plants do use a lot of power, and I want some of that power for the desalination plant to come from green energy sources. I am advised that, in fact, it would actually save money in terms of electricity—or save electricity—because of the amount of power needed already by SA Water to pump water up to Port Augusta, Whyalla, the Spencer Gulf region and also to Eyre Peninsula. I was told that we could actually save on power because the desalination plant will not just be providing water for the mining developments; it will also be providing water for Whyalla, Port Pirie, Port Augusta and Eyre Peninsula, therefore relieving pressure on the River Murray and relieving the amount of electricity used to pump River Murray water up there. Mr McCann has an answer to one of your previous questions.

Mr McCANN: In relation to the cash alignment question, funds were received from the commonwealth relating to APY lands initiatives, including the three swimming pools and the drug rehabilitation centre. These funds have been carried over and the surplus cash in the administered bank has been returned to Treasury as per the cash alignment policy. So, it is a result of the funds being carried over that has led to the surplus cash now being returned to Treasury.

The Hon. I.F. EVANS: So the \$4.8 million in the cash alignment area is a payment already made back; it is not a budget for next year?

Mr McCANN: Yes, it is a payment already made back.

The Hon. I.F. EVANS: What is the answer to the \$5.2 million equity contribution?

Mr McCANN: We will have to get you that one.

The Hon. M.D. RANN: I also have some more material relating to your question on skills. As you know, the South Australian government has been actively responding to the environment in which strong economic growth, coupled with low unemployment, is presenting both a current and future challenge for the continued supply of an adequately skilled work force. More than \$400 million is currently invested each year in South Australian skills and employment development programs to meet the state's work force needs.

As part of the skills package—Skills for South Australia: building on Strong Foundations—\$98 million is provided over four years for skills development. The budget provides \$52.1 million of new funding to develop the skills of our work force, and the priority areas are: defence, mineral resources, manufacturing and construction. The package includes funding for the skills-related commitments made at the last election, including: the establishment of a mineral resources and heavy engineering skills centre to meet the work force demands created by a booming mineral resources sector, \$8.58 million; funding for an additional 2600 apprenticeships and traineeships that also align with new growth sectors, \$14.5 million; the establishment of a branch of Carnegie Mellon's University software engineering institute to develop South Australian systems in engineering and integration competencies, \$3 million (but we are hopeful of getting significant funding from the commonwealth); and the provision of 10 new trade schools for the future to increase young people's skills in areas of industry need, \$24.8 million. The package initiatives will be implemented in close cooperation and partnership with industry to meet the rapid jobs growth and skills demand of the mineral resources, defence and construction industries.

I am aware that I can't table it here in estimates committee, but I refer to a booklet called, 'Skills for South Australia: Building on Strong Foundations September 2006'.

The Hon. I.F. EVANS: I thank the Premier for that extra information, but I would still ask Mr Garrard to look at my question and provide the detailed answer because my question was broader than just a skills aspect. Following on my previous question about the reduction in power and what departments it covered, I ask the Premier whether the 20 per cent purchase of green power also applies to government corporations such as SA Water, and whether there is any estimate of how many megawatt hours extra it is likely to be per annum.

The Hon. M.D. RANN: As I understand it, they buy their power on a separate contract. This purchase will be for all the schools, hospitals, departments, fire stations, police, community welfare, etc. I understand that there is a separate contract for SA Water.

The Hon. I.F. EVANS: This is the point I want to explore just for a minute. My understanding is that SA Water is one of the biggest energy users in the state. I think what you are saying to us is that SA Water will be excluded from the two targets you are setting, that is, the reduction in power usage by 25 per cent and the increase in green power purchase of 20 per cent, and that is what I am asking.

The Hon. M.D. RANN: What I have just told you is that we have a target for 2014 in terms of our share of green energy. The government department contract is about to be negotiated in the next couple of weeks, and we have stepped in as a cabinet and said, 'Let's do this ahead of time.' I reckon it will be done within about six or eight months, certainly before 1 January 2008. So, as the contract came up we basically decided to jump in, and that is costing probably about \$2 million a year extra. So that is a decision that is worth \$8 million over four years. The contract was about to come up for negotiation, and no other government has done this. We are putting our money where our mouth is by acting way ahead of the target period.

The target of reducing electricity consumption by 25 per cent applies across the public sector. Therefore, we expect all the players in the public sector to play their part. But obviously, if we proceed with the desalination plant—and that is supplying water to the West Coast, as well as Port Pirie, Port Augusta and Whyalla—that will relieve the electricity burden on SA Water.

The Hon. I.F. EVANS: By?

The Hon. M.D. RANN: Thirty megawatts.

The Hon. I.F. EVANS: I am not sure what 30 megawatts is in SA Water's purchase. It is a figure but I don't know whether it is 1 per cent of their amount or 10 per cent of their amount.

The Hon. M.D. RANN: It would be a lot more than that.

The Hon. I.F. EVANS: Yes; well I am not sure. All I am trying to clarify, and I am still not clear, is whether SA Water is bound by those targets. I suspect it is not.

The Hon. M.D. RANN: We want to be able to say that when we reach the target deadline the public sector in South Australia across the board, in totality, has reduced by 25 per cent; and SA Water is part of the public sector.

The Hon. I.F. EVANS: Page 143, Volume 1, in relation to executives moving onto contracts, I point out that in last year's estimates it was indicated that all future executives would move onto contracts, and there has been another recent run in the media on the same issue. I just want to clarify whether that initiative applies to all current and future executives moving onto contracts.

The Hon. M.D. RANN: Maybe it is a question we should put to OPE when they come in after lunch.

The Hon. I.F. EVANS: Mr McCann doesn't know as head of the Public Service, or you don't know as Premier?

The Hon. M.D. RANN: Can you just repeat the question?

The Hon. I.F. EVANS: In last year's estimates you stated—

The CHAIR: Leader, the clerk advises me that this line isn't open yet, that you are asking a question that is more specific than the lines currently open. It will be open after lunch.

The Hon. M.D. RANN: I can give you an answer anyway. On Wednesday 8 September 2004 I announced details of cabinet's decision regarding the new arrangements relating to the appointment and reappointment of all Public Service executive employees. Effective from that date all contracts for future chief executive and executive employ-

ment contracts made pursuant to the Public Sector Management Act 1995 will be made on an untenured basis. That is what I announced on Wednesday 8 September 2004. This includes existing tenured executive employment contracts when the existing term—

The Hon. I.F. Evans interjecting:

The Hon. M.D. RANN: No; just listen to that. This includes existing tenured executive contracts when the existing term expires and when reappointment offers are being made. So as to comply with administrative law principles chief executives must always be prepared to consider the retention of a fallback right. Fallback may be granted at the discretion of a chief executive if it is warranted by the special or unusual circumstances of an individual case.

At the minimum level of the executive range, apart from the entry levels at Executive A, there is a 10 per cent differential in remuneration between the tenured and untenured ranges. Applying the 10 per cent differential to the total remuneration package value of the current tenured executives, once all contracts have run their term and if all executives move to an untenured contract, the additional cost is estimated to be about \$6.9 million over a maximum five-year period.

Chief executives are responsible for the employment of executives within their individual agencies and may negotiate appropriate remuneration packages to attract/retain people with the necessary skills and experience to these positions. The Office of Public Employment will shortly release a State of the Service report, which will provide information on the impact of this initiative. New monitoring arrangements put in place by the Office of Public Employment indicate that currently 58 per cent of executives are on untenured contracts and 41 per cent are on tenured contracts. The trend will continue to be monitored and reported by the Office of Public Employment.

The Hon. I.F. EVANS: Excuse my naivety, but what is the difference? An untenured contract means there is no time limit, and a tenured contract means there is a time limit; or the other way around?

The Hon. M.D. RANN: No. It is about removing tenure. People were there for life, and this removes the tenure: 58 per cent are there just for as long as their contract. That is the change: am I right, Mr McCann?

Mr McCANN: You are. But on a point of clarification, a tenured contract allows for a fallback to another position within the contract. An untenured contract gives no such protection. So at the end of the contract either a new contract is renegotiated or the executive leaves employment.

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

Additional Departmental Advisers:

Ms T. Smith, Executive Director, Office of the Executive Committee of Cabinet.

Dr A. Graycar, Head, Cabinet Office.

The Hon. M.D. RANN: Can I make a suggestion that with the 150th anniversary of this parliament coming up—and I hope I get bipartisan support for this—maybe we could ask the Speaker to write to the ABC in the 150th year for the estimates committee to be broadcast daily on 891. Just as they switch to the cricket, I understand that their ratings go up, this could only improve the ABC and people's understanding of the estimates process.

Mr PISONI: Given the decision to establish a shared services centre, why did the Premier in one of his government's first decisions reverse the decision by the former Liberal government for a shared services centre in which the Department of Treasury and Finance undertook payroll and other related services for the Department of the Premier and Cabinet?

The Hon. M.D. RANN: I guess it is a different model. We are talking about a significantly different model for shared services than that pursued by the previous government. Minister Conlon will be available this afternoon to answer questions on that issue.

Mr PISONI: Premier, what are all the subprograms run under the commission of social inclusion and, for each program, what is the budget and FTE allocation?

The Hon. M.D. RANN: I will get that material but, before I do, I just say that the whole point of the social inclusion initiative is to bring together resources from across government and, indeed, from across the community sector. It is the whole point of joined up solutions. An example of that is the first reference: how to reduce homelessness by 50 per cent and the number of people sleeping rough (sleeping outside) in South Australia. I know that some people in the housing department at the time said, 'What has this got to do with the Premier's department? Homelessness is about housing.' That was certainly how it was reported to me. Of course, homelessness is not just about housing; it is also about unemployment, mental health issues, family breakup, and drug and alcohol dependency. I will give a summary of the major initiatives for 2005-06. We have already mentioned the mental health report.

The board is developing advice for a five-year plan of reform for the mental health system. A total of 1 400 people are already involved in ongoing consultation with the board, including people with a mental illness, their families and carers, non-government organisations and mental health work force and professions. The plan will focus on implementing a stepped model of care, tackling problems in acute psychosis care, aligning the South Australian mental health system with the COAG five-year action plan, siting Glenside as the centre for specialist mental health services.

There is also the country suicide prevention initiative. The Department of Health has implemented social inclusion-funded suicide prevention projects across seven country regions. They have all had a focus on young males who are at risk of self harm, particularly young Aboriginal males. One of the projects was a recent finalist for the Margaret Tobin Award, set up in June last year, and run out of the Lower Murray Nungas Club. 'No-one walks alone' has engaged more than 20 young people.

The social inclusion homelessness plan is showing how innovative approaches can reduce and prevent homelessness in our community. For 2005-06, programs under the homelessness action plan program helped 9 974 people, including 1 296 homeless people assisted into housing—1 210 people at imminent risk of homelessness supported to prevent this happening. The Street to Home program, an idea introduced by Monsignor Cappelletti, has supported 198 rough sleepers into transitional accommodation and a further 64 into long-term accommodation. They are housing the long-term homeless who were previously considered too hard to house, tackling the hardest end of this problem. The private rental tenancy support service is helping homeless people access the private rental market and to stay housed. They work closely with landlords and agents as well as the formerly homeless tenants

and, so far this service, through Housing SA, has helped more than 430 people including 112 single people and 320 people with families.

In relation to student matters: it has supported 162 school students who are homeless or at risk of homelessness. Many were couch surfing—basically, not having a home and just flopping down on people's couches in different homes. The Intensive Case Management process resulted in 61 per cent of these young people living with one or both of their parents, and a further 20 per cent living with a relative. Safe and appropriate housing was found for all 162 young people, and 92.3 per cent of them have remained in school or an alternative form of educational training.

As to school retention, the School Retention Action Plan has already supported over 10 000 young South Australians by helping them to engage, re-engage and continue learning so that they successfully complete Year 12 or its vocational equivalent. For the 2005 school year, Year 10 to Year 12 retention rates reached 71.6 per cent for all SA schools. This is the best result, I am told, in almost a decade. The proportion of young people taking up vocational education and training in South Australia has also increased over the life of the School Retention Action Plan. For innovative community action networks—ICANS they are called—teams are working in the northern, north-western, southern metropolitan and Spencer Gulf areas. The ICANS bring young people, their families, local business, industry and agencies together to help young people to stay in education or restart their education. It is about finding relevant solutions to the local issues. In the case of previously disengaged young people who participated in ICAN programs, after 12 months some 83 per cent have been successfully re-engaged in mainstream learning. One ICAN program in the north-western suburbs is called Mad 6 Design and involves local business working with a group of students to set up and run a graphic design business. All of the students had multiple disabilities—physical or intellectual—and were previously at risk of leaving education. The program helped the young people to gain qualifications and link their studies to something that was relevant for them.

As to offenders and Breaking the Cycle: starting in August, Breaking the Cycle aims to prevent serious repeat offenders from reoffending and ending up in the adult justice system. It involves a partnership between the Department for Families and Communities and the Department for Correctional Services, Justice and the Social Inclusion Board. Referral into the program is voluntary and it is made by the Adelaide Youth Court and the Port Adelaide Magistrates Court through sentencing. Once in the program the young person is provided with a dedicated caseworker who works one to one with the young person to help address the reasons for their offending and ultimately prevent further offending; for example, drugs, alcohol, aggression. The worker will then help these young people with access to income support, accommodation, health services, employment, education and training. I am told the pilot program will be catering for 50 young people annually, 20 of whom will be Aboriginal people. Once fully operational, the program will be providing services and support to 20 young people at any one time who are aged between 16 and 20 years to help them break free from the cycle of offending.

Then there is ASSIST. The Alcohol Smoking and Substance Involvement Screening test, also known as ASSIST, is a questionnaire that screens for hazardous, harmful and dependent use of illicit drugs, alcohol, tobacco

and other substances. Developed by the World Health Organisation, the test has been funded in South Australia by the Social Inclusion Board, has been used at Yatala Labour Prison, Adelaide Women's Prison and the Adelaide Remand Centre. It is the first time the test has been used in a correctional environment. The ASSIST provides information about the substances people have used in their lifetime, the substances they have used in the past three months, problems related to substance use, risks and dependence. Between July 2005 and May 2006 518 prisoners were voluntarily screened. Results showed that 51 per cent of female and 56 per cent of male prisoners had injected drugs, and amphetamines were the most used substance. Based on the screening, prisoners who need treatment are referred to drug and alcohol workers in the prisons.

Mr PISONI: That was all very interesting, the Premier reading that into *Hansard*, but I am still waiting for the answer. For each program, what is the budget and the FTE allocation?

The Hon. M.D. RANN: I can get a report on that. But, as I tried to explain at the start, those programs, testing and things, are not administered by people in the Social Inclusion Unit, which is basically a policy area and about bringing programs together. But I can get a report on that for the member.

Mr PISONI: What is the full-time equivalent staffing level and budget for the newly created Sustainability and Climate Division, and how do they vary from last year's figures when the work was being done in other agencies?

The Hon. M.D. RANN: I can get any additional information you need. Following the South Australian election in March 2006 I established the Sustainability and Climate Change portfolio and became the first Minister for Sustainability and Climate Change in Australia. On 1 April 2006 the Sustainability and Climate Change Division was established in the Department of Premier and Cabinet. This incorporated the Capital City Project Team, which was previously part of the Services Division in the department, and staff from the former Office of Sustainability in the Department of Environment and Heritage. The Sustainability and Climate Change Division supports the Premier in his capacity as Minister for Sustainability and Climate Change, and the Minister for the City of Adelaide.

The Sustainability and Climate Change Division is tasked with implementing the government's commitments on climate change and sustainability and with coordinating and implementing capital city projects. Achievements:

- In 2005-06, released the draft Climate Change and Emissions Reduction Bill for public consultation.
- Released Tackling Climate Change: South Australia's Draft Greenhouse Strategy for public consultation.
- Established a requirement for annual reporting on greening of government actions following cabinet endorsement of the Greening of Government Operations Action Plan.
- Coordinated arrangements to establish a major solar cities trial in Adelaide, in conjunction with the commonwealth government.
- Secured the International Solar Cities Congress for Adelaide in 2008.
- Created the Council of Australian Governments Climate Change Working Group to progress national initiatives.
- Calculated South Australia's first ecological footprint in partnership with the University of South Australia.

This year, 2006-07, initiatives will include:

- Developing policy responses to ensure that South Australia reaches its target to reduce greenhouse gas emissions by 60 per cent of 1990 levels by 2050.
- Increase the use of renewable electricity so that it comprises 20 per cent of total electricity consumption by 2014.
- Introducing the Climate Change and Greenhouse Emissions Reduction Bill 2006 to parliament.
- Developing and implementing policy measures to reduce South Australia's ecological footprint.
- Establishing the Premier's Climate Change Council.
- Tackling climate change with South Australia's greenhouse strategy.
- Introducing feed-in laws to encourage the uptake of solar PV panels within the community.
- Developing practical responses to ensure reduction in government's own emissions, such as procuring 20 per cent accredited green power.
- Establishing a chair of climate change at the Adelaide University.
- Supporting the Capital City Committee to plan and coordinate directions and priorities for the city.

Whereas in 2005-06 the Office of Sustainability operated with some 33 FTEs and a budget of \$3.487 million, this leaner and greener Sustainability and Climate Change Division is delivering a leading national program with 23.1 FTEs and a budget of \$2.597 million in 2006-07. I make it very clear that it used to be 33 FTEs in its previous incarnation and it is down to 23.1 FTEs. In answer to the other part of the question, 18 staff and \$2.42 million were transferred from the Department for Environment and Heritage to the Department of the Premier and Cabinet in 2005-06—so it is smaller and less costly.

Mr BIGNELL: My question relates to Budget Paper 4, Volume 1, page 1.13, 'Community cabinet', and I pass on the thanks of the people of Mawson because last July the Premier and cabinet went to the seat of Mawson and held community cabinet meetings. The visits to schools and hospitals were very much appreciated, as was the very open community forum to which the former Liberal member for Mawson was invited and which the federal Liberal member for Kingston and some Liberal candidates attended. I contrast that with visits of the Prime Minister: he hand-picks who goes to his forums, and I cannot attend as the local state member.

The Hon. G.M. Gunn interjecting:

The CHAIR: Order! The member for Mawson will ask his question.

Mr BIGNELL: My question is: which areas of South Australia did cabinet visit as part of the 2005-06 community cabinet program?

The Hon. M.D. RANN: I have to agree that this is a much more inclusive approach than that which existed previously. In the past, governments have gone to an area and had a news conference and a cabinet meeting. We have decided to embrace a much more open approach, including having a public meeting where the Premier, members of cabinet and the heads of the Public Service are there to answer questions. We also meet with local volunteers and deputations. I guess it is a bit the same with the annual conference of the Labor Party. I notice we are accused of having a closed-shop approach, but the South Australian Liberal Party has a closed-door approach. They ban journalists.

The Hon. G.M. Gunn interjecting:

The Hon. M.D. RANN: They are not allowed in to your preselection conventions.

The Hon. G.M. Gunn interjecting:

The Hon. M.D. RANN: There you are: you should have and you should let people in!

The Hon. G.M. Gunn interjecting:

The CHAIR: Order!

The Hon. M.D. RANN: The government continued its policy of engagement with all communities by holding six community cabinets over the past financial year, with two in regional areas. The total number of community cabinets our government has held is 33, confirming our commitment to take the cabinet to the people of South Australia. The following places were visited during 2005-06 as part of the community cabinet program:

- Southern Suburbs, 25 and 26 July.
- North-Eastern Suburbs, 15 and 16 August.
- Adelaide and Western Suburbs, 5 and 6 September.
- Port Augusta, 24 and 25 November—and I understand that the honourable member was invited to the public meeting.
- Gawler, 14 and 15 November.
- Eastern Suburbs, 5 and 6 December.

The first community cabinet for 2006-07 after the election was in Peterborough on 3 and 4 July; and I understand the honourable member was invited along. A few weeks before that, the honourable member and I attended the 'Return to Peterborough—125th anniversary of railway' in the area. It was a very nice night albeit a very cold night. A barbecue, community forum and a volunteers morning tea provided the opportunity for the cabinet and agency chief executives to meet with the local community. Cabinet also visited Clare on 21 and 22 August for community cabinet, where similar functions were held. The next regional community cabinet will be held in the Riverland on 27 and 28 November, providing the government with the opportunity to build on our engagement with the local community in dealing with the difficulties faced in the region, particularly in the agricultural sector, and the serious issues affecting the River Murray.

Holding community cabinet meetings in various parts of the state allows ministers to get out into the community. Organisations and businesses get the opportunity to speak directly to the minister one-on-one and talk about any concerns they may have. Local business and community organisations benefit from the services contracted to provide catering facilities and accommodation. The community cabinet program not only brings economic benefits to the communities but also provides the local community with a unique opportunity to be part of an important cabinet discussion. In particular, the government approved a \$15 000 grant allowing the District Council of Peterborough to prepare a design framework for proposed improvements to the Peterborough town centre, enhancing an earlier grant of \$45 000 under the state government's places for people program. My government contributed a significant boost for child care in Peterborough by announcing funding to train eight local people to become self-employed child-care workers.

This project exemplifies what can be achieved when the community and government work together for the benefit of local families. In Clare the government contributed \$300 000 towards the \$6.5 million state-of-the-art regional recreational facility—a unique development that sets the standard for regional recreation facilities for our state. This centre will seek to benefit about 8 000 people through the region, and it will help a range of people to be active. This government has made community cabinets meaningful events for all local

communities and not exclusive dinner parties as part of a fly-by visit.

The Hon. G.M. GUNN: The Premier made comments earlier about his government's desire to reduce business compliance costs and red tape. I think it is appropriate that I bring to his attention and ask him to comment on the following situation. Recently, a constituent came to my office in a most enraged state. He runs a small business that deals with airconditioning. In order to operate his business he must register his name at a cost of \$256 for three years. Also, he is required to have a worker's registration licence at a cost of \$242 for three years plus a \$60 annual fee, two commonwealth licences (more bureaucracy), a contractor's licence and a builder's licence.

That totals \$450, plus a police check at a cost of \$50. He has now been informed by the Office of Consumer and Business Affairs that he does not have the correct licences and that it is illegal for him to operate. He has been in Port Augusta for 12 months, having come from the Northern Territory. My understanding is that he wants to go back to the Northern Territory as quickly as possible. I bring this matter to the Premier's attention and ask whether the government intends to do anything about having a one-stop-shop to help these people.

The Hon. M.D. RANN: That is the whole idea. South Australia was the first state to commit publicly to a quantified target for cutting red tape—one of the challenges issued by COAG as part of the national reform agenda. In March this year, I made a commitment to exceed Business SA's target of a 25 per cent reduction in red tape by 2008. This is being supported by:

- the formation of the Competitiveness Council as a subcommittee of the Economic Development Board. The initial focus of the council is reducing the administrative and compliance costs to business, that is, red tape arising from state government charges and licences;
- mandated use of the Commonwealth Office for Small Business 'Business Cost Calculator' for assessing all regulatory proposals and any other proposals with an impact on business. South Australia is the first state in the nation to adopt the calculator to measure the compliance costs of new policy proposals. (I think that if the honourable member checked with the commonwealth he would be very pleased that one state has put its hand up for the Business Cost Calculator);
- a small business survey undertaken earlier this year to identify and reduce red tape hot spots;
- a program of industry reviews beginning with a review of the regulatory burden on the cafe and restaurant industry in South Australia with the aim of making recommendations on practical measures that will result in a reduction in red tape.

That is all about the sorts of things the honourable member mentioned. People get really annoyed about having to shop around and the delays in getting licences and approvals. That is one of the things we have been doing with PIRSA and mining permits and things. Also, our Sustainable Development Bill (which we could not get through the parliament) was all about getting things done. In her capacity as Chair of the Competitiveness Council, the Minister Assisting the Minister for Industry and Trade has written to all South Australian government chief executives seeking practical measures that can be implemented in order to achieve the red tape reduction target and to address those issues arising from the small business survey.

Identified reductions in red tape and therefore savings to business will be measured using the Business Cost Calculator. In addition, the government will be working closely with the Productivity Commission study into benchmarking of business regulation—an initiative of the Economic Development Board and adopted by COAG. This study will be used as the basis for ongoing and regular comparative assessments of regulatory environments across all Australian jurisdictions. The government will also be working with the commonwealth in implementing the recommendations of the banks' task force on regulation, particularly in those areas where there are overlaps between federal and state regulation, and in actioning the 10 priority cross-jurisdictional areas of regulation hot spots identified by COAG.

I should say that, in breaking news, on Friday I met with the premiers of Victoria, Queensland, Tasmania and Western Australia, the Acting Premier of New South Wales and the Chief Minister of the Northern Territory for the Council for the Federation. That council facilitates the states and territories getting together to discuss best practice and to be more coordinated to look at issues relating to the Federation and how we make federalism work. I am very pleased that, at the next meeting, we have agreed that we will be able to sign off on substantial improvements to harmonising all these forms people must fill in between the different states and territories, including licensing, occupational health and safety, teacher registration, workers compensation and payroll tax.

The Hon. G.M. GUNN: Further down that line, I know that the Premier is particularly keen on the advancement of the Olympic Dam/Roxby Downs proposal, but is he aware that the Native Vegetation Council now wants to extend its regulations to cover the Roxby Downs development? Is he aware that, on a recent trip, a parliamentary committee received many complaints about the Native Vegetation Council's interference with the mining industry and that, if this took place, it would be another impediment? It is proposing regulations, it told us the other day.

The Hon. M.D. RANN: There is incredibly great progress of the Olympic Dam expansion which, I am sure, BHP Billiton would be the first to acknowledge. It has a very good relationship with the government. Some time ago I was told that there had been more than 100 meetings on water issues alone. I am aware that BHP Billiton—and its predecessor Western Mining—is very proud of what it is doing with respect to native vegetation and restoring habitat. Indeed, a huge area has been fenced off with fox-proof fences. I do not know whether the honourable member has been into the area but it is pretty amazing. There are these little furry creatures called, I think, quokkas, and other things, that have been reintroduced to the area. It is an absolute exemplar of a mining company doing the right thing by the environment. As to any particular problems with native vegetation, I will ensure that I investigate.

Additional Witness:

The Hon. J.W. Weatherill, Minister Assisting the Premier in Cabinet Business and Public Sector Management.

Additional Departmental Advisers:

Mr J. Walsh, Commissioner for Public Employment.

Ms J. Brawley, Manager, Business Services, Office of Public Employment.

Ms L. Wilson, Director, Strategy, Office of the Government Reform Commission.

The CHAIR: We have now reached the time agreed for examination of matters relating to the Commissioner for Public Employment. We have opened the relevant lines and I briefly remind people of the need to provide any replies to the secretary by 17 November. I remind members that questions are to be asked of the minister, not directly of the advisers, but the minister may refer questions to the advisers. It would be appropriate now, if the minister wishes to make a brief introductory statement, for him to do so but, first, I will ask whichever minister is leading to introduce the advisers.

The Hon. J.W. WEATHERILL: With me are Mr Jeff Walsh, the Commissioner for Public Employment, and Judith Brawley and Liz Wilson from the Department for Families and Communities.

I will make some general remarks about the Government Reform Commission agenda, and in particular I draw attention to the appointment of some eminent people to head this inquiry—first, Mr Wayne Goss, former premier of Queensland; Nick Rowley, former adviser to both the Blair and Carr governments; as well as local public servants Sue Vardon and the head of Premier and Cabinet, Warren McCann.

This is an exercise that is about reforming the way in which government does business. It has been deliberately called the Government Reform Commission as opposed to the public sector reform commission because it is intended to convey its project, which is to reform all of government decision-making and processes as well as acknowledging that the Public Service is not an entity that simply carries out its own agenda but rather is the government taking action; and it is a critical, albeit subtle, change in thinking, but we think an important one, to ensure that the Public Service understands that it has a critical role in pursuing an action-oriented agenda set down for it by this government. We have set some very bold targets in terms of the South Australian Strategic Plan and we know that we will only achieve those things if we have a bold and activist public sector to carry out our public program.

It is an 18-month project. It is not intended to be a think tank but, rather, action-oriented. We expect it to deliver reports as we go along and make recommendations that we can quickly act on to change the way in which we do business. At its end, ultimately, it is about turning government into a seriously customer-focused institution that treats people like citizens, not just subjects that have to take what they are given from government services. Those things you would imagine should go without saying, but for too long they have not. There are pockets of real excellence in the public sector and we want to reward and acknowledge that, but there are also areas where we have, sadly, found that people have been buried in process, and we want to unlock the energy that undoubtedly exists in our state public sector to achieve the objectives of this great state.

The CHAIR: Leader, do you wish to make a brief statement?

The Hon. I.F. EVANS: No.

The CHAIR: Do you have any questions?

The Hon. I.F. EVANS: In regard to the Government Reform Commission, is the government taking submissions from outside the Public Service, and when do they close? Will those submissions be released prior to the report date; and is there a formal report date, as in the first of a month or the end of a month next year, or is it simply a floating 18-month period? Is there an actual set date of report?

The Hon. J.W. WEATHERILL: We are happy to take submissions from outside the Public Service. However, we did not want to create a very extensive public process. The truth is that there are a lot of reports lying around government—some that were prepared for the former Liberal government and some for us—about public sector reform. Partly we have been concerned about the pace of implementation of some of those things. We do not necessarily want to reinvent the wheel with a range of these things. There are a lot of things that are already in reports that have been presented to government that we need to pick up and look at. But, certainly, we are interested in inviting submissions from outside of government and we have, of course, invited those submissions. We have communicated with the PSA and the business and broader communities, of course, about this initiative. The publicity around the commission has invited people to participate. There is a web site that invites people to make contributions.

The answer to that question is yes, we are happy to take submissions from outside. In terms of releasing those submissions, I presume that they will be available in the ordinary course. I do not see any particular difficulty, unless somebody provides a confidential submission for some reason, but I cannot imagine why we would not share with people what people are saying. In terms of a formal report date, it is not in the nature of an AWB wheat scandal inquiry where there will be a date fixed when this thunderous report will be prepared and everyone will sweat off on that date. There will be interim reports and briefings given to government, and we will simply act on their advice as it is tendered to us.

We are at the moment aiming for an 18-month process, because we do not want it to drag on forever. We think that there is an advantage in having a change agent come in, operate quickly and then leave, so that the public service can get on with its exercise. The way in which we have constructed the Government Reform Commission is to second people from other government departments so it comes together in the nature of a task force.

The Hon. I.F. EVANS: Sorry, was there a formal date for submissions to be in?

The Hon. J.W. WEATHERILL: No, there is not. We invite submissions generally.

The Hon. I.F. EVANS: When do you expect the first interim report?

The Hon. J.W. WEATHERILL: We have our briefings from the commission about things that it is working on. I do not think there is a fixed date for when we will receive a particular report but, when we do, it will be a report that will be prepared for action by cabinet and then a cabinet decision will be made and made public at that time.

The Hon. I.F. EVANS: The Office of Public Employment is being discontinued. How will the functions and powers carried out by the office be undertaken under the new structure?

The Hon. J.W. WEATHERILL: The Commissioner for Public Employment's role continues. It is determined by statute, so those powers and functions will continue to be performed. The actual functions of the Commissioner for Public Employment will take place within a broader Department of the Premier and Cabinet set of arrangements. We are at the early stages of working out how we translate that particular set of functions into the broader human resources functions of government, and I suppose the choices will be these. There will be those functions that are performed by the

Commissioner for Public Employment as part of this broad human resources division, although it has not actually been settled how that will be described.

There will also be a greater sense in which we will ask chief executives to take on more responsibilities for matters that would formerly have fallen within the province of the Commissioner for Public Employment. Those things are being worked out at the moment. Consultation is occurring with unions and employees about those very issues and, when they are settled, they are things that we will be happy to report to the house.

The Hon. I.F. EVANS: In Budget Paper 3, the efficiency measures indicate savings across the out years. Is the total of those efficiency measures the savings from the Office of Public Employment discontinuing or are there other programs or positions that contribute to those efficiency savings and, if there are, what are they?

The Hon. J.W. WEATHERILL: The savings fall into two broad categories. I do not know which particular part of the budget paper the leader is talking about, but in broad, conceptual terms there are savings that arise from the abolition of DAIS and the Office of Public Employment, and they form one bundle of savings. Then there are the savings that flow from the shared services initiative across government. That is a second bundle, if you like. I suppose that in broad, conceptual terms they are the two bundles of savings. There are some specific portfolio savings that have also been identified but, in terms of those generic ones that flow across both the Office of Public Employment and government generally, they fit into those two categories.

The Hon. I.F. EVANS: As a point of clarification, will the minister provide a breakdown of what programs or offices will be affected by the departmental efficiencies or efficiency dividends? What positions and how many will be removed as a result of the departmental efficiencies and efficiency dividends, and what impact on service is expected as a result of those?

The Hon. J.W. WEATHERILL: Certainly. I will take that on notice.

Ms CICCARELLO: I refer to Budget Paper 4, Volume 1, pages 1.45 to 1.46. What specifically is the government doing about the ageing public sector work force and youth recruitment?

The Hon. J.W. WEATHERILL: In a very broad sense, making it an exciting, interesting place to work has its own capacity to attract young people into the public service but, in a more specific sense the government, through the Office of Public Employment or government agencies, is looking at these demographic issues on a range of fronts. There is a strong emphasis on work force planning through analysis of work force issues, attraction/retention sourcing skills, but also, importantly, through developing existing public servants. The Office of Public Employment is promoting work force planning, so the public sector is well placed to develop strategies to address the skill needs of the future. Many agencies have quite well developed work force planning methodologies that are absolutely essentially in this time of a war for talent.

The government is also working on better targeting processes to recruit graduates, trainees, cadets and apprentices and to retain these people for years to come. The government's demographic strategy is also addressing some key issues. Phased retirement, where 55-year-old workers can access part of their superannuation while moving to part-time work will be an important contribution. Improving flexible

working arrangements, both in conditions and uptake will improve the attractiveness in the sector, and a public sector youth group is also being formed to guide policy on attraction and retention of the best young people in the state. Graduate development programs fast track the development of graduates to become the public sector leaders of the future.

Ms CICCARELLO: I refer again to Budget Paper 4, Volume 1, pages 1.45 to 1.46. What support is being offered to ensure that graduates coming into the public sector have the necessary skills and knowledge to work effectively in the government environment?

The Hon. J.W. WEATHERILL: The Office of Public Employment coordinates a whole of government SA public sector graduate development program. This program incorporates much of the core knowledge and skills required to work effectively in the government environment. The program focuses on the machinery of government legislation and the values and principles of the SA public sector. It provides graduates with the opportunity to develop and build upon their personal and professional skills. This program is based on participants gaining competence in seven nationally accredited units in the public sector training package. As part of that program, graduates are mentored by their managers and an independent coach to ensure that they have the capacity to apply these skills in the workplace.

Currently the Office of Public Employment assists with that program. During 2005-06, 99 graduates were recruited into the public sector, 80 of whom were enrolled in this program. A survey of 1300 graduates from the public sector graduate register was undertaken in February of this year, with 418 graduates responding to the survey. Of those graduates, 72 per cent listed training and development opportunities as the reason for wanting to work in the SA public sector. So that gives us some indication of what will attract and retain people. The survey results indicate that the top three most important working conditions were the opportunity to learn, career development opportunities and a job which allows you to use your skills, knowledge and abilities.

The Hon. I.F. EVANS: The government has placed a cap on the Public Service. At what number of FTEs is the cap placed, and at what date did the cap become operational?

The Hon. J.W. WEATHERILL: I will take that on notice. The cap that was introduced was formulated having regard to a census on agency staffing levels by the Department of Treasury and Finance. The agency caps will be set consistent with the level of wages and salary funding of agencies and will also include the staffing implications of these budget decisions. It will involve the existing audited results augmented by the budget initiatives and it will allow us to then establish the appropriate cap. It is an important management tool to allow us to ensure that we are getting the resources to where they are going to make the real difference.

The Hon. I.F. EVANS: Sorry, I missed the first part of your answer. Is it a cap on salary, did you say?

The Hon. J.W. WEATHERILL: No, it is a public sector number cap.

The Hon. I.F. EVANS: You are not aware of what the number is?

The Hon. J.W. WEATHERILL: That is something that I said I would take on notice.

The Hon. I.F. EVANS: But the cap has been set?

The Hon. J.W. WEATHERILL: No; the notion of a cap has been set. There has been an audit and there was a census date where we measured the question of the staffing levels.

That was done for the purpose of working out a baseline. We now know what the budget decisions have been. The process of establishing the cap—based on the data which establishes the baseline and augmented by the budget—is being worked out, and I am happy to report that to you.

The Hon. I.F. EVANS: As I understand it, between the election and the budget there was an audit done by Treasury and they came up with a number.

The Hon. J.W. WEATHERILL: They have carried out an analysis at that date. A date has been set, which is the relevant date for the purposes of the audit. As you are aware, one of the issues is that there had been some contention about how one establishes the appropriate figure. That is why government decided to measure it at a point in time. As between the line agencies and the Treasury, no doubt a conclusion will be reached about the appropriate baseline number. It may be that there is some contention as between the two agencies. That is one of the reasons we entered into this exercise: so that there was an agreed set of numbers which would form the baseline. Therefore, when one analysed the effect of a budget decision, it would be from a common understanding, so that we could easily work out how our resources voted in the budget were being translated into programs.

The Hon. I.F. EVANS: Sorry, I am unclear.

The Hon. J.W. WEATHERILL: Well, it is pretty clear. We have a baseline and we have a budget. The baseline gives you the baseline and then we augment it by the numbers that are implied by the budget. I do not think that exercise has—

The Hon. I.F. EVANS: What was the number of public servants at the baseline audit and what date was the baseline audit taken at?

The Hon. J.W. WEATHERILL: I can give you the date. There was a date; that is certain. I am not certain—but I am happy to get back to you—about the numbers that exist as at that date. The date that was set for the census is the date that has been chosen. Then it is the question of arriving at a common view as between agencies about what the appropriate numbers for that date are.

The Hon. I.F. EVANS: Can I ask another question on clarification?

The CHAIR: I have put all these as clarifying so far, so I think it is time you asked a new question.

The Hon. I.F. EVANS: At what point do you think you will be able to establish the exact number of the current cap?

The Hon. J.W. WEATHERILL: It will occur as soon as possible. This has not been done before.

The Hon. I.F. EVANS: You have had Treasury do an audit and they have come up with a number. You have made all your budget decisions.

The Hon. J.W. WEATHERILL: Yes.

The Hon. I.F. EVANS: You know the budget decisions are flicking so many FTEs here or there, or wherever. You did not make budget decisions without knowing that. Those calculations would all be done, so there must be a document somewhere that says, 'Following the audit, as a result of the budget decision, here are our new agency caps.'

The Hon. J.W. WEATHERILL: No; I do not think it is as simple as that. The reason we are going down this path in the first place is that it has not been traditionally the way in which the Public Service has managed its budgets. The budgets have been managed based on the money that has been voted it; not on the basis of numbers of FTEs.

In the course of asking questions about FTE numbers we found out that there was not a close enough set of controls in

relation to FTE numbers. The mischief that is being sought to be remedied here is, I suppose, the growth in non-operational grades at the expense of operational grades. So the money that we vote for a particular task—for example, if it is in my portfolio areas and it relates to homelessness—actually gets devoted to the operational elements of that program. In a general sense money might be sought for a particular program, but it is the allocation of resources and the numbers of public servants and how they are applied between particular areas within that program that is our concern. So it is a much tighter management tool now than has ever been put in place.

Ms CICCARELLO: What is the government doing to ensure ethical conduct in the public sector?

The Hon. J.W. WEATHERILL: Following the gazettal of the first legally binding code of conduct in March 2005, the Office of Public Employment has worked with agencies to educate them on the changes to the code of conduct and has provided advice on its implementation. The ethics resource kit developed by the former Office of the Commissioner for Public Employment in 2003 continues to be used by agencies to educate staff on using the code of conduct as the basis for managing ethical dilemmas. Various inquiries have been answered by staff of the OPE on ethical matters. The most often asked questions relate to payment of travel expenses and the acceptance of gifts. A circular has been drafted on ethics and the interface between the public sector and government, and this circular will apply to all staff in the public sector.

Ms FOX: I refer to Budget Paper 4, Volume 1, pages 1.45 to 1.46. How does the government plan to monitor and measure the improvements in the performance of individual departments and their employees, given that this is part of the Government Reform Commission's agenda?

The Hon. J.W. WEATHERILL: The government has, to a degree, always monitored the practice and performance of the public sector, and we have a comprehensive program of reviewing performance. It is worthwhile setting out what that is: the Auditor-General on financial performance, the Executive Committee of Cabinet on the Strategic Plan, the Premier on chief executive performance, and the Commissioner for Public Employment on the management of the public sector.

Management practices need to be continually monitored to ensure that they support the goals of individual departments in government as a whole. The Office of Public Employment has dedicated resources to the development of a more comprehensive approach to monitoring and reporting. The previously strong emphasis on the collection of demographic and indicative data is now supported by the systemic collection of qualitative information and interpretive analysis.

A stronger focus on the evaluation of the effectiveness of human resource management has been established. The government wants to know the views of its employees in order to continually improve the way in which the business is conducted and the conditions of their employment. Skill and knowledge development, sound management practices, and a strong culture of commitment to excellence in performance are all areas that require continual attention and review in order to meet the expectations and needs of the general public. Greater emphasis is being placed on ongoing monitoring so that departments can be responsive to the demands of the external and internal environment.

A report will also be presented annually to the chief executive's agency summarising the performance of their

agency's human resource management. It will highlight areas of achievement and areas of need for improvement. OPE will provide ongoing support for the agencies to achieve their individual goals and those of government as a whole.

The Hon. I.F. EVANS: The government announced that there are 390 people on what I think is commonly known as the unattached list, and 222 of those, from memory, took a TVSP. So I assume the other 170-odd are still on the unattached list. What is the current number on the unattached list; what is the annual cost; and what program is in place to find placements for them or have them leave the service?

The Hon. J.W. WEATHERILL: As you noted, we made an effort in relation to that group of people relatively recently to see whether they wanted to continue with the state public sector or whether they wished to separate on the terms that were offered. In terms of numbers, at 30 April 2006, 396 public sector employees remained excess to requirements. That is a significant decrease of 55 per cent in the number of employees who were in that situation in June 2002.

Between April 2006 and prior to June 2006, 222 employees accepted TVSPs, and as at 30 June 2006 275 public sector employees were excess to requirements. That indicates a net increase of 101 excess employees identified between 30 April and 30 June 2006. In relation to employees who were treated as excess, it is our intention to engage in a more rigorous process of ensuring that those employees are found alternative employment, where possible, within the state public sector. I think that something like 3 000 public servants each year through natural attrition leave the public sector. So, there are opportunities to use existing vacancies to offer people alternative employment.

We also believe that there has probably been a degree of discrimination that has been evident, some of it unintentional, in relation to agencies picking up excess employees from other agencies. We want to address that question, because simply being made excess does not mean that there is a question concerning the quality of your employment or, rather, the quality of your performance. So, they are things we want to address before turning to a further process involving TVSPs, if indeed that is ever necessary.

The CHAIR: We have a number of lines open which are necessary for me to deal with now before proceeding to examination of the line relating to the Auditor-General. I declare that the examination of the proposed payment to the Office of Public Employment is completed. For the lines for the Minister for Economic Development, the Minister for Social Inclusion, the Minister for Sustainability and Climate Change, as well as the Premier, the examination of the proposed payments are adjourned to 20 October. For lines relating to trade and economic development, these payments are adjourned and referred to committee B.

Auditor-General's Department, \$10 735 000

Departmental Advisers:

Mr K. MacPherson, Auditor-General.

Mr S. O'Neill, Deputy Auditor-General.

Mr I. McGlen, Director, Audits, Policy, Planning and Research.

Ms M. Stint, Manager of Finance.

The CHAIR: I declare the proposed payment open for examination and I refer members to the Budget Statement, in particular, Appendix C.

The Hon. M.D. RANN: I formally announce today that we intend to introduce legislation governing the Auditor-General to extend the period in which an auditor-general can be in that position before retirement. The retirement age of 65 under the current legislation we believe is an anomaly. My advice is that the legislation was never amended to recognise changes made to age discrimination laws in the early 1990s. Cabinet has decided that the Auditor-General's Act should be amended to provide a retirement age of 70, bringing it into line with the retirement age of Supreme Court judges, which we think is the most analogous comparison.

The Auditor-General is an independent lifetime statutory officer who is governed by his own legislation. I am sure that it was just an oversight that the legislation was not amended when compulsory retirement was outlawed in South Australia in 1993. At the very least, the Auditor-General's Act should have been amended at that time to bring it into line with other independent appointments such as Supreme Court judges. I believe it is still an important safeguard to have a retirement age for independent officials because if (due to age and consequent ill health) that officer is not able to perform his/her duties (or, at least perform them to full capacity) it would be virtually impossible otherwise to dismiss them.

We are not suggesting that in this case at all—in fact, quite the reverse. In any case, our current Auditor-General, Ken MacPherson, has been doing—and I am sure everyone in the community would recognise this—an outstanding job as an independent watch dog on our state's finances, and he is very enthusiastic about his role. He has been the Auditor-General in this state since 1990. He exemplifies integrity and professionalism and he shows absolutely no signs of slowing down. We will move to amend the legislation to make the retirement age 70, the same as Supreme Court judges. We would be delighted if the Auditor-General made the decision to stay on rather than retire at the beginning of next year.

The CHAIR: Leader, do you have a statement?

The Hon. I.F. EVANS: No, but I should just clarify, so that the Auditor-General is not offended, that in the last five or six minutes I will read in some omnibus questions about the whole portfolio generally. During the last parliament, the government introduced a bill to give the Auditor-General new powers. The bill was never proceeded with by the government. Is it the intention of the government to reintroduce the bill? If so, when; if not, why not?

The Hon. M.D. RANN: I will get a report on that.

The Hon. I.F. EVANS: My understanding is that some of the powers in the bill were requested by the Auditor-General at the time. I am wondering whether the government is aware if it is still the view of the Auditor-General that those powers are required.

The Hon. M.D. RANN: I will ask Mr MacPherson to respond.

Mr MacPHERSON: I raised a series of issues at that time, and they were complemented by a number of proposals by your colleagues—it might even have been you, I think—and some of those proposals included issues that went far beyond anything that I had suggested. To specifically answer your question, I still regard those powers as being helpful, at the very least; however, at the present time, we seem to be able to discharge our responsibilities adequately with the powers we have. I can understand the reason why the government didn't proceed at that time because the bill was

sought to be amended by including a whole series of other matters.

The Hon. I.F. EVANS: Premier, has there been any consideration to giving the Auditor-General the power to audit WorkCover, and whether you believe the Auditor-General should be the auditor of WorkCover. If not, why not? As I mentioned earlier, WorkCover's unfunded liability has blown out from around \$67 million in 2002 to around \$700 million now. Have you got any comment on letting the Auditor-General audit WorkCover?

The Hon. M.D. RANN: I am happy to get a report from the minister responsible for WorkCover and from the Treasurer.

The Hon. I.F. EVANS: Has the Auditor-General ever expressed a view to government about an interest in being the auditing authority for WorkCover?

The Hon. M.D. RANN: Mr MacPherson?

Mr MacPHERSON: There was a time in the past when we did audit WorkCover, and I think it was during the period of your government that we were removed from that role. I indicated in the audit report—I think it was last year—that at the end of the day if there were a difficulty associated with WorkCover being able to meet its liabilities then it would require either an injection of funds from the Consolidated Account or it would require an increase in the premiums paid by the parties who are involved with WorkCover, and that, if there was the potential for exposure to the government, I saw it as being not inappropriate that we might be involved. But that is a policy decision, and I just expressed the view last year that if government may be called upon, then the government may wish to have us involved.

The Hon. M.D. RANN: I guess what I need to do is to ascertain why the previous Liberal government decided to remove the Auditor-General from the responsibility for auditing the accounts of WorkCover and make an assessment of bona fides of that decision and then report back.

The Hon. I.F. EVANS: At a parliamentary committee hearing in September, the Auditor-General raised concerns about two agencies that were frustrating his audit. That was widely reported in both *The Advertiser* and *The Australian*. Which two agencies were frustrating the audit, on what issues was the auditor being frustrated and has that matter now been resolved?

The CHAIR: Premier, before you answer, I will remind you this is not an examination of the Auditor-General's Report. If you consider it to be something appropriate to Estimates then, of course, you may answer or make a statement.

The Hon. M.D. RANN: I am an open book and I am happy to invite the Auditor-General to respond.

Mr MacPHERSON: The two agencies involved were the Police and the DPP, and the issue that was involved was whether or not we could have access to certain information where a particular party had been the subject of prosecution proceedings, and I was of the view that the DNA that was accessed for that purpose was DNA that should not have been accessed for that purpose. At that point in time the police wrote to me and told me that they believed that, under the Criminal Law Forensic Procedures Act, they could not provide me with the information because they were legislatively prohibited from doing so, and they indicated that they had been seeking advice from the DPP. So I wrote to the police and the police said, 'No, you can't ask us.' I wrote to the DPP. The DPP said, 'No, I'm not going to tell you.' So I formally issued a formal notice on the DPP to ask him what

information he had. He has responded to the information I sought, but I am going to seek some more information from him. That is where it stands at the moment, and they are very recent developments, in only the last couple of weeks.

The Hon. I.F. EVANS: The government has announced a number of PPP projects—public-private partnership projects. I am wondering what process the Auditor-General has in place to ensure that an assessment can be made as to whether the public-private partnership projects represent value for money.

Mr MacPHERSON: Mr Evans, I think you will have to help me with some more particulars. Are you asking me whether PPPs can be value for money? Is that the question?

The Hon. I.F. EVANS: Yes, basically. I will give you the background. The member for Fisher in this house a few weeks ago read into the *Hansard* as part of a question a letter you had written to him about not being able to establish certain costs of schools; for instance, not be able to establish vandalism, graffiti and security costs because the Education Department did not record those costs in a manner that they could easily be established. So that raised the question in my mind that if you cannot establish those costs how do you actually measure that what the PPP is offering is actually value for money if you do not even know your base costs.

Mr MacPHERSON: I think one needs to conceptually analyse those issues. To answer your question whether PPPs can be value for money, the short answer to that is yes, provided they are properly managed. The issue that Dr Such raised with me concerned the matter of vandalism and those sorts of things, where some of the monies to deal with those things was drawn from within the school budgets themselves and some was drawn from governmental sources, and it was really a case of there not being a readily available reconcilable process whereby those two could be put together. I do not think it could be suggested or it should be suggested that it is not possible to do that. It is just a question of the time and the ready availability of that information. So that issue that Dr Such raised does not necessarily connect with PPPs per se.

The Hon. I.F. EVANS: The point I was driving at is I assume that audit has a process somewhere that says, 'Here is what the government is going to sign off for a PPP,' the deal, and, if you go back and analyse what that deal includes and compare that against what the government is currently paying, audit must have a process to do that, so I assume there must be a process in audit to establish all the existing costs so they can make a fair comparison.

Mr MacPHERSON: We can certainly do that. It is just a case of establishing an audit program to do it.

The Hon. I.F. EVANS: That is what I am asking. The government has announced prisons and schools as PPPs. Does audit have a process in place or is it putting in place a process so that an evaluation can be undertaken?

Mr MacPHERSON: When we come to review the PPPs, we would have in place a methodology which would enable us to report according to whatever the audit objective was determined to be. If the parliament was interested in understanding the comparatives between particular costs being undertaken by government and being undertaken by private enterprise that could be readily established.

The Hon. I.F. EVANS: The information and communication technology tender process that replaces the EDS contract has been ongoing for almost two years. Has the Auditor-General been auditing that process and have any issues of concern been found?

Mr MacPHERSON: A very substantial review has been undertaken of those contractual relationships. A number of those matters will be the subject of comment in the forthcoming audit report.

The Hon. I.F. EVANS: I have no further questions for the Auditor-General or his staff.

The Hon. M.D. RANN: I thank the Auditor-General and his team once again.

The Hon. I.F. EVANS: I will put the omnibus questions on the record, as follows:

1. Will the Premier provide a detailed breakdown for each of the forward estimate years of the specific administration measures as listed in Budget Paper 3, Chapter 2, Expenditure, which will lead to a reduction in operating costs in the portfolio?

2. Will the Premier provide a detailed breakdown of expenditure on consultants and contractors in 2005-06 for all departments and agencies reporting to the minister, listing the name of the consultant and contractor, cost, work undertaken and method of appointment?

3. For each department or agency reporting to the minister, how many surplus employees are there as at 30 June 2006, and for each surplus employee what is the title or classification of the employee and the total employment cost (TEC) of the employee?

4. In the financial year 2004-05 for all departments and agencies reporting to the minister, what underspending on projects and programs was not approved by cabinet for carryover expenditure in 2005-06?

5. For all departments and agencies reporting to the minister, what is the estimated or actual level of under expenditure in 2005-06, and has cabinet already approved any carryover expenditure in 2006-07 and, if so, how much?

6. (i) What was the total number of employees of the total employment cost of \$100 000 or more per employee, and also as a subcategory the total number of employees with a total employment cost of \$200 000 or more per employee, for all departments and agencies reporting to the minister as at 30 June 2006?

(ii) Between 30 June 2005 and 30 June 2006, will the minister list job title and total employment cost of each position (with a total estimated cost of \$100 000 or more)—(a) which has been abolished; and (b) which has been created?

7. In relation to proposed shared services reforms across government, will the minister outline what the baseline costs are for the provision of corporate services for all agencies and departments in the portfolio? Are the baseline costs to include the current total cost of the provision of payroll, finance, human resources, procurement, records management and information technology services in each department and agency; and also include FTE staffing numbers involved?

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

Department for Transport, Energy and Infrastructure,
\$345 205 000

Administered Items for the Department for Transport,
Energy and Infrastructure, \$4 200 000

Witness:

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

Departmental Advisers:

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

Mr G. Goddard, Executive Director, Energy Division.

Mr M. Palm, Manager, Budget and Investment Strategy.

Mr K. Jervois, Director, Retail and Demand Management.

Mr V. Duffy, Director, Markets and Sustainability.

Mr R. Faunt, Technical Regulator.

Mr A. Zeuner, Acting Manager, Business and Financial Services.

Mr M. Leane, Manager, Community Energy Programs.

Mr T. Delaney, Chief Finance Officer.

Mr D. Frater, Chief of Staff, Minister for Transport.

Membership:

Mr Venning substituted for Hon. Mr Gunn.

Mr Pengilly substituted for Mr Pisoni.

Mr Hamilton-Smith substituted for Hon. Mr Evans.

Mr Kenyon substituted for Ms Fox.

The CHAIR: I declare the proposed payments open for examination. I refer members to the Budget Statement, in particular pages 2.17 to 2.19, and the Portfolio Statements, Volume 2, Part 6. I notice a number of new participants, so I will make the usual remarks on the opening of the session. I remind members that estimates committees are relatively informal but procedures still need to be followed. Those procedures include the fact that questions are to be directed to the minister and not to advisers. The minister may invite advisers to ask particular questions, but it is not a process for debate between members of the committee and ministerial advisers.

Time will be allowed for a statement by the minister and the lead speaker for the opposition at the opening of each line. If the minister undertakes to supply information at a later date it must be submitted to the committee secretary by no later than Friday 17 September. The operations of this committee have been fairly structured, with three questions at a time. Some questions of clarification or supplementary questions have been allowed, but it has been moving along well with brackets of three questions. Minister, do you wish to make an opening statement?

The Hon. P.F. CONLON: No, thank you.

The CHAIR: Member for Waite, do you have an opening statement?

Mr HAMILTON-SMITH: Very briefly, Madam Chair, and that is to express my concern on behalf of the opposition—and perhaps this is something we can note for next year—that, in light of the minister's decision not to extend transport and infrastructure but to deal with energy—

The Hon. P.F. CONLON: Get over it!

Mr HAMILTON-SMITH: I make the point that I think we do as a parliament need to review this, and I am looking at energy—

The Hon. P.F. CONLON: If energy is not important for you—

Mr HAMILTON-SMITH: Madam Chair, if I can be heard. The energy budget line is program number 5. According to Budget Paper 4, Volume 2, page 6.16, it is estimating a result of \$17.6 million out of a total portfolio outcome of \$258 million, so we are about to spend—

The Hon. P.F. CONLON: The budget line would be a bit bigger if you had not privatised it.

Mr HAMILTON-SMITH: Madam Chair, how are we going to run this period this afternoon?

The Hon. P.F. CONLON: Well, you're not on the subject, mate.

The CHAIR: The member for Waite is not on the subject, as the minister points out. The timetable that was presented to the chair as having been previously agreed indicated that energy was to go through till 6.45, so energy questions are what we are here for.

Mr HAMILTON-SMITH: That is fine, Madam Chair. I am simply drawing to the committee's attention that we will spend three hours discussing \$17 million worth of work and three hours discussing the other \$230 million worth of work, and there seems to be an imbalance.

The CHAIR: Order! I suggest the member for Waite takes the matter up with those members of his—

The Hon. P.F. CONLON: Madam Chair, can I just correct the shadow spokesperson on energy, who plainly does not have an interest in it, but his colleagues did in the past. The truth is that, before it was privatised, it was a bigger budget line but, in the concerns of South Australia, which have been manifested through the opposition in lengthy questioning in estimates in the past, the worth of the now private sector of energy, infrastructure and investment is many hundreds of millions of dollars—in fact, many billions of dollars. It is of enormous importance to the state. The opposition was quite happy for it to be an important issue when it had someone who understood the portfolio and, frankly, the fact that the shadow—

Mr Hamilton-Smith interjecting:

The Hon. P.F. CONLON: Apparently he has a little excitement going now. The fact that the shadow minister is not interested in it is not my problem.

The CHAIR: Member for Waite, do you have a question?

Mr HAMILTON-SMITH: You have just allowed the minister to interrupt my opening remarks.

The CHAIR: Do you have a question?

Mr HAMILTON-SMITH: You have allowed me 10 minutes to make some opening remarks and I am trying to make them, but I have just been interrupted.

The CHAIR: Do you wish to make opening remarks relating—

Mr HAMILTON-SMITH: Yes, I do, and I want to make the point—

The CHAIR: You are not relating to the timetable.

Mr HAMILTON-SMITH: Listen, Madam Chair, let's get—

The CHAIR: Order!

Mr HAMILTON-SMITH: Am I against him or you?

The CHAIR: Order!

Mr HAMILTON-SMITH: Am I asking him questions or am I against you as well? Are you all against us, or are you going to chair the meeting?

The CHAIR: Please calm down. We will take a couple of seconds for everyone to come to order.

Mr HAMILTON-SMITH: Thank you, Madam Chair, I will continue with my opening remarks.

The CHAIR: You will speak when you are called. Member for Waite, you are invited to make an opening statement relating to the portfolio line.

Mr HAMILTON-SMITH: Thank you, Madam Chair. I make the point that the opposition considers energy to be most important, and that is why I expect we will take the whole three hours as we go through it, if the minister can stop reading the review and pay attention to the matter. If he thinks it is so important, that would be most welcome. Energy is a very important issue, but I make the point that it is now

a fraction of the government's budget and we are here discussing the Budget Paper. That is what we are doing here, and I think we do need to review the arrangement and take a different approach in future years.

Madam Chair, you have opened up the whole portfolio and we are dealing with energy for the next three hours. In the last 12 months, I think—and the opposition is of the view—that this minister and this portfolio have overseen some of the biggest bungles this state has experienced in recent years, and they stand in stark contrast to the criticisms this minister was very happy to make when he was in opposition about the then government in regard to a range of energy and related infrastructure projects. Now that he is in the position of having to make some decisions, things are going terribly wrong, and we will explore that. I will end my remarks and get on with the questions.

I would like to start by asking the minister some omnibus questions and getting them on the record, as is the practice from year to year, which I am sure he can take on notice, but these omnibus questions are across the whole portfolio, not just energy, so we can get them in *Hansard*. I will rattle them off.

1. Can the minister provide across the whole of DTEI and its budget portfolio a detailed breakdown for each of the forward estimate years of the specific administration measures as listed in Budget Paper 3, Chapter 2, Expenditure, which will lead to a reduction in operating costs in the portfolio?

2. Will the minister provide a detailed breakdown of expenditure on consultants and contractors in 2005-06 for all departments and agencies reporting to the Minister—listing the name of the consultant and contractor, cost, 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 2006, and for each surplus employee what is the title or classification of the employee and the total employment cost (TEC) of the employee?

4. In the financial year 2004-05 for all departments and agencies reporting to the minister, what underspending on projects and programs was not approved by cabinet for carryover expenditure in 2005-06?

5. For all departments and agencies reporting to the minister, what is the estimated or actual level of under-expenditure for 2005-06, and has cabinet already approved any carryover expenditure into 2006-07 and, if so, how much?

6. (i) What was the total number of employees with a total employment cost of \$100 000 or more per employee, and also as a subcategory the total number of employees with a total employment cost of \$200 000 or more per employee for all departments and agencies reporting to the minister as at 30 June 2006?

(ii) Between 30 June 2005 and 30 June 2006, will the minister list job title and total employment costs of each position (with a total estimated cost of \$100 000 or more), which have been abolished and which have been created? If the minister would take those questions on notice we would be grateful. In relation to the energy portfolio, what is the total level of investment in energy in the state and is there any government expenditure beyond the \$14.1 million listed in this budget line?

The Hon. P.F. CONLON: The honourable member wants to know whether we spend money on energy beyond that listed in the budget. Not in my portfolio, no. In terms of

operating expenses, no, in my portfolio area we do not spend more than is listed and we do not expect to spend more than is listed in the budget papers. Of course, every agency of government has its energy requirements and will spend money on that. We have capital programs. We have a number of administered items, a number of other programs, but we do not have expenditure in my portfolio that is not listed in the budget papers.

There will be expenditures in the future in paying for the establishment of the Australian Energy Market Commission, but we do not have expenditure that is not there. As to what is the value of all the assets in South Australia, what value does the honourable member mean? Is it the replacement value, the current value, the mark-down value? What does the honourable member mean?

Mr HAMILTON-SMITH: What level of investment is the minister anticipating in energy?

The Hon. P.F. CONLON: What level of investment do I anticipate in the next 12 months? I would just make this point. The opposition spent a lot of time moaning about the fact that there is only so much in the budget line for this and now wants to talk about something not in the budget line. I am quite happy to do that, but I will point out the great inconsistency already of the opposition on the matter. With investment by the private sector over the next 12 months, we have substantial construction to be undertaken on the Lake Bonney wind farm; we have substantial construction to be undertaken up at Hallett with the wind farm; we have some very substantial additions to the strength of the South-East line, with another 132 kV line via ElectraNet, construction of which will commence next year; and there are any number of upgrades to the distribution system.

I know that AGL is considering an upgrade to the Hallett peaking plant and Origin is considering an upgrade to the Torrens Island Quarantine Station peaking plant. We talk to the private sector regularly about these levels of investment. The demand for investment, in terms of generation, appears to be particularly in peaking, given the demand profile. I am happy to see whether our people can round up those sorts of things for the honourable member, but most of the investment in regulated monopolies is a matter set at the reset, and that is quite easily available. A number of the investment decisions, such as Origin at Quarantine and AGL at Hallett are the subject in the private sector of board decisions, but we understand that they are looking positively at those things. We can round that up for the honourable member.

Mr HAMILTON-SMITH: This same Budget Paper 4, Volume 2 has only two relevant pages, pages 6.31 and 6.32. Is it the minister's view and the government's view that all our electricity assets should still be in government hands, and does the minister feel that his budget funding should reflect that?

The Hon. P.F. CONLON: It is our very strong view that they should not have been privatised. If the honourable member wants to make the point about why they are not being bought back by the government, I can explain to him that the disaster that his government made of the privatisation process would make it a massive loss to the state to do that. One of the things that the honourable member's government did was to maximise the price of the distribution system and, for ETSA, lock in a higher return on capital than any other distribution system in Australia: the highest return for any distribution system for five years. It was one of the major factors in price that was locked in.

Were we to buy it back, we would not be getting the benefits of those revenues that got that price. The then government also spent \$100 million, from memory, on consultants. It would be a tremendous loss for the state for us to undertake buying back those assets and not something a prudent government would do and, no matter how many times the honourable member recommends it to us, we are not going to do it. If the honourable member asks me whether I have changed my view about the privatisation of ETSA since I opposed it in opposition, no, I have not changed it one iota.

Mr HAMILTON-SMITH: Given the government's position that it would prefer to see ETSA and electricity transmission infrastructure in total in government ownership, what options is the minister considering when the five-year price constraint he just mentioned expires; and did he consider, if this is his view, entering into negotiations with CKI Holdings when a \$1.8 billion float of its Australian power assets was revealed to the Australian financial press in October/November 2005?

The Hon. P.F. CONLON: The price constraints the shadow minister refers to ended, I think, a little more than a year ago. The action we took was to convince the regulator—as a result of that running out—to reduce the prices for domestic customers by 6 per cent. I think that was a very good thing. With the greatest respect, you had better get up to date on your brief—that was a long time ago.

Mr HAMILTON-SMITH: The question is about CKI Holdings.

The CHAIR: Order!

The Hon. P.F. CONLON: The constraint you asked about is not running out in the future. Your deal ran out more than a year ago and, as a result of it, the regulator reduced the price to residential customers by about 6 per cent. That is the outcome that we wanted from it and that is the outcome that we got.

Mr HAMILTON-SMITH: I will come back to the question I asked that you did not answer. You gave the five-year price in constraint as a reason why you could not buy the assets back. You state that is your view. You wish it was still owned by you. What is stopping you now—and you have not answered my question regarding the \$1.8 billion float of the assets of CKI Holdings in late 2005?

The Hon. P.F. CONLON: I have given you the answer as to why we will not buy it back. You may not like it but I have given you the answer. What do you want to know about the CKI Holdings float?

Mr HAMILTON-SMITH: In late 2005 CKI Holdings announced they were floating a good portion of their assets in Australia for sale. If this is your view, you have had opportunities to unscramble the egg.

The Hon. P.F. CONLON: I have given you the answer about why we would not do it and if you will not accept it, you will not accept it. I have to say that I think it is absolutely absurd for you, having privatised the industry, to think we should buy shares in some aspect of it. That is a nonsense and we will not be doing it.

Mr HAMILTON-SMITH: I make the point that we do not think that.

The CHAIR: Order! The member for Waite, you may ask a question.

Mr HAMILTON-SMITH: Madam Chair, it is usual in committees to allow a little bit of latitude to explain a question and lead in to a question. The minister is able to handle himself; he does not need protection.

The CHAIR: Member for Waite, ask the question.

Mr HAMILTON-SMITH: I am simply making the point that it is not our view that the assets should be in public ownership. That is why we sold them. That is why your budget line, which we are now debating in this committee, is only \$14.3 million. That is why you do not have to pay for the infrastructure, for the capital works, or for the investment in the future; it is all being done by the private sector. So this is a very pertinent question. It is your view that the assets should be in public ownership.

The CHAIR: Member for Waite, debate is not permitted; an explanation is.

Mr HAMILTON-SMITH: The minister does not need your protection, Madam Chair.

The CHAIR: I am aware that the minister does not—

Mr HAMILTON-SMITH: I am sure he can look after himself.

The CHAIR: Order! I am fully aware the minister does not need my protection. Nevertheless, I wish for standing orders to be followed. The member for Waite.

Mr HAMILTON-SMITH: Given the government's view that power generation should be government owned, and that the assets should never have been sold, did the government investigate the acquisition of the Torrens Island Power Station and other energy assets when TXU and NRG Energy offered them for sale around October 2003?

The Hon. P.F. CONLON: No; and I will explain the position again and make it as clear and as simple as possible. I have not changed my view at all that the assets should not have been privatised. I believe that the best way to eliminate risk across the industry is to own all of it. We are not going to buy pieces back. The privatisation was disastrous for the state. To buy it back would cause us to suffer a great loss. We have a number of priorities in schools and hospitals that we are addressing. I hope I have made it as clear as possible for the shadow spokesperson. If he wants to keep asking the same question over and over, this is the last answer I will give him on it.

Mr HAMILTON-SMITH: The fact is that you have the \$6 billion in the bank. You now do not have to invest in the future. You have your AAA credit rating. Standard and Poor's have confirmed the reason was the sale of ETSA. You love privatisation. That is the reality.

Let me now move to the issue of power blackouts, and I refer to Budget Paper 4, Volume 2, page 6.31. There are only the two pages, and I can keep repeating them for every question. How does the frequency and extent of power blackouts in the financial year 2005-06—since ETSA has owned and operated the network privately—compare to the average of the last three years when the assets were government owned? In other words, are they doing a better job than we were when we owned it?

The Hon. P.F. CONLON: We have a regulatory system that expects ETSA to run the distribution system well. We expect ETSA to meet standards, and we do not apologise for that. I have to ask: would it be doing that without the intervention of the government to require those standards? I do not think so. But if your point is that ETSA should meet a standard, then that is good because it means that the regulatory system imposed by the government is working.

Mr HAMILTON-SMITH: I would like to pursue that further. How does the reliability and power blackout frequency rate today—with the assets in private ownership—compare to the average in relation to blackouts and failures when the government owned the system? I am just trying to

ascertain from the minister whether South Australians are getting a better, more reliable electricity distributions network today than they might have been getting five, 10 or 15 years ago, when the government owned the system.

The Hon. P.F. CONLON: I have to say that ESCOSA can provide that information. I do not think you will find it in any way unusual. I think you will find that the standards are pretty much the same, because we have a regulatory system that imposes penalties if standards are not met. We will dig it up for you but I do not think it will be anything that you will be talking further about once you get it.

Mr HAMILTON-SMITH: I take from your answer that South Australians are either better off in terms of reliability, or no worse off in regard to blackouts and reliability across the network, than they were when the network was government owned.

The Hon. P.F. CONLON: You can invent whatever answers you like but the answer that I gave is the one in *Hansard*. So you can paraphrase it, rewrite it; you have a remarkable capacity for rewriting things and getting them wrong. I will deal with that in transport when you finally get your big opportunity. My answer is the one in *Hansard*, it is not the one that you want to say it is.

The CHAIR: Order! Do members on my right have any questions?

The Hon. P.F. CONLON: How do you rate their performance in January? How do you rate that? Was that good?

Mr HAMILTON-SMITH: It is estimates: I get to ask the questions, you get to answer them.

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

The CHAIR: Order!

Mr HAMILTON-SMITH: Still on the subject of blackouts, I was interested, as a lot of South Australians were, in the minister's reaction, not only to the blackouts problem in January, but to AGL's recent decision to lay people off, given that the government later announced that it would lay far, far more people off. Why did the minister tell South Australians that he was so disgusted with AGL that he has cancelled his own private AGL contract and switched to another provider, and then failed to do so?

The Hon. P.F. CONLON: I did not tell people that. Marty, you have got to try and get factual sometimes. What I told South Australians was that I will be changing my contract to another provider, and I am going to do it when it runs out so that I do not pay a penalty to AGL, because I do not like it or what it did. If you think that I should end it early and pay a penalty to AGL, maybe that is the way you manage your affairs, but it is not the way I manage mine.

Mr HAMILTON-SMITH: The rhetoric at the moment seems to be one thing, and then the reality later when the dust has settled—

The CHAIR: Member for Waite, do you have a question?

Mr HAMILTON-SMITH: Let me move on to the legislation that is forthcoming to change the regulatory arrangements. When will the new national energy regulation bills be brought before the parliament?

The Hon. P.F. CONLON: I say, with no great certainty, early in the new year. I have been involved in energy reform for five years. It goes as quickly as the slowest jurisdiction. We hope to get it here early next year but if that slips I am not going to be enormously surprised. From our point of view, we have tried to do it as quickly as possible, but my experience has been that these dates have invariably slipped.

Mr HAMILTON-SMITH: From the minister's knowledge of what is forthcoming in the legislation, through ministerial council and other devices, what does he expect will be the timetable for transition to the new regulatory arrangements once they are introduced? What aspects of how the market presently operates in South Australia will change under the new arrangements? Can you tell us what we can anticipate?

The Hon. P.F. CONLON: The current timetable is that the transition will be made from 1 July 2007. I add to that some number of provisos, in that some work that has commenced under state regulators is likely to continue, that is my understanding, on various resets. In terms of what will change in South Australia, I am hoping very little because, after inheriting a disastrous situation with privatisation with a monopoly retailer, we now have the most competitive market in Australia, and quite possibly the world, on all reports.

I have made it very clear in participation in this part of the reform—the reform is broader than just a single regulator, of course—that we expect the regulator to pick up our regulator and those people that are doing the job as part of the new Australian Energy Regulator. To that end, I actually met with Steve Edwell, the head of the AER—I am the first minister ever to visit him, I am told—just last week to repeat to him my clear understanding that we want the people who are doing the job at ESCOSA to continue to do it in the new AER.

Mr HAMILTON-SMITH: Will the new regulatory arrangements require the state government to deregulate electricity and gas prices and deliver the effective lifting of price constraints as—

The Hon. P.F. CONLON: No, they won't.

Mr HAMILTON-SMITH: Did the minister observe discussion of this in the *Financial Review* on 4 August, where it was proffered that the state and federal governments were in negotiation about freeing up the pricing mechanism as part of the new regulatory arrangement? Can you categorically rule out that there will be any lifting?

The Hon. P.F. CONLON: Yes, I have done it in the past. I will do it again for you, if you like. I did it a matter of weeks ago.

Mr HAMILTON-SMITH: I will move on to the undergrounding of cables—the PLEC program. What are the government's future plans for PLEC?

The Hon. P.F. CONLON: Our future plans are for it to continue as it is operating. It receives a certain amount of money and we expect that to continue as it is. I note that there was some comment, I think, from you that we do not underground enough wires. We certainly will not be engaging in an accelerated undergrounding program of distribution wires for the simple fact that it would impose an enormous cost pressure on electricity users in South Australia. You may like that; I don't.

Mr HAMILTON-SMITH: The minister might be aware, if he has read the PLEC annual report and had a briefing on this subject, that the costs for undergrounding and operating the PLEC scheme have gone up extraordinarily, but the income to PLEC has barely gone up from year to year. I think it is somewhere in the order of around \$5 million at the moment; set through ESCOSA and topped up by an amount of about a third more or just over, from local government. The costs of undergrounding have doubled in the past few years and, frankly, the entire program will implode, if as you

have just answered, you plan to do nothing more. So, the course—

The Hon. P.F. CONLON: I do not know on what basis you say it is going to implode because the PLEC committee has not said that to us, but please carry on.

Mr HAMILTON-SMITH: I am just simply asking why costs have risen so much for the trenching associated with PLEC infrastructure and how the government will ensure that the PLEC program funding holds ground and is maintained in real terms, because the situation we are in at the moment is one where, if they continue on their current course, PLEC will effectively implode in a few years. We were undergrounding something like 13 or 14 kilometres back in 2001; now, because of cost increases, that is down to about seven kilometres, so what is the vision for PLEC? Are there going to be extra funds?

The Hon. P.F. CONLON: I will be absolutely frank with you. The cost of the PLEC program was initially set, and it is adjusted for CPI. That cost is a burden on electricity users in South Australia; it is passed on to them. If, in fact, the costs of trenching run ahead of CPI, we believe that will stabilise, but I am not going to impose a greater burden—it is certainly not my intention, nor is it the government's—on South Australians for undergrounding than the original setting of that plus CPI. I think that is quite a reasonable program.

Mr HAMILTON-SMITH: So, does that mean that the LGA and others should understand that there will be no augmentation of PLEC by any direct injection of money from government and that there will be no action by government to seek to change the formula in the next round of negotiations between ESCOSA and the providers?

The Hon. P.F. CONLON: It means exactly what I said. I have no plans to change the scheme at present. It means exactly what I have said. If someone, in the future, puts an overwhelming argument to us, as the government, we will look at it, but it means exactly what I said. You can keep taking my answers and trying to put your meaning on it, but it means just what I said it means.

Mr HAMILTON-SMITH: So, you have no plans to change the scheme but you might have plans to change the scheme in the future?

The Hon. P.F. CONLON: You cannot drag out three hours this way. Just ask a question and get an answer.

Mr HAMILTON-SMITH: Having a non-evasive answer would be helpful. I take it that the answer is that there is going to be no change.

The Hon. P.F. CONLON: I am not changing the scheme.

Mr Bignell: We are not putting electricity prices up or council rates up, goose.

Mr HAMILTON-SMITH: If you've got something constructive to offer, I suggest you offer it.

The CHAIR: Order, the member for Waite! No comments. The member for Waite may ask a question.

Mr HAMILTON-SMITH: Moving to blackouts, I refer to Budget Paper 4, Volume 2, page 6.31. Given that the guaranteed service level (GSL) regime had only been in place for a short time before the January 2006 blackouts, on what basis did you recommend prosecution of ETSA following the power failure? Did you receive advice recommending that course of action or did you write to or contact ESCOSA on your own initiative?

The Hon. P.F. CONLON: Sorry, I am not sure that I understand the question.

Mr HAMILTON-SMITH: You responded to the ESCOSA draft report by, as I understand it, writing to ESCOSA and recommending prosecution of ETSA. That is certainly what was reported in the media.

The Hon. P.F. CONLON: No. I asked it to reconsider that, and that is a very different thing. I do not make recommendations as such. My recollection of it is that I asked ESCOSA to reconsider it because the draft report had observed certain breaches of standards. The regulator's view was that they should be treated one way, and I asked it to review that. I accept the regulator's decision on that. The regulator's decision included the view that the actual cost of the event to ETSA was of such magnitude that it was a sufficient disincentive for it to do it again. I accept the view. That is the long and the short of it.

Mr HAMILTON-SMITH: Let me just go back to that, because I do not think you have really answered my question. You were reported in the media quite clearly—I think it was in the *Sunday Mail*—as saying that ETSA should be prosecuted. The report went on to say that you had responded to the draft report by telling or writing to ESCOSA to the effect that its final report should include prosecution of ETSA. Are you saying that is not the case? Did the *Sunday Mail* get it wrong?

The Hon. P.F. CONLON: I do not know what you do not understand about my answers. I said that, to the best of my recollection, the letter I wrote to ESCOSA on the draft report was to ask it to consider that matter again and to ask whether it had been as rigorous as it should be.

Mr HAMILTON-SMITH: So, you wanted ETSA prosecuted.

The CHAIR: Order!

The Hon. P.F. CONLON: Is there anything you do not understand about that statement?

Mr HAMILTON-SMITH: Yes, there is. I want you to be very clear. You are saying that you wrote to ESCOSA and you said that you felt prosecution should form part of its final report. Is that correct?

The Hon. P.F. CONLON: I will say it again since, obviously, when I say words, you hear different ones. I wrote to ESCOSA saying that it should reconsider that matter—

Mr HAMILTON-SMITH: Reconsider what matter?

The CHAIR: Order!

The Hon. P.F. CONLON: The matter of prosecution; the matter you are asking about. I did not recommend it should prosecute: I asked ESCOSA if it believed it had been rigorous enough. The answer was that, yes, it did believe so, and it gave me the reasons. It gave me an answer to the question I asked. I did not make a recommendation: I asked it about a certain matter, which is, as has been pointed out to me, the appropriate relationship between a minister and a regulator. I went on to say that I am satisfied with the answer ESCOSA gave me. Do you think that does not answer your question?

Mr Hamilton-Smith interjecting:

The CHAIR: Order!

The Hon. P.F. CONLON: I cannot help you. I do not think anyone can help you, Martin.

Mr HAMILTON-SMITH: Well, I wish there was someone who can help you, minister.

The CHAIR: Order, the member for Waite!

Mr HAMILTON-SMITH: You are going to be asking the federal minister for transport to help you with \$250 million later on to bail you out of just one of your problems.

The CHAIR: Order, the member for Waite! Stick to the questions.

Mr HAMILTON-SMITH: Minister—

The Hon. P.F. CONLON: To be honest with you, Marty, if you want to have some little digs, you have been running around telling the media that you have a big night for me. I hope you do not let yourself down, Marty. Hope it's not another fizzer—because I read your *Hansard* this morning with Kevin Foley, and it's going to have to be a Jekyll and Hyde performance, I can tell you.

Mr HAMILTON-SMITH: Well, that's just another mistruth, minister. I haven't been saying that to the media at all. But you go around spreading those furrphies, don't you. You just can't help yourself, can you?

The Hon. P.F. CONLON: Perhaps it was someone else impersonating you.

Mr HAMILTON-SMITH: You just can't help yourself, can you; you're all show and no substance. Let's just stay on it, because the triple use of—

The Hon. P.F. CONLON: So you don't have anything for me tonight?

The CHAIR: Order!

Mr HAMILTON-SMITH: What I like, minister, about you is—

The CHAIR: Order!

Mr HAMILTON-SMITH: Well, I am asking a question—

The CHAIR: Order! Member for Waite, when I call order, you will come to order.

Mr HAMILTON-SMITH: Yes, ma'am. Does the same thing apply to the minister?

The CHAIR: Yes.

Mr HAMILTON-SMITH: Right, well let's make sure it does.

The CHAIR: Member for Waite, that is not appropriate. The member for Waite may ask a question.

Mr HAMILTON-SMITH: What you are saying to the committee, minister, is that you wrote to ESCOSA who had not recommended prosecution of ETSA in their draft report and you suggested to them that they might like to review that? Is that what you said?

The Hon. P.F. CONLON: Before the time is out, I will get you a copy of the letter so you will understand what I wrote to them—

Mr HAMILTON-SMITH: Thank you, I would really like to do that.

The Hon. P.F. CONLON: —because I can see no other way of explaining it to you.

Mr HAMILTON-SMITH: Because, minister, you are trying to wriggle out of my suggestion that you inferred to ESCOSA that their final report should include prosecution of ETSA by saying that you simply wrote to them suggesting they might like to review that matter. In effect, what you did as the minister was respond to the draft report of an independent body and suggest, as the minister, that they might like to change that draft report to include prosecution of ETSA. That, in effect, is what seems to have occurred. I would like to see the draft, and thank you for giving it to me; I wish I had had it earlier. You are trying to wriggle off that one now. All of a sudden you weren't suggesting that ETSA should be prosecuted; you were simply suggesting ESCOSA might like to review that part of their report.

The Hon. P.F. CONLON: If you will eventually finish your ramble, I will get you the letter and you can see what I said to them and what was in the letter. I point out that we set up a terms of reference and we commented on the draft report. I will tell you one other thing, and it is the reason that

you cannot sustain a reasonable level of questioning for three hours, and that is that you people have no interest and no knowledge. One of the greatest pieces of evidence of that is that your party made absolutely no submissions, of any kind, to ESCOSA on this matter. You had no interest and had nothing to say. You had no interest on the transmission reset, you had nothing to say, no submission on any pricing reset, so it is not surprising that you will try and spend the next three hours asking the same question, in a reworded fashion, over and over because you have no idea.

Mr HAMILTON-SMITH: Well, as usual, minister, you just respond with abuse and personal invective to questions, just like normal question time.

The Hon. P.F. CONLON: That is because I have answered your question about six times now. We are going to get you the actual letter; we are going to bring that in and hand it to you. I cannot give you a more transparent and clear answer. If you want to bang on about it everyone is going to realise it is because you are trying to burn up three hours and you don't have anything to ask.

Mr HAMILTON-SMITH: I look forward to reading it. You may not think that matters of ministerial probity—

The Hon. P.F. CONLON: It's on the web site. If you had done any homework you would have found it on the ESCOSA web site.

Mr HAMILTON-SMITH: You may not feel that matters of ministerial probity are important. We do. I will just move on with that issue.

The Hon. P.F. CONLON: Can you explain to me where you have reflected upon my probity, how that has happened?

Mr HAMILTON-SMITH: I will explain, if you like.

The Hon. P.F. CONLON: Yes, go on.

Mr HAMILTON-SMITH: As a matter of principle do you feel, as minister, that it is appropriate for you to respond to and to write to an independent regulator in an effort to influence that independent regulator's findings, as you did when seeking prosecution of ETSA, or suggesting that they might like to review that part of their draft report after the January 2006 blackouts?

The Hon. P.F. CONLON: Okay, let us get it on the record, Martin: are you suggesting it is wrong? Is that why you don't make submissions, because you suggest it is wrong?

Mr HAMILTON-SMITH: Well, I will give you this point.

The Hon. P.F. CONLON: Are you suggesting it's wrong? Come on, you're a big brave soldier, if you are going to make an allegation, make it. Don't squirm around. Are you suggesting that I did something improper writing to ESCOSA? Are you suggesting that?

Mr HAMILTON-SMITH: What I am asking you to give me—

The Hon. P.F. CONLON: I obviously believe it is correct. I did it. Are you suggesting it is wrong? Come on, Marty, be a brave soldier and make an allegation. Don't take the coward's way of suggesting something.

Mr HAMILTON-SMITH: I do think it's wrong.

The Hon. P.F. CONLON: You think it is wrong for me to have written in those terms to the regulator?

Mr HAMILTON-SMITH: Look, who is asking the questions? I am asking questions of the minister, and if I could get some answers—

Members interjecting:

The CHAIR: Order!

Mr HAMILTON-SMITH: Let me make this point, Madam Chair—

The CHAIR: Order!

Mr HAMILTON-SMITH: Well let me ask this question—

The CHAIR: Order! And I will make the point beforehand that the minister is entitled to determine how he answers a question; that the role of members is to ask questions, not determine whether they have been answered.

Mr HAMILTON-SMITH: Well, given that the government appoints the regulator, is it a conflict of interest or an inappropriate action for the government of the day, and for a minister, to attempt to influence a supposedly independent process? I must say I was astonished when I read in the media that you had written this letter suggesting that as the minister who would have a say in the appointment of a regulator, either directly or indirectly, they might like to change their report in any particular manner or incur your wrath. I suppose that is the inference. Because the position it puts the regulator in is that he's got the Minister for Energy writing to him saying, 'Look, I don't like your draft report, you'd better change it, I want to see something different in the final report.' That is certainly how it could be interpreted by the regulator. So I do raise it now because I think it is an issue: please explain why.

The Hon. P.F. CONLON: Perhaps if we can cut your blathering short we'll ask the regulator if it's proper. We will write him a letter within 48 hours asking if he thinks it's all right. Okay? If he thinks it is all right, will you then be happy? Is that all right? Because I have got to tell you, Marty, there is nothing new about governments writing to regulators. In fact, my adviser tells me that on occasions people like Peter Costello wrote to the Reserve Bank suggesting what should happen with interest rates. But, Marty, can I say that you are not going to be able to hide behind your blathering on this for three hours. You have my answer. I believe it is correct. If you think it is wrong, why do we not let the regulator tell us. If your view is that a government should not have a view on the regulation of electricity and energy in South Australia, we will have to disagree.

Mr HAMILTON-SMITH: What is the process for appointing the regulator? Which ministers are involved, either directly or indirectly, in appointing the regulator?

The Hon. P.F. CONLON: Marty, I will do this for a little while. The act that governs the Essential Services Commission is an act of this parliament. It has absolutely nothing to do with the estimates process, I must say. I will help you by telling you that my understanding is that the Treasurer appoints him. But, if you have an abiding interest in how a regulator is appointed, go and read the act.

Mr HAMILTON-SMITH: I move to the question of electricity prices. Why has the government been unable to deliver on its 2002 election pledge that it would deliver cheaper electricity prices for consumers?

The CHAIR: Order! As the minister has pointed out, I have been very indulgent in terms of allowing wide questioning. Can you refer to the budget line involved?

Mr HAMILTON-SMITH: Budget Paper 4, Volume 2, page 6.31. In fact, all my questions refer to two pages in the budget—pages 6.31 and 6.32.

The CHAIR: As you know, you are required to reference each question.

The Hon. P.F. CONLON: Can I assist the member for Waite? Something has happened since the 2002 election. You

will see a report from the consumer council next week that shows a significant improvement on electricity pricing, but something rather relevant has also occurred, namely, the 2006 election. At the 2006 election the people of South Australia judged us on our performance over the previous four years. Marty, we snuck in! Apparently, the people of South Australia were satisfied with our performance. We do not take it for granted and we have to continue to work hard to do a good job, but, mate, if as a shadow minister the only thing you can do halfway through the time is ask about 2002 election promises, it is a greater reflection on how well you are going rather than how well we are going.

Mr HAMILTON-SMITH: I refer to the same budget reference—

The CHAIR: And the line?

Mr HAMILTON-SMITH: Same budget line. What are the government's projections for electricity prices for householders over the next four years? What increase does the government anticipate?

The Hon. P.F. CONLON: The current price path sets out real reductions in what is the standing tariff. More than 60 per cent of electricity customers are on market tariffs—which is a remarkable turnaround from inheriting a monopoly retailer. Can I say it is a most remarkable turnaround which is a result of very good policy of this government. Those market contracts offer deals. I am not doing an ad for TRU Energy, but it is offering prices as much as 9 per cent below the standing tariff. Now, at some point the regulator will set a new price path, I would hope, for those years you mentioned. In my view—and I hope I am not influencing the regulator by having a view—there would be no justification for any significant increase. In fact, CPI minus would be a good idea—but I do not want to influence the regulator. I do not want to influence him by having a view on that matter. I have to say it is inconsistent to ask me what I think will happen in prices when I should not say anything that influences the regulator—because that is the regulator's job. Of course, as Oliver Wendell Holmes said, 'A foolish consistency is the hobgoblin of small minds. . .', isn't it, Martin? The current electricity standing contract price determination expires on 31 December 2007 and the gas price in June 2008. I expect the regulator to perform a review of those prices. Again, at the risk of influencing the regulator in that spooky way Martin is worried about, I do not think there is any justification for price increases, other than those that match CPI.

The CHAIR: Member for Waite, before inviting you to ask another question, a general line is not within standing orders: it must be identifiable and referenced. There has been great indulgence of you in this matter, but I hope it does not continue for the rest of the evening.

Mr PEDERICK: I refer to Budget Paper 4, Volume 2, page 6.31. Following on from the last question asked by the member for Waite, what are the government's projections for increases to electricity prices to businesses over the next four years? What increases does the government anticipate?

The Hon. P.F. CONLON: The price of electricity for businesses is determined in the marketplace. I know the greatest shock that the business customers in this state ever had was in the dying years of the Liberal government; I think it was the second last tranche of contestability when medium-sized enterprises became contestable. They had an average of 35 per cent, and some of them had a 60 to 80 per cent increase. Since that time under this government the market has offered more affordable prices to those businesses. We expect the market to continue to work. Plainly, there are some

pressures in the electricity market nationally. I think most commentators recognise that carbon emissions will be costed at some point and that will have an impact on electricity prices. That is one of the inevitable outcomes of a carbon constrained world. But the bottom line is that they are set in the marketplace and the pressure, since the disastrous price increases of 2001, has been downwards on those market contracts, as I understand it. Anecdotally, my understanding is that, in that time, pressure has been downward on the market prices.

Mr PENGILLY: In accordance with what timetable does the government anticipate negotiation between the regulator and energy providers regarding the next round of price increases? When will those negotiations commence? When will final decisions be made, and how open to parliamentary scrutiny will that process be?

The Hon. P.F. CONLON: Essentially, it is a matter for the regulator. I have told the honourable member that the electricity price expires on 31 December 2007. One would expect some six to nine months before that time—if there is to be a ground-up review to set a price path—that the regulator would commence that, but that is up to the regulator. I would expect that is what would happen. We may well have something to say to the regulator about it, but I hope that does not offend Marty.

Mr HAMILTON-SMITH: During those forthcoming negotiations, what does the government expect the key issues will be that might determine the price outcome?

The Hon. P.F. CONLON: To be asked what we expect the key issues to be when I have just been told 15 minutes ago that we should not have a view with the regulator is astonishing. It is absolutely astonishing. With respect to a standing tariff, we expect the regulator to continue the approach the regulator has taken in the past, and that is an approach that allows a prudent retailer a reasonable return on their investment after taking into account the costs that would be incurred by a prudent retailer in purchasing and delivering electricity. We do not expect that to change.

I repeat that it is just astonishing to be told that we should not have a view with the regulator and then to be asked what the determinants should be. I will leave it to other people to make a judgment.

Mr HAMILTON-SMITH: The minister accused me a moment ago of putting words into his mouth. I just say to the minister that what I say is also in *Hansard*. No-one is accusing him of not having a view, or not being able to express a view to ESCOSA. Writing to ESCOSA and suggesting or requiring that it change a draft report is altogether different from having a view. All right? The government is quite able to have a view.

The CHAIR: The member for Waite is trying my patience. The honourable member will ask a question, please. The honourable member may make an explanation but he may not debate. The member for Waite will ask a question.

Mr HAMILTON-SMITH: Madam Chair, the minister is straying well into debate in his answers. You know how estimates work, but I will go on.

The CHAIR: The member for Waite will come to order. I have already remarked that the minister may answer the question in a way he determines.

Mr HAMILTON-SMITH: He is not supposed to stray into debate.

The CHAIR: Members, however, can ask only questions. I have been very indulgent with explanations and I will

continue as long as the line is not crossed with personal insults, etc.

Mr HAMILTON-SMITH: As long as you apply the same standard to the minister.

The CHAIR: The member for Waite will not answer back the chair.

Mr HAMILTON-SMITH: I refer to Budget Paper 4, Volume 2, page 6.31. What provision does the government believe needs to be made to fund energy infrastructure development in the forward years during the next round of negotiations?

The Hon. P.F. CONLON: Could the honourable member repeat the question?

Mr HAMILTON-SMITH: Over what time frame is the government's purview for the need for funding of energy infrastructure? How far forward are you looking in terms of the government's input, recommendations and suggestions about developing our energy infrastructure needs for the future? How far forward is your field of view, and what is your view as to what should be provided for during the next round of price negotiations?

The Hon. P.F. CONLON: The energy plan is a 10-year focus. The infrastructure plan is a 10-year focus. Some issues we look at longer, including long-term supplies of gas. We look at those things in various ways, but the most common time frame for looking out is about 10 years. The Planning Council has a 25-year horizon, which should be enough to keep the honourable member content.

Mr HAMILTON-SMITH: Is the government developing a plan or review of its own on what infrastructure investments need to be built into the price negotiations outcomes at the next round? Does the government have its own view about what infrastructure needs upgrading and what investments are required? Do you have your own list of investment priorities? How do you propose to provide inputs into the process to ensure that South Australia is not left short and that the process is monitored?

The Hon. P.F. CONLON: I just explained those things to the honourable member. We have a Planning Council, which was established under your government, and it does a very good job. It is one of the few things you people got right in electricity. It does a very good job. I believe you established it, and our appointment to that of David Swift was a very good one. He does a very good job. It has a 25-year horizon. The Energy Division has worked on an energy plan, which looks predominantly at the supply of fuels and the infrastructure to supply them. We have a State Infrastructure Plan which talks about energy requirements into the future.

We deal with private industry. In terms of investment priorities, it is a little silly for the member for Waite to talk to us in a privatised industry about investment priorities given that those priority decisions will be made by the private sector. Our job is to make sure that, in that environment, the market works and has the proper investment signals, and we believe that is what is occurring at present. We have done more than any government in the past with respect to infrastructure planning.

I note that the member for Waite has been running around saying that we should have a 20-year infrastructure program with committed projects. If the member for Waite wants to draw one up we will lend him some people to help him type it. If he wants, he can draw one up to show what it should be. I always find it very hard to take criticism from people who never did anything like this—never ever—but say that it is not enough. If the member for Waite wants to do that

infrastructure plan that he has gone on about we will lend him some administrative resources and he can tell us what he would build over the next 20 years. I suspect we will not be seeing that, because I suspect that the Leader of the Opposition would not let him do it.

Mr HAMILTON-SMITH: Regarding fuel storage capacity, Budget Paper 4, Volume 2, page 6.31, what is the total useable storage capacity at Port Adelaide, Birkenhead and Port Stanvac respectively? And what role does the government intend to play, if any, in regulating or planning for utilisation of that capacity to guarantee supplies to the state?

The Hon. P.F. CONLON: We will continue to do what we have done in the past, and that is monitor what is essentially a private sector operation. That is what we will continue to do: I would be happy to hear what the member thinks we should be doing.

Mr HAMILTON-SMITH: Do we have enough capacity for fuel storage to avoid cuts in supply, or not?

The Hon. P.F. CONLON: Yes, we do, if it is utilised properly by the oil companies: I have said that on numerous occasions. But what I cannot do is control the behaviour of private sector oil companies. My view is that, since regulation in itself has a cost (and I have said this in the past, as well), we should continue to monitor it unless regulation is seen to be necessary. Can I say that was the same view expressed by the former leader of the opposition? I would be interested to know if the opposition now has a different view.

Mr HAMILTON-SMITH: I take it from the answer that the government has no plans to introduce a regulatory regime or intervene in any way to ensure that fuel storage capacity is maintained. Is that correct?

The Hon. P.F. CONLON: You can continue to do this as long as you like.

Mr HAMILTON-SMITH: You are dodging around—

The Hon. P.F. CONLON: What do you think we should do, mate?

Mr HAMILTON-SMITH: I am asking you: you are the government. What you have said is you have no ability to intervene in what is essentially a private sector operation.

The Hon. P.F. CONLON: No, I have not said that. Madam Chair, he persistently keeps telling me what I have said and what I haven't. I have said that we will monitor it and we will not regulate unless there is a very strong case for it, and that has not occurred yet. But, make no mistake, if it was in the state's interest to regulate it, we would regulate it. Regulation has a cost. We do not believe we should do it. We believe we should continue to monitor. That was the very same position of the former leader of the opposition and, if the member for Waite has a different point of view, I would love to hear it.

The CHAIR: However, not at the moment. Member for Waite, do you have a question?

Mr HAMILTON-SMITH: Budget Paper 4, Volume 2, page 6.31: what are the government's intentions in regard to Port Stanvac? What role does DTEI now play, if any, in government policy in respect of the future of Port Stanvac and, as Minister for Energy, will the minister say what future he would like to see for Port Stanvac from an energy—

The Hon. P.F. CONLON: I read *Hansard*, and a lot of time was spent this morning with the Treasurer, who is responsible for this. I must say I do not think it bears any relationship to estimates, but I think little of what the member has said does. But he did have a lot of time this morning and did not seem to use it very usefully. Perhaps he could have

asked the question of the responsible minister then. I am sure the responsible minister will be happy to give him an answer.

Mr HAMILTON-SMITH: Do I take it from your answer that the fuel storage capacity at Port Stanvac is of no interest to DTEI? Is that it?

The Hon. P.F. CONLON: Mate, you can make as many speeches as you want and you can take whatever you want from my answer, but *Hansard* will record what I said, regardless of what you want. The response to the question, 'Does DTEI have a role?', is that it will have a role if it is called upon by the Treasurer to provide advice. Okay? But you had better ask him if he has called upon DTEI to provide advice. I cannot recollect it.

Mr HAMILTON-SMITH: Still on the subject, same budget line, Budget Paper 4, Volume 2, page 6.31, petrol prices and fuel storage: what is the government's view of the relationship between available fuel storage capacity and petrol prices? What is the government's view on the proposition that access to additional storage capacity at Port Stanvac might encourage greater competition and cheaper prices for petrol consumers?

The Hon. P.F. CONLON: There is absolutely no support for the proposition that storage is having an effect on fuel prices, if that is the proposition. Is that your proposition?

Mr HAMILTON-SMITH: What was that? I could not hear. You were mumbling.

The Hon. P.F. CONLON: The RAA noted that between January 1999 and at the top of 2005 monthly unleaded petrol prices on average were 1 to 2 per cent less expensive in Adelaide than in Sydney, and I think in a similar time were about 1 per cent more expensive than Melbourne. Whatever the factors at work, it does not appear in any way to be associated with storage. That is the advice we have had consistently. I advise the member again, in response to an earlier answer, that there is sufficient storage if it is used by the oil companies. But there is nothing to support your contention, and I have told you what we intend to do about oil companies and storage and exactly what your old leader thought we should do.

Mr PENGILLY: Budget Paper 4, Volume 2, page 6.31: what can the state government do to soften the impact of rising petrol prices? Does the government have any new ideas or plans that might influence petrol prices downwards?

The Hon. P.F. CONLON: I have looked at various things that might assist people dealing with high petrol prices but controlling them is, I would have thought, a federal responsibility and way beyond the capacity of any state government. There is a booklet from the ACCC that we can give you—and that is the oversight body on fuel pricing—which explains the various components, but there is little we can do. What we can do as a state, and what we have been doing, is make a new investment in public transport early next year. There will be additional funds for more boardings. We have had some very successful service changes—well, mostly successful; some people do not like them, but it has gone very well so far. There are things we can do to respond to the effects of high fuel prices but I do not know what we could do to change fuel prices. If John Howard and Peter Costello cannot do it, I do not think I can.

Mr PENGILLY: Has the minister's department investigated any alternative energy uses to soften the fossil fuel impact in due course—for example, hydrogen fuel, ethanol, compressed natural gas and things along those lines?

The Hon. P.F. CONLON: We have done some work on CNG. There are some major impediments to its introduction,

including the high infrastructure costs of new refuelling stations. We continue to look at those matters, but a lot of the things the honourable member talks about simply are not commercially worthwhile. Hydrogen is an extremely expensive and bulky fuel, but we continue to look at those things and we have kicked around some ideas. We have been using 5 per cent and moving it upwards, and I believe we have gone beyond that in biodiesel in buses. About 25 per cent of our buses are powered by CNG. The problem with translating that to the public is the high cost of refuelling stations and the fact that nearly all refuelling stations are within the metropolitan area, which is not very good for people who want to drive cars outside the city. We continue to look at those things.

Mr PENGILLY: Referring to Budget Paper 4, Volume 2, page 6.31, is the government of the view that a regime of terminal gate pricing (TGP) is required in conjunction with the FuelWatch web site to increase transparency in the wholesale fuel market, as is the case in Western Australia and Victoria?

The Hon. P.F. CONLON: We have not ruled it out entirely for the future but I have made no decision to do that. I think it is unlikely.

Mr PENGILLY: Once again I refer to Budget Paper 4, Volume 2, page 6.31. What are the true costs of South Australia's wind power investments, taking into account direct and indirect taxpayer-funded subsidies? If you take off those subsidies, what are the true costs?

The Hon. P.F. CONLON: The true costs to whom? The people who pay for the MRET system—I think MRET are down to about \$15 or something now. Ultimately, electricity users pay that. Many electricity users choose to buy more expensive green energy. That is a choice of theirs and it reduces the impact on users across the system. But the proof of the pudding is in the eating, as they say. That is a saying that people get wrong so often. South Australia has introduced more wind farms than any other jurisdictions and they have not had a material price on a retail pricing. The price has not been material, whereas the carbon emissions that are removed by the use of wind power make a great contribution to what I think is the most pressing issue in the world today.

I am happy to have been a strong supporter of wind power in this government and I am very happy that our government has achieved so much in it. In terms of costing to the end user, obviously, it has not had a very substantial effect at all.

Mr HAMILTON-SMITH: I refer to Budget Paper 4, Volume 2, page 6.31. What has been the return on the investment in respect of the government's spending on solar power infrastructure on top of the South Australian Museum and Parliament House? Have these investments saved the taxpayer money or not?

The Hon. P.F. CONLON: I do not think that the Premier approached this with a very small-minded view on return on investment. Solar power, if the honourable member wants to check, has a long pay-off time of 15 to 20 years. The effect on the community of having our premier boulevard and premier cultural stretch powered by solar power is a tremendous lesson for the community, a reminder of where we are in the world and what the future holds for us that goes beyond any penny-ante kind of return on investment. This is something that members need to work out whether they support or oppose. If the honourable member wants to know what the pay-off time is, we will get him those details.

Mr HAMILTON-SMITH: In relation to the same budget line, how does the government plan to achieve the 20 per cent

goal for the grid being fed by renewable energy sources, what will be the time frame and by whom will this investment be funded?

The Hon. P.F. CONLON: We expect that the investments we have at present and that will be made in renewable energy will meet that target. We are on track to meet that target. By next year we will be up to about 16 per cent. We have made an announcement about buying green energy as a government. We are prepared to do that and we think it is important. I stress again: global warming is the single most important issue the world faces, so we are happy to make this commitment. We believe that the investment in the pipeline will get us nearly there. It is a stretch target, so we believe it will get there.

To help out the honourable member with one of the further questions he raised, about whether I should have written to the chairperson of the Essential Services Commission telling him to change his report, I told the honourable member that I did not tell him to change his report, but the honourable member would not listen. The draft report was sent to me on 27 January. That is the date of the letter, although I am not sure when I actually received it. The last line of the covering letter from the chairman of the regulator stated:

I am available to answer any queries on the issues dealt with in this report.

I guess he invited me to make comment, so I wrote to him and gave him the government's opinion. Here is the sentence that the honourable member believes is so wrong for me:

To this end, the government urges ESCOSA to carefully consider in its final decision—

and I apologise for the split infinitive: I should have corrected that—

to carefully consider in its final decision what legal action against ETSA Utilities is warranted so as to provide a clear signal that this performance is not acceptable.

Not only do I think that is not wrong, but I would suggest that the regulator actually invited me to do it. So, I am not sure where you are going to go with that. You can have both of those letters if you want. To clarify that, we believe it will hit to 16 per cent renewable by about 2008-09.

Mr PENGILLY: I refer again to Budget Paper 4, Volume 2, page 6.31: renewable energy. We have talked about solar energy wind power. Has the minister instructed his department to consider the virtues of wave power given the large tidal movements that we have around areas of the coast?

The Hon. P.F. CONLON: Yes. It is spooky; the Premier has been talking to me about wave power just in the last couple of days. We looked at a map and there are probably two places in South Australia that might be fertile areas. One is, in fact, our Backstairs Passage, as you would be aware. The other is up around Port Broughton way. It is a bit vague. It is something we will look at. The truth is that in the private industry in South Australia, most renewable solutions, on a large scale—such as wind—are pursued by the private sector. We have not seen a serious private sector proponent yet, but we are well aware of the technology and the potential advantages of it. We are always quite keen to talk to anyone who has a serious idea about it.

Mr PENGILLY: Professor Brian Kirk of Flinders University has done an enormous amount of work on it. I suggest that perhaps the minister would see fit to contact him.

The Hon. P.F. CONLON: I am more than happy to do that, but I point out that one of the things that we have been

very clear about since privatisation is that we deal in a private market. One of the reasons we have been able to make good policy and achieve a competitive market is because we have lived in that world and dealt with it. Unless it is a research project funded for the purposes of science, or something like that, we would regard any proposal to establish generation of that nature to be something that we will expect a private sector investor to undertake. We are always more than happy to talk to them but, just like wind farms, we expect the private sector investor to make that investment.

Mr HAMILTON-SMITH: I refer to Budget Paper 4, Volume 2, page 6.31. Regarding the issue of Hutchison 3G and the erection of telecommunications equipment on top of ETSA power pole infrastructure, has the minister taken any action on the matter of Hutchison 3G and ETSA working together to erect these telecommunication devices on poles and infrastructure? In particular—given the High Court's decision—has he sought Crown law advice on whether an alternative solution might involve amendments to the South Australian Development Act 1993 that might remedy community concern about these structures not having planning approval?

The Hon. P.F. CONLON: I am pretty sure I have signed a question without notice on this recently. I will get that detail for you but, from memory, my understanding is that there are serious issues about being able to do that. If we are in conflict with the federal law then federal law obviously will prevail. I have that detail. I am pretty sure I signed it off just a few days ago; I will get it for you. In fact, you probably have it in the mail by now. You can read that.

Mr HAMILTON-SMITH: I will look forward to getting that.

The Hon. P.F. CONLON: We will check those letters for you. It may be the interim advice.

Mr HAMILTON-SMITH: To follow that further along the same budget line, notwithstanding the fact that the High Court has upheld the right for telecommunications infrastructure to be erected atop existing ETSA infrastructure, is it not within the state government's capability to amend the Development Act to require planning approval for stobie poles that are excessively large and beyond the size needed to carry electricity alone? For example, those that are specifically put there for the purpose of providing telecommunications.

The Hon. P.F. CONLON: You are asking the same question in more detail. I will bring that detail back to you. I have told you what I can from my recollection. You may well have it in the mail. I have not taken many of your questions on notice, I have to say.

Mr HAMILTON-SMITH: I refer to the same budget line, Budget Paper 3, page 2.19: electricity contract arrangements. What changes will be made to DTEI electricity contract arrangements to save the \$1.653 million specified as an operating initiative over four years? An amount of \$1.6 million has been specified as an operating initiative over four years. The department is going to change its electricity contract arrangements.

The Hon. P.F. CONLON: It is not essentially related to the energy division. We will try and get you a detailed list. The energy division is not saving that money. We will get you the detail. It is a very small part of the overall DTEI budget, which is very big.

Mr HAMILTON-SMITH: I refer to Budget Paper 4, Volume 2, page 6.2: administered items. What is to become of the Catchment Management Subsidy Scheme, the Natural

Gas Authority of South Australia and the Ministerial Council on Energy, which the budget papers explain will no longer be administered by this portfolio in 2006-07? You are transferring administered items elsewhere.

The Hon. P.F. CONLON: I did not understand the question at all. Can you repeat it?

Mr HAMILTON-SMITH: On page 6.2, a number of administered items are listed and certain responsibilities have been reorganised within government. It is towards the bottom of the page: certain functions are going to be shifted.

The Hon. P.F. CONLON: The Natural Gas Authority will finish, effectively, and the Ministerial Council on Energy work program, which has been dealing with transition distribution in retail, will conclude. The Catchment Management Subsidy Scheme is not related to us. The Natural Gas Authority will wind up and the Ministerial Council on Energy work program will conclude. It is part of the reform process. We will get you the detail; it is a little bit complex.

Mr HAMILTON-SMITH: I refer to Budget Paper 4, Volume 2, page 6.14: the Remote Areas Energy Supply Scheme. Will the minister list the level of investment in each of the 13 communities in rural and remote South Australia which were provided with electricity supplies through the Remote Areas Energy Scheme in the financial year 2005-06, and how much will be spent in 2006-07?

The Hon. P.F. CONLON: I will take that on notice. We will provide that for you. That is just a level of detail that no-one carries around with them.

Mr HAMILTON-SMITH: I refer to Budget Paper 4, Volume 2, page 6.32: energy policy and programs. Why is the estimated result for 2005-06 on expenditure on energy policy and programs up by \$4 million from the budgeted \$15.4 million to a total of \$19.4 million?

The Hon. P.F. CONLON: The most important program is RAES, the biggest cost one, I would say, and it would almost certainly be an increase in the cost of diesel. There is nothing we can do about it.

Mr HAMILTON-SMITH: Could you provide a breakdown?

The Hon. P.F. CONLON: I told Michael earlier.

Mr HAMILTON-SMITH: Could you just repeat the answer; I didn't hear it.

The Hon. P.F. CONLON: I assume it is very likely to be the very high increase in diesel costs. Nearly all of these remote area schemes are diesel generators, and we maintain a subsidy that keeps it within about 10 per cent of the grid for small users. So if diesel goes up it costs us a lot more, and diesel went up a lot.

Mr HAMILTON-SMITH: So, is it fair to say that pretty much all of that increase is fuel?

The Hon. P.F. CONLON: Diesel fuel is \$2.5 million.

Mr HAMILTON-SMITH: It is a bigger amount; I think it is \$4 million.

The Hon. P.F. CONLON: There was also some new money added mid-term, about \$400 000, for an extension of the low income program. The rest of it we will find for you. There is nothing remarkable in it.

Mr PENGILLY: My question relates to Budget Paper 4, Volume 2, page 6.31. Does the government agree with Engineer Australia's infrastructure report card on South Australia that there is a need to increase funding for regional gas infrastructure, and what specific plans does the government have to fix the problem?

The Hon. P.F. CONLON: In general, we thought that we did rather well out of the engineer's report card. We were

probably one of the best states, which we are very pleased about, given the difficulty that we have, and we have a very big program. The responsibility for gas infrastructure is predominantly private sector. We try and create an environment and do what we can to assist the private sector with the expansion of its gas distribution system, but at the end of the day it is an investment decision for the private sector. We will always give them encouragement, we will try to think of innovative ideas to help them invest, but it is down to them.

Mr PENGILLY: Again with reference to Budget Paper 4, Volume 2, page 6.31, does the government agree with Engineer Australia's infrastructure report card on South Australia that since privatisation of the state's electricity assets infrastructure has improved and that management and the funding regime, including the mandated funding arrangements, are very positive?

The Hon. P.F. CONLON: You can have the debate publicly about privatisation, if you want. Feel free to go out and convince the punters. I can tell you this: I think that since this government came to office we have improved energy policy dramatically, and I am not surprised that it reflects in infrastructure.

Mr HAMILTON-SMITH: I refer to Budget Paper 4, Volume 2, page 6.31. Does the government have plans to ensure there is an adequate LP gas unloading facility in the state? It has been identified as an infrastructure problem for energy.

The Hon. P.F. CONLON: Sorry, an LP gas unloading facility?

Mr HAMILTON-SMITH: Yes.

The Hon. P.F. CONLON: I am not sure what you mean by that. Port Bonython loads gas onto ships, but I am not quite sure what you mean by unloading facility.

Mr HAMILTON-SMITH: Do we have a capability to unload LP gas into the state?

The Hon. P.F. CONLON: We are a net exporter of LP gas. We export LP gas out of Port Bonython. If we wanted LP gas, wouldn't we just keep some of the stuff we export? I do not understand why Engineers Australia think we need that; I will check, but we are a net exporter of LP gas.

Mr HAMILTON-SMITH: I refer to Budget Paper 4, Volume 2, page 6.31 regarding electricity generation. How dependent is South Australia today on interstate generation and supply to provide base load power? What is South Australia's present installed generation capacity compared with projected maximum demand in the 2006-07 summer period?

The Hon. P.F. CONLON: Our installed capacity is way beyond our average base load requirements. Whatever you want to call base load, our average demand is about 1 480 megawatts and our installed capacity is about 3 255, and that includes wind farms. We have more than enough installed capacity for our average demand for our base load. That does not mean that we do not import electricity every day because we do. The reason for that is a very good one: the electricity in South Australia is predominantly generated by natural gas, whereas electricity in Victoria is predominantly generated by brown coal. The last comparison I saw about short run costs of fuel in Victoria in generators owned by the same company was a brown coal generator running at a cost of \$7 per megawatt hour for fuel and a state-of-the-art gas generator running at \$25 per megawatt hour for the cost of fuel. So, we import a lot of electricity. I do not apologise for it, and we will keep doing it; we still have a very good greenhouse footprint. We have the installed capacity to meet

our base load and, at a peak demand, we have traditionally treated Victoria and South Australia as a single region, and that will continue.

Mr VENNING: We are talking about the ETSA capacity in electricity. I note that you have several generators around the state, one of which is in the Barossa Valley. I think it is owned by Cummins Power. It has been there for three years now. Do you know how often it has been called on line and how long it has operated? Do you have any plans to build any more? Have they filled the gap?

The Hon. P.F. CONLON: I think the one you mean is a peaker.

Mr VENNING: It is a peaker.

The Hon. P.F. CONLON: Some peakers run on average five days a year. That is what they are built for. Some years, they will not run at all, but that is the nature of the electricity demand. From memory, the one you are thinking of is a peaker, and it is an expensive peaker which will only run when we have demand up over 3 000 megawatts or something.

Mr VENNING: I believe it is owned by Cummins Power.

The Hon. P.F. CONLON: That is what they are designed for. They are built to take money for five days a year; that is what they do. When they take it—they are not contracted—they may well be running at VOLL, which is \$10 000 per megawatt hour; so, they do not have to run very often to make money.

Mr VENNING: What sort of return are these companies getting on their money? It would vary.

The Hon. P.F. CONLON: They would not have it sitting there if they were not getting a return—they would move it somewhere else because, as I understand it, those sorts of peakers are very mobile. But it is their business, mate.

Mr VENNING: A pretty impressive bit of machinery, I know that.

The Hon. P.F. CONLON: There are peakers that sit in shipping containers and, if they were not making money, you would put them on the back of a truck and drive them somewhere else. That is what you do. Could I just correct something? I referred to the wrong letter from the regulator; in fact, the one in question for the line says a similar thing, namely that interested parties were invited to make submissions to the draft inquiry report by close of business on 7 July, which is what we did. We were interested.

Mr HAMILTON-SMITH: I refer to Budget Paper 4, Volume 2, page 6.31 regarding future generation capacity. How many peaking or base load power stations does the government hope to see commissioned over the next 10 years? Can the minister list the prospects he is aware of, including the location and name plate capacity?

The Hon. P.F. CONLON: I mentioned earlier that you have to separate peaking and base load. There does not appear to be a demand for base load at present. Any look at the dispatch levels of some of our existing base load will tell you that, or mid-merit, because they are probably more appropriately defined in this state. There is an increasing demand for peak. We would like to reduce that peak demand and take the top off the peak. We have a number of programs, including new five-star energy efficiency and new air-conditioning programs, to do that. I have mentioned those two peaks. I think, ultimately, any increase in base load is likely to come from the expansion of the resources sector. You would be looking at five years out, at least, before you would be looking at those sorts of expansions. But the present configuration of demand is that, there is no demand for new

base load but there is demand for new peakers, and a couple of participants would like the investments that I mentioned earlier. I am told that there is a list in the public domain that you can have a look at.

Mr HAMILTON-SMITH: I refer to electricity generation to support mining in the same budget paper and line. Is the government planning to provide any investment assistance with growth in the mining sector, requiring further electricity generation, and, if so, where, when and to what extent is the state government investment planned?

The Hon. P.F. CONLON: I am not the mining minister but, from my knowledge, would strongly suggest that that would be a breach of World Trade Organisation agreements. You are not supposed to give assistance to mining projects of that nature, but I will check that with him. We have not done that because no-one has asked us. My view is that given the money to be earned in the resources sector, given the great success of our exploration program, the great success in prospectivity in new projects, I do not believe they need government assistance. They need government assistance to get their approvals right, they need us to make sure they can invest their money, and we do that. We have a remarkably good track record in that regard, but I do not think we will be building energy assets for BHP Billiton when they open the world's biggest mine. The short answer is no-one has asked us, and any project that needs us to do that I think has question marks over whether it should be a project or not. It is only my view, though; you had better ask the minerals and resources guy, but I am pretty sure the World Trade Organisation does not like us giving subsidies to mining companies. If they are exporting, they certainly, certainly shouldn't be.

Mr PENGILLY: Budget Paper 4, Volume 2, page 6.31: what is the government's view of ETSA's demand management initiatives? Will the government be providing any support or assistance for these initiatives, and do they form a part of the government's forward planning?

The Hon. P.F. CONLON: We were strong supporters of ESCOSA in the last reset, putting in a component for energy efficiency programs. Does that mean we will agree with every individual program ETSA comes up with? No. We will judge them on their merits, but we believe that the distributor should be doing an enormous amount of work on energy efficiency and, in particular, managing summer demand, to which I referred earlier. We are a strong supporter of the regulator putting that in the reset, and we are a very strong supporter of energy efficiency programs, regardless of what stupidity the Productivity Commission comes out with on it. I just thought I would throw that in since it was a very stupid report.

Mr PENGILLY: Once again on the same budget line, Budget Paper 4, Volume 2, page 6.31: how does the government plan to assist, support and ensure investment in the three large network augmentations identified by the South Australian Planning Council 2004 Annual Planning Report for the South-East, the Lower Flinders and the southern metropolitan area?

The Hon. P.F. CONLON: It is very simple. We do not support financially the private sector in its business investment, and since privatisation that is what they all are. The process for an augmentation or an extension or transmission system is a reset that is controlled, in fact, not in this state but by the ACCC, and I should say now the Australian Energy Regulator, where the transmission company goes with a proposition for a capital investment, and it is approved or not

approved and they get a return from the energy customer at the end of the wires for that. Where it is necessary, we step in where the state government can assist to facilitate, and that is something we have done very recently with ElectroNet in regards to the 132kV Snuggery line, I think they call it. But that is the extent of our role. In fact, even if we wanted to go further and support a transmission system, it would still be up to the Australian Energy Regulator as to whether it was a wise investment or not; it would not be down to us. It is something you might explain to the member for Flinders who never seems to understand that. She is always writing to us asking us why we have not built it.

Mr PENGILLY: Once again Budget Paper 4, Volume 2, page 6.31, and it relates to the provision of power supply to Kangaroo Island, and given that recently there has been a—

The Hon. P.F. CONLON: I was wondering when you would get to get to this one; I thought this was going to be your first.

Mr PENGILLY: Well, there is probably a good feed of oysters on the end of it, minister. Given the fact that you have recently opened the back-up electricity supply, the case in point is the decaying current power cable to Kangaroo Island. What steps does the minister intend to take to ensure that that power cable is replaced in the near future?

The Hon. P.F. CONLON: Again, since privatisation, the process is that the private company that owns the distribution system—they deal with the regulator in between, of course, but every five years they do a major reset and they make a proposal to the regulator that they should make a capital investment of a certain amount of money in certain projects and the regulator decides which ones are the most important and allows them. We as a government made a \$2 million contribution to the power station. It is very rare that that will happen in a privatised market but it recognised the significant—shall we say, the disadvantage that Kangaroo Island has in having a pretty weak, I think, distribution system. The new reset for ETSA will be in 2010 and the new Australian Energy Regulator will do that reset, and that is the time when questions about that will be answered by the regulator.

Mr PENGILLY: Just as a follow up on that and in relation to a new distributor major feeder line down the eastern side of the Fleurieu, and given his statement about capital expenditure by private companies, does the minister intend to follow up and ensure that that high voltage feeder line does go down the eastern Fleurieu as soon as possible?

The Hon. P.F. CONLON: It actually would be improper for me to tell the regulator where it puts a distribution line. That would be something that I should not be doing. That is not a proper relationship. Can I put on the record this, and I have said it before, Michael, and I believe that I think the answer for Kangaroo Island is more economic development—on the Fleurieu, sorry, although it's the same answer there. But I want to put on the record about KI and its electricity system. The real answer is more economic development, and I think there are good people on the island who want to get there, and there are people on the island who have, I think, quite closed minds about the benefit of investment and economic development on the island. It will be economic development that makes these things possible, and I think the more people on KI that support economic development the better—including you, and you are a supporter, and I recognise that.

Mr HAMILTON-SMITH: I refer to Budget Paper 4, Volume 2, pages 6.31 and 6.32, capital expenditure by ETSA. Is the \$743 million real increase in forecast capital expendi-

ture over the period 2005-10 allowed for by ESCOSA an increase of nearly 50 per cent? Is that significantly more than was provided for when the entity was owned by the government?

The Hon. P.F. CONLON: We will check that, but infrastructure has a certain age and it runs out at a certain time. I suggest that the lump in investment has a lot to do with certain big items of infrastructure reaching the end of their economic age and not much else. Marty, if you really want to keep debating that the privatisation of ETSA was a good thing, feel free, go and do it in the newspaper every day; I will enjoy it.

Mr HAMILTON-SMITH: I refer to the same Budget Paper, pages 6.31 and 6.32, in relation to the protection of electricity infrastructure. Has the government investigated whether there is, and is the government satisfied that there is, sufficient redundancy of control capacity at Moomba to ensure that if a fire or attack upon the central control room at Moomba occurred the state would not suffer a total loss of gas flow from the site? As I understand it, unless things have changed recently, one central control point at Moomba regulates the entire facility. If incapacitated it could repeat in far worse terms the catastrophes we have seen in the past with a total loss of supply for an extended period.

The Hon. P.F. CONLON: I do not know which catastrophe you are talking about, but I can say that because of this government's work, when Moomba did have a disastrous fire, the SEA Gas pipeline stepped in and supplied something like 70 per cent. Only a few gate stations prevented its supplying the whole state. That was work done by this government. We are very proud of the work we did to achieve the SEA Gas pipeline. It gives us a redundancy that we never had before. It would have been utterly disastrous. The other redundancy, of course, is the underground storage at Moomba. I am pleased to put on the record how proud we are as a government to have been able to work with the private sector to deliver the SEA Gas pipeline and give redundancy to the state in gas.

Members interjecting:

The Hon. P.F. CONLON: No: it is one of their projects—except it did not exist. It was one of their projects except there was not one millimetre of it in the ground. It was one of the projects in their mind. Let me tell you about their other projects. Another project was to extend the tramline to the railway station—and for 12 years it was one of their projects. But their projects only exist in the fevered imagination of opposition members; I must say a lot fewer than there used to be—and that is a good thing. We are very pleased to say that we have redundancy under this government that we never had before.

Mr HAMILTON-SMITH: In relation to the same budget line, is there any other vulnerable point in the infrastructure network which, if caught up in some catastrophe or knocked out, might cause a serious medium-term interruption to the state's power supplies; and, if so, what contingency plans does the government have in place to deal with such an emergency?

The Hon. P.F. CONLON: The energy and telecommunications infrastructures have been a major concern in the modern world, regrettably. We have a number of contingencies to deal with it. There may be weak points, but I will not be putting them in public view because I suspect that, if there were people out there wanting to do us harm, that is where they would do it if we told them. We address those weak points to try to minimise them, but it is very hard to do across

all systems. I will talk to the Minister for Police, or whoever is responsible, to see whether we can give you a briefing on that subject, but it is not something we would ever put in the public domain.

Mr HAMILTON-SMITH: In relation to a future energy policy—same budget line, same page and reference—will the government categorically rule out any consideration of investment in the future in uranium enrichment in this state?

The Hon. P.F. CONLON: I am not sure what you mean by uranium enrichment. I am not sure it is my area. If you are talking about enriching uranium to use as nuclear power in this state, if you understood anything about our demand profile, you would know that is fairies at the bottom of the garden stuff. I have never met anyone in the private sector in all my years as Minister for Energy who has said, 'I wish you would let me build a nuclear generator.' There is no-one out there wanting to do it, I can tell you.

Mr HAMILTON-SMITH: I refer to the same budget line number. Provided that no state government cash was needed, would the government seek to actively block or interpose itself between any private investment, in either uranium enrichment or nuclear power, should a federal government approve such measures in the future? So, if no state cash was required, as a policy measure would you categorically rule it out?

The Hon. P.F. CONLON: Mate, I have just told you that if you believe that there is a prospect for nuclear generation in South Australia you need to get across your brief. It is absolutely not viable economically in any way, shape or form. It is about a million miles from being viable. Marty, if you really think there is a prospect for nuclear generation of electricity in South Australia, then I am afraid you had better get across some basics. But if there were—

Mr HAMILTON-SMITH: Now we are getting to the question.

The Hon. P.F. CONLON: But if there were—I mean, get a life!

Mr HAMILTON-SMITH: I am not suggesting that there is, minister. I am simply saying that if the private sector felt there was a business case for either venture, would the government block it? What is the government's policy?

The Hon. P.F. CONLON: Can I understand the honourable member's question to be: can I categorically rule out blocking something that will never happen? I mean, Marty, please.

Mr HAMILTON-SMITH: The minister sounds like he does not want to answer the question. What is the government's policy? Is the government's policy to oppose any suggested investment?

The Hon. P.F. CONLON: If someone comes to me with a prospect to build an escalator to the moon with their money, I will not stand in their way because they will not do it, and you are in about the same ball park.

Mr HAMILTON-SMITH: So, you do not want to answer that one.

The Hon. P.F. CONLON: Get real!

Mr HAMILTON-SMITH: I move to the same budget line and uranium mining.

The Hon. P.F. CONLON: I can assure the honourable member that the first time there is a proposal for a nuclear generator not only will I be retired but I suspect I will be demised. That might be something that cheers up the honourable member, but I hope it is a long way off.

Mr HAMILTON-SMITH: It is interesting that the government has hedged every on-the-record statement it has

made on this question of nuclear energy, both enrichment and power thereof, with words to the effect, 'Look, it is not economically viable.' You have hedged your bets. You are not at all prepared to state clearly on the record the policy of the government should someone come up with an economically viable proposition. It might not be at all what you are thinking, minister. It might not be at all a major 500 or a 1 000 megawatt plant.

The Hon. P.F. CONLON: What, a little boutique nuclear generator? Marty, come on.

Mr HAMILTON-SMITH: I am just intrigued that the government has, at every opportunity, hedged its bets and qualified its statements on the question, and tonight is no exception.

The Hon. P.F. CONLON: Can the honourable member please try to understand that Australia has very low electricity costs by any standard around the world.

Mr HAMILTON-SMITH: I understand the economics of it very well, minister.

The Hon. P.F. CONLON: Can you explain to me then what project I might agree to? If you can give me some suggestion of a nuclear generator that is not an escalator to the moon idea I might entertain your proposal.

Mr HAMILTON-SMITH: What I really like about you, minister, is that you are dying to be back in opposition, because you really keep wanting to ask the questions.

The Hon. P.F. CONLON: Well, I must say that from your performance tonight I will die before we are back in opposition!

Mr HAMILTON-SMITH: Now you have to answer the questions. That is the one little gap between being in opposition and being the minister.

The Hon. P.F. CONLON: My son will be the minister.

Mr HAMILTON-SMITH: I am just very interested that you have qualified your answers to both those questions. I will move on to the next question.

The CHAIR: Order! Members will calm down for a minute. It has been a very long session. We will just take a deep breath.

Mr HAMILTON-SMITH: It did not have to be three hours but the minister wanted it to be.

The CHAIR: The member for Waite will come to order. We are just waiting for a minute. Do members want a five minute break? Is it the committee's desire to have a five minute break?

Mr HAMILTON-SMITH: We are happy to go on. I refer to Budget Paper 4, Volume 2, page 6.31. Will the minister clearly enunciate the government's present policy on further uranium mining and, in particular, any new mines?

The Hon. P.F. CONLON: With the greatest respect, the honourable member has not been in the vague vicinity of the estimates for a while but now he is in some other minister's area. I am not the Minister for Mineral Resources Development: the Hon. Paul Holloway is. He appears tomorrow. You can ask him. My view is very simple. It is terrible stuff—got to get it out of the country as fast as we can. It is terrible stuff—got to get it out of the state. Get it on ships and get it out of the state. That is terrible stuff—got to get it out of here.

Mr HAMILTON-SMITH: I refer to Budget Paper 4, Volume 2, page 6.31 and the issue of the gas network. How many gas escapes in the distribution system were detected in the financial year 2005-06? Does the government monitor accidents, leaks and gas escapes?

The Hon. P.F. CONLON: Do you mean like little ones or big ones? The Technical Regulator does not have the

statistics to hand. He did not expect to be asked that question. How many gas escapes? How big? Sometimes I forget to click the thing and it comes out for a while.

Mr HAMILTON-SMITH: Will we get an answer on that one?

The Hon. P.F. CONLON: We will get the honourable member an answer. Honestly, I do not think that anyone in their right mind expected to be asked that.

The CHAIR: Order! Before we resume questioning, I have just received a letter from the Auditor-General in relation to a previous matter. He has asked that I put his response on the record as he wishes to correct the record relating to an answer he gave earlier today, which relates to the Auditor-General's Department estimate committee question re WorkCover. The response from the Auditor-General states:

I refer to the above mentioned matter and to the question asked by the Hon. Iain Evans earlier this afternoon regarding the involvement by this department in the audit of WorkCover. I have attached hereto a copy of a letter forwarded to Mr Evans via facsimile correcting my error in stating that this department formally had a role in the audit of WorkCover and that this was changed during the period when his party was in government. This was not correct. I wish to correct the record. This department has not audited WorkCover. Would you please arrange for the tabling of this letter in order that the record may be corrected. I regret the fact that this occurred and apologise for my error.

There is in fact no provision for tabling the letter. I have read it into the record instead. The member for Waite.

Mr HAMILTON-SMITH: I refer to Budget Paper 4, Volume 2, page 6.31 on the subject of gas infrastructure development. What are the state government's plans and responsibilities for funding regional gas infrastructure, and what is the government's response to the finding by Engineers Australia in its report card that there is 'a lack of commitment to funding by the state government to regional gas infrastructure' and its dependence upon the private sector?

The Hon. P.F. CONLON: Envestra has a reset before the regulator at present. The regulator is the person who makes the decision.

Mr HAMILTON-SMITH: I did not hear that answer.

The Hon. P.F. CONLON: Envestra, which runs the gas distribution system, has a reset application before ESCOSA, which I think must be decided quite soon. They are the people who make those infrastructure decisions. The regulator will make a decision about it. That is how it works. That is the system. That is the law.

Mr HAMILTON-SMITH: What are the state government's responsibilities in regard to regional gas infrastructure? Is the minister saying that these are completely private sector investments?

The Hon. P.F. CONLON: Given that you sold us out of energy, I do not think we have a role in supplying gas to the regions. We have a role in facilitating the private sector getting gas to the regions. In the private sector that means they have to be able to make a return out of it, and that means you have to have some density of population, and you have to have investments. This is the regime, this is the law, that is how it works, and it is a private sector energy market.

Mr HAMILTON-SMITH: On the same budget paper reference, page 6.14, you have listed as a target for 2006-07 the safe, reliable, affordable and sustainable electricity provision to 2 600 customers in 13 remote townships. Does any of those involve gas infrastructure? You are saying none of it is your responsibility.

The Hon. P.F. CONLON: If you are referring to the remote area energy supply scheme, it is an electricity scheme predominantly generated by diesel. There may be some solar somewhere, but it is predominantly diesel generators. It is bloody expensive diesel, too. There are some LPG generators, but not out of the gas distribution system.

Mr HAMILTON-SMITH: Budget Paper 4, Volume 2 page 6.31: what process can the minister report to the committee on the proposed construction by ElectraNet of a new \$60 million substation to protect Adelaide and the eastern suburbs from blackout? ESCOSA was reported in the media in September 2006 as requiring the new substation to be operational by 31 December 2001 'regardless of the cost'. Will the government be involved in the investment?

The Hon. P.F. CONLON: ESCOSA is imposing a requirement and it does it by a standard, and that standard will require the infrastructure to be built in 2010. That is the way it works. The regulator requires the standard to be met, ElectraNet builds the infrastructure and gets a return on the capital, and that is going to happen by 2010 according to the ESCOSA decision. It is an unremarkable part of the transmission system.

Mr PENGILLY: Budget Paper 4, Volume 2, page 6.31: how much is the government planning to spend on rooftop wind turbines on prominent city buildings? How many such turbines will be fitted—

The Hon. P.F. CONLON: That is not my portfolio area. I am not spending anything on it. That is the responsibility of the Premier, whatever the line is. You will have to ask him. I am not spending any money on rooftop turbines: he is. It comes under the sustainability and climate change division of the Premier's department.

Mr HAMILTON-SMITH: The question I asked is: how much is the government planning to spend?

The Hon. P.F. CONLON: But you are in estimates. It is not my budget line.

Mr HAMILTON-SMITH: So your department has no involvement in the process?

The Hon. P.F. CONLON: No. You have asked me how much we are spending, and it is not my budget line. I do not have the foggiest idea because it is not my budget line. It is the Premier's budget line. You will have to ask him.

Mr PENGILLY: We will try again. Budget Paper 4, Volume 2, page 6.14: was total expenditure on the door snakes and light bulbs program capped at \$2.5 million? What did it achieve, and is the program now dead and buried or will it be reintroduced?

The Hon. P.F. CONLON: There was never a door snake program. It was some pathetic childishness by your former shadow minister—I will not give him my usual nickname. It was a program of an energy audit, which included a purchase of old whitegoods. It was a very good program and was always intended to run for a limited period of time, and it did a very good job. I have to say we got a lot of criticism from the welfare agencies which delivered the program, but they thought it was a very good program. It does make it hard for you to criticise ending it, though, since you have never been anything but childish and cynical about it. What I hope for, and what I believe should happen, is the industry should pay for such programs.

The industry now makes the profits from the energy system, and we have to talk to the industry about running such programs in the future. It was a very good program and had very good outcomes but we do not get the revenue out of the electricity system any more. I can tell you the outcome

was that 16 000 householders had an audit done. They were all in the lowest income groups because they were delivered out of welfare agencies. It was a good program, and it had a lifetime. I see Brad Crouch writing in *The Sunday Mail* got it absolutely and utterly wrong the other day, but that is all right. Good old Brad never let the facts get in the way of a story. He ought to get the Booker Prize. But the program had a lifetime and the lifetime is over. My view now is I would like to find a way of making the private sector run such programs, because I think that since they now take the profit from the energy system they should give back to those at the bottom of the socioeconomic ladder.

Mr HAMILTON-SMITH: Referring to Budget Paper 4, Volume 2 page 6.14, energy concessions, does the government have any plans to increase or improve concessions available to pensioners to help with their electricity bills? Does the minister feel that electricity bills—

The Hon. P.F. CONLON: There are two things you may not have noticed. Firstly, concession programs are run out of Family and Community Services and that is a policy for them. Secondly, we have increased concessions beyond those of any previous government. Thirdly, if the member had read the report of the Energy Consumers' Council, as a result of the contributions of the government in various concessions, those pensioners on a market contract (and, of course, we ran a program which got a lot of pensioners onto market contracts) are actually now, in real terms, better off than they were before the 25 per cent increase in the price of electricity. I have to say that, if there is one government that has done something for pensioners who suffered under the honourable member's brutal privatisation, it is this government.

Mr HAMILTON-SMITH: I refer to Budget Paper 4, Volume 2, page 6.31 'Augmentation charges.' Does the government plan to take any action to ensure that augmentation costs charged by ETSA to residential developers are not excessive? Concern has been expressed that residential and commercial developers may receive charges in some cases up to three times higher than the cost of providing the infrastructure.

The Hon. P.F. CONLON: Of course, members opposite did privatise the system and made it a user-pays system in the private sector. That is what happens when the private sector runs it. Just as in so many other areas, we worked hard to improve this and we did work on the last reset. We convinced the Regulator, in discussions with him—probably improper discussions, according to the honourable member—that there should be a flattening out of those augmentation charges, so there is a much flatter charge now than in the previous five-year regime. We can go that far, but what we cannot do is install a cross-subsidy in a private sector system. The opposition sold it to the private sector: the private sector does not cross-subsidise. The private sector charges business costs. That is what members opposite wanted, that is what they got.

We have improved it, but we cannot change the fundamental nature of a private sector operator in the private sector. It is our strong view that more and more of ETSA's work should be contestable. You do have an opportunity to go to private contractors for most of it but, at the end of the day, in the private sector that members opposite created, business charges and a cost plus a return for profit is what they do or they go out of business. It is not really complex.

Mr HAMILTON-SMITH: Budget Paper 4, Volume 2, page 6.14 lists as a highlight for 2005-06 the provision of support for the implementation of the Energy Efficiency Action Plan. What did that action plan achieve?

The Hon. P.F. CONLON: The Energy Efficiency Action Plan across government is an ongoing program; again, not run out of my portfolio. It is a very important factor for this government: we are all part of it. It is an ongoing program and we have had some achievements from it. It has a target of 25 per cent and we have made progress against the target. It has been reported to the parliament. Across government we have made progress against that target. It is a good thing, and there has been a 3.1 per cent reduction so far. It is very tough, but we will get there.

Mr HAMILTON-SMITH: In the same budget reference the minister lists as a highlight the delivery of the 2 600 solar hot water rebates. I note that a target for 2006-07 is the delivery of 2 500 solar hot water rebates. How much is that program costing in 2005-06 and in 2006-07 and what are the minister's plans for the future with that program?

The Hon. P.F. CONLON: It is around 1.8 million a year.

Mr HAMILTON-SMITH: What are the plans beyond 2006-07 for that program? Is it to continue?

The Hon. P.F. CONLON: You have a budget with four out years: wait for the next one. Can we ask about this budget? It is committed out to 2008. We will find out for the honourable member after that.

Mr HAMILTON-SMITH: Under the same budget line, the 393 rebates under the photovoltaic rebate program are to reduce to 350 applications in the coming year. How much will be spent in 2006-07 on that photovoltaic rebate program?

The Hon. P.F. CONLON: I point out to the honourable member that these are federal funds that we administer. We believe they should spend more on it because the demand is higher, but they are federal funds that we administer. I understand that they are going to end it in the middle of 2007, so what we see in these budget figures is it. The honourable member might want to write to his federal colleagues and tell them not to end it. We have.

The CHAIR: There being no further questions, I declare the examination of the proposed payments to the Department of Transport, Energy and Infrastructure and administered items for the Department of Transport, Energy and Infrastructure adjourned until 24 October.

[Sitting suspended from 6 to 7.30 p.m.]

TransAdelaide, \$2 702 000

Additional Departmental Advisers:

Mr B. Watson, General Manager, TransAdelaide.

Ms H. Webster, Executive Director, Public Transport Division.

Mr N. Whittaker, Director, Public Transport Services.

Mr. J. Bowen, Ministerial Adviser.

The CHAIR: I declare the proposed payments open for examination and refer members to the Budget Statement, in particular, pages 2.17 to 2.19, and Portfolio Statements, Volume 2, Part 6, pages 6.56 to 6.66.

The Hon. P.F. CONLON: Can I just make a short comment before we start off on public transport, being the first part of transport? I want to put on the record that some people in transport have been the subject of criticism on occasion, in particular in recent times. I would like to place on the record that some very difficult projects have been managed very well, particularly in public transport with the new service changes introduced on Monday. While some people do not like them—and you cannot please all people—

we have been extremely pleased with the transition to the new services. It has gone very well as a result of some very hard work, particularly out of Heather Webster's area.

The commencement of the construction of the Bakewell Bridge has meant the closing of a major route into the city and the traffic management of that has gone extremely well. The people managing the project should be congratulated. I think the outcome on the design for the underpass on South Road has been extremely good. Rod Hook and his people associated with that deserve congratulations. They have done a very good job on those three very difficult things. I will not say any more than that.

The CHAIR: Member for Waite, do you have an opening statement?

Mr HAMILTON-SMITH: Yes. I want to thank the officers of the department, who have put a lot of work into preparing for today. I also want to reaffirm and support the comments made by the minister. The opposition understands that a lot of hard work has been put into some very difficult projects over a very long period of time. However, it is the opposition's view that, in a Westminster parliament such as ours, leadership comes from the top, that is, from the minister, and that the culture in a portfolio and a department flows very much from the minister. Referring to the minister's comments, I would say that it does not help when the minister himself, in parliament, blames public servants for mistakes when they occur and says, 'Look, it wasn't my fault; it was the fault of the people who worked for me.'

The Hon. P.F. CONLON: What are you referring to?

Mr HAMILTON-SMITH: I am referring to answers to questions in parliament.

The Hon. P.F. CONLON: Which one in particular, because I do not recall this?

Mr HAMILTON-SMITH: During the course of—

The Hon. P.F. CONLON: Do not make it up now, Marty. I know it is your big hour, but do not make it up, because you make it up a lot outside of this place.

The CHAIR: Order! Let the member—

The Hon. P.F. CONLON: Get him to ask questions instead of engaging in absolute rubbish.

The CHAIR: Order!

The Hon. P.F. CONLON: We do not have enough time for this but he wants to waste it talking nonsense.

The CHAIR: Order! The member for Waite.

Mr HAMILTON-SMITH: During the course of the hour I will locate the *Hansard*. You said it, minister, and it was reported in the press. I will just say that it does not help when that occurs. I will just make that general point. I am happy to start with questions.

The CHAIR: Is the member for Waite ready to commence questions? The member for Waite.

The Hon. P.F. Conlon interjecting:

The CHAIR: Order!

Mr HAMILTON-SMITH: This is the bover boy, bullyboy nonsense from you, minister, personally and a couple of your friends. You carry on like—

The CHAIR: Order! The member for Waite will show respect to the chair. I allow a degree of liberty, but when you start taking the chair over then there is no alternative but silence. Member for Waite.

Mr HAMILTON-SMITH: Can I ask the minister if we are going to deal with the taxi industry as part of this particular item?

The Hon. P.F. CONLON: If you wish.

Mr HAMILTON-SMITH: I will start on the taxi industry then. The committee would be aware that there have been a number of serious sexual assaults and attacks on passengers causing quite a bit of public alarm. How much is the government planning to spend on ensuring that security for passengers and drivers in the taxi industry is maintained and, in particular, will the government be taking action to ensure that upgraded in-taxi camera technology and GPS technology is fitted?

The CHAIR: Can you give us a reference, please?

Mr HAMILTON-SMITH: Budget Paper 4, Volume 2, page 6.30.

The Hon. P.F. CONLON: It may be breaking news to the shadow spokesperson, but the industry is a private sector industry run for profit. It is a business. We expect that business and the business it does to maintain some standards. We have put in place a number of measures to achieve that. What we do not do, and what we should not do—and it seems to be the member for Waite's answer for everything—is to spend government money on a private sector business, making them maintain standards. We have made a significant number of improvements in the taxi industry since coming to government, and are working on more.

The Premier's Taxi Council recently has not only unanimously endorsed a better information exchange between police and DTEI, but the introduction of PINs. The introduction of personal identification numbers for drivers has been something that was resisted by the drivers' association for a very long time. It is as a result of those recent incidents that we pressed ahead and got an agreement from all parties for the introduction of personal identification numbers for drivers.

The taxis, of course, have televisions now, predominantly based around the protection of the driver in the past, because that was the need—we are also working on approved training. But new taxis for cabs, in our view, is a cost that should be borne by the industry and passed on to taxi users, because they are a business.

I know that you have been out there in the past saying that government should fund private business to maintain standards, but we just have to disagree. It was the approach of your government to fund the private sector to do what the private sector should be doing; it is not the approach of our government.

Mr HAMILTON-SMITH: By way of explanation before asking my next question, just to clarify the misrepresentation the minister has just made about what I have been saying, we have been setting out a number of options, including industry-funded options. What I am simply asking you is: you have got a taxi council, the Premier says he chairs a taxi council, you are involved and have made certain public commitments that you will sort the industry out and help guide it through this trouble. Do you have an industry-funded plan? Do you have any plan to have the in-taxi camera technology upgraded and the GPS technology upgraded; whether you fund it, the industry funds it, whoever funds it, is there any plan?

The Hon. P.F. CONLON: The regulations have been drafted for the implementation on 1 November for personal identification numbers and permanent GPS mandatory in Adelaide metropolitan taxis; to answer your questions. We are still working with the industry on a number of other items, but my view is any camera upgrades will be an industry scheme.

Mr HAMILTON-SMITH: Budget Paper 4, Volume 2, page 6.17 and 6.29, the bus fleet replacement program. The

government has claimed it will spend an extra \$50 million on new buses. However, the budget papers do not include an estimated total cost of this project. Is this just a continuation of the existing bus fleet replacement program and will the bus fleet be increasing beyond the 809 buses we have had, in effect, for some time?

The Hon. P.F. CONLON: This is new money for replacement buses into the future. I would have thought that is pretty clear out of the budget papers. Can I say too, there is another thing—a couple of things—said by the member for Waite that I should take the opportunity to correct here. There is a long list of wrong things that the member for Waite has been saying in public. Firstly, that the current service changes were to mask a cut in services; that is absolutely wrong, absolutely untrue. He has also said that there would be no increases in services, and that is absolutely wrong, absolutely untrue. There is \$10 million for new services over the next four years, which will allow an extra 5 000 boardings a day.

I believe from the service charges we have made we can get nearly an extra 1 000 boardings per day. There is a potential of nearly 10 000 seats per week out of those changes, but in addition to that there is funding for an extra 5 000 boardings per day. That money will start to be spent in January, as it is decided where the best place is for it. I must say, it has been the subject of misinformation by the member for Waite and I want to clarify it and put that on the record.

Mr HAMILTON-SMITH: First of all, I just take from the minister's reply to the actual question I asked, which was not about the schedules but about the bus contracts, that page 6.29 of Budget Paper 4, Volume 2, confirms that there is no increase in the number of buses. So it is an ongoing program to replace existing buses. There are no new buses.

The Hon. P.F. CONLON: Well, it is not; it is new money.

Mr HAMILTON-SMITH: It was spun to people as if we were buying more buses; we are not, it is the same number of buses we have always had, we are just replacing the old buses. I will move to the issue of the schedules.

The Hon. P.F. CONLON: We do think if you have got some buses and you buy more then you have more buses. Of course you have to retire some, but we do think if you buy more buses then you have more.

Mr HAMILTON-SMITH: It is maintenance of the existing fleet.

The Hon. P.F. CONLON: If that is what you believe, you keep going.

Mr HAMILTON-SMITH: Well, the government's spin doesn't always line up with the reality. I will move to the issue of schedules. Let me just make it very clear. There have been cuts to services and there have been new services put on with the new schedules. Now, let me begin—and I have done this publicly on radio—by commending you, minister, and the department—

The Hon. P.F. CONLON: You have done it for the first time, after misinformation from weeks earlier.

Mr HAMILTON-SMITH: I will give credit where credit is due, and I must say you have been in government five years and I have finally found something, and that is that you have communicated the bus schedules, on this occasion, far better than last time. Last time was a fiasco. It has been communicated much better this time.

The Hon. P.F. CONLON: I have got to say I am so relieved, because we have been sitting back wondering what you thought of it.

Mr HAMILTON-SMITH: I have said that on Byner, but I will say this. Whether you have publicly confirmed it—you probably wouldn't—but I think Neil Smith has, that there are no new buses and I think he said there are no new services. He has explained that we are taking buses off certain routes and putting them on to other routes where we adjudge they will carry more passengers.

The Hon. P.F. CONLON: That is exactly what I have said over and over to you.

Mr HAMILTON-SMITH: So there have been cuts to services and there have been new services put on. So you are misrepresenting what I have said. I will get to that point—

The Hon. P.F. CONLON: I am not misreporting what you said, you are just trying to reinterpret it. But please go on and ask a question.

Mr HAMILTON-SMITH: No, you put your own spin on things. My question goes to Budget Paper 4, Volume 2, page 6.30, it is that very point of the \$10 million. What is the size of the Metroticket contract you have with the bus company? As to that figure of \$10 million over four years, let me put it to you this way: is it not the case that the existing bus contracts provide for an increase in payments for bus and rail contracts, resulting from escalating fuel costs, security measures and cost indexation?

The Hon. P.F. CONLON: Have you read the budget papers?

Mr HAMILTON-SMITH: Several times, probably more than you.

The Hon. P.F. CONLON: You did not notice any new money for increased fuel costs in there?

Mr HAMILTON-SMITH: I have a separate question on that.

The Hon. P.F. CONLON: You did not notice that?

Mr HAMILTON-SMITH: I will come to that separately.

The Hon. P.F. CONLON: Before you continue to repeat your misinformation, this is entirely new money that delivers new—

Mr HAMILTON-SMITH: Can I ask my question? I am being called to order when I get my questions out of sequence.

The Hon. P.F. CONLON: You complained you did not have enough time but you make a speech with every question. We have not had a single question on this side all night to allow you time and you have done nothing but whinge. Come on, ask a question.

Mr HAMILTON-SMITH: Had a couple of drinks over dinner, did we?

The CHAIR: Order!

The Hon. P.F. CONLON: I advise the house that I have not had a couple of drinks—I have not had a single drink over dinner. It is an offensive remark.

The CHAIR: That is right.

The Hon. P.F. CONLON: This is the most pathetic performance by an opposition in estimates that I have ever seen, and he should go and give the money back. He is insulting. If he cannot ask a question, he should save the insults. I place on the record that I have drunk nothing but water over the dinner break. It is offensive, and he is offensive, and he should try to ask a question.

The CHAIR: The member for Waite, that was an offensive remark. I ask you to withdraw it.

Mr HAMILTON-SMITH: What was an offensive remark?

The Hon. P.F. CONLON: You don't think it was?

Mr HAMILTON-SMITH: It was a question to which the answer was yes.

The CHAIR: The member for Waite, you know what the offensive remark was.

Mr HAMILTON-SMITH: If the minister is offended, excuse me. I take it back.

The Hon. P.F. CONLON: Ask a question, Martin.

Mr HAMILTON-SMITH: Madam Chair, are you going to let me ask this question or not?

The CHAIR: The member for Waite, ask—

Mr HAMILTON-SMITH: Will the minister interject?

The CHAIR: The member for Waite will ask the questions, not engage in dialogue with anyone and, also—

The Hon. P.F. Conlon interjecting:

The CHAIR: Order! The member for Waite will remember to ask questions of the minister through the chair and not in a personal manner. The correct form of questioning is: 'Can the minister advise?'

Mr HAMILTON-SMITH: I just hope you exercise the same control over the minister if he does not allow me to finish the question.

The CHAIR: The member for Waite can ask questions in a proper form.

Mr HAMILTON-SMITH: Honestly! I will repeat the question: is it not the case that the existing bus contracts provide for an increase in payments for bus and rail contracts, resulting from escalating fuel costs, security measures and cost indexation? Won't the \$10 million over four years the government claims it is investing simply meet some of these already contracted costs or simply keep pace with inflation? Can the minister specify which particular components of the \$10 million over four years are a real increase in the provision of genuinely additional services?

The Hon. P.F. CONLON: Are you finished?

The CHAIR: Order! Before I call the minister, I point out to the member for Waite that he was concerned about the interruption of his question, but there were actually four questions in that, and it is easier for everybody to know when you have finished a question if it is just one question. You have plenty of time to make things orderly; one question at a time is useful.

The Hon. P.F. CONLON: The answer is, again—and I said that he was engaging in misinformation, and he continues tonight—no, you are wrong. Every bit of every single dollar of the \$10 million is about new services and new kilometres. I repeat that: every single dollar, which I have told you in this house a number of times, and you do not like the answer so you go out and you tell things to the public that are not true. Every single dollar of the \$10 million is for new services. It does not address any escalation in contract costs—not a single dollar. Every single dollar is for new services. Do you understand? Does that compute?

Mr HAMILTON-SMITH: Same budget line, same question: what is the total value of your contract with the bus company and, as a percentage, what is the \$10 million in real terms as a real increase per annum in that bus contract?

The Hon. P.F. CONLON: What do you mean by 'value'?

Mr HAMILTON-SMITH: What is the contract with Transit Torrens?

The Hon. P.F. CONLON: What does it cost us, do you mean?

Mr HAMILTON-SMITH: What is the total five-year Metroticket contract? I think over the four years it is very significant; it is hundreds of millions of dollars. It is in the order of \$300 million—\$290-something million, I think.

The Hon. P.F. CONLON: We cannot do the percentages quickly enough. We will give you the full cost of the contracts. If your point is that it is not enough, make your point and move on.

Mr HAMILTON-SMITH: My point is that if—

The Hon. P.F. CONLON: You have gone from saying it was not going for new services, but now your fallback position is that it is all for new services but it is not enough. Okay. Get to the point. We will get you the percentages. You know, Marty, this was going to be your big night. You will have to do a bit better. You have told everyone to come. This is your big day.

Mr HAMILTON-SMITH: You are so funny. You are such a little comedian. I do not know where you belong but it is not in the parliament, mate.

The Hon. P.F. CONLON: You did not tell them that, then? Did you not tell your friends—

Mr HAMILTON-SMITH: You get away with being a funny man when you are competent. My understanding is that the contract is for about \$290 million, or close to \$300 million, over four years. Frankly, minister, \$10 million over four years against a contract that is for around \$300 million does not seem like a very big figure in real terms. That is why I am asking.

The Hon. P.F. CONLON: I understand your point, but it is 5 000—

Mr Hamilton-Smith interjecting:

The Hon. P.F. CONLON: I'm sorry; you're just talking, are you? You did not want an answer? It is 5 000 extra boardings a day—5 000 South Australians every day. I think that is a good thing; you do not—we have to disagree.

Mr HAMILTON-SMITH: My next question relates to Budget Paper 4, Volume 2, page 6.30. This is about the boardings you claim. When counting total boardings, does the government only count initial boardings or does it also count subsequent boardings within two hours which are not charged for? For example, I refer to instances where a passenger cannot travel directly and has to transfer to a subsequent bus or train for the one journey. How does the government ensure when counting the number of boardings that double counting of this nature does not occur?

The Hon. P.F. CONLON: We count initial boardings and other boardings. We have had increases on initial boardings over the past year of something like 5 per cent.

Mr HAMILTON-SMITH: Same budget line—

The Hon. P.F. CONLON: Sorry, 4.5 per cent.

Mr HAMILTON-SMITH: So, if someone catches the bus from Noarlunga to the Marion shopping centre, then has to change buses as a consequence of the new schedules to get into the city—they have to catch two buses—your boardings tell you that is two trips, not one. Is that correct?

The Hon. P.F. CONLON: Could you take some time out to listen to the answer? I said that we count boardings and initial boardings separately. Initial boardings are up something like 4.5 to 5 per cent in the past 12 months. If you spent some time listening to what I say, you would be a lot better informed. You would be none the wiser but you would be a lot better informed.

Mr HAMILTON-SMITH: I am really amused by your supercilious answers, minister, but let's just make this point—

The Hon. P.F. CONLON: Well, you ask a question, I give the answer, then you ask it again, failing to understand the answer completely. You've got to do a little work, Marty.

Mr HAMILTON-SMITH: Can you guarantee when a person undertakes one journey but is required to get off the bus and get on another bus that it is not double counted as an initial boarding? How does your technology allow you to absolutely guarantee that it does not count as double boardings, because I can assure you that there are people from within the system telling me that there is a little bit of smoke and mirrors with the boarding figures, that this is one of the reasons.

The Hon. P.F. CONLON: I have given you an answer. If you choose not to believe it that is your business. It is comparing like with like. There are some complexities in the system, but it compares like with like. There have always been complexities in the system and, comparing like with like, boardings are up 4½ to 5 per cent in the last 12 months. If you choose not to believe it, so be it, but I can tell you it is not me who has been out there presenting this information to the public: it's you.

Mr HAMILTON-SMITH: Same budget line: what is the level of fare evasion and avoidance and what are the estimated dollar losses of this fare evasion to the system?

The Hon. P.F. CONLON: It has always been an issue, fare evasion. On our figures, bus fare evasion accounts for 0.2 per cent on bus and 3.8 per cent on rail patronage.

Mr HAMILTON-SMITH: What is the dollar value of the losses?

The Hon. P.F. CONLON: As to what fare they have evaded, that is pretty complex detail. The best you will ever get is a guess. But it is 0.2 per cent—and can I say that you can remove fare evasion altogether, but the cost of removing it is higher than the forgone revenue.

Mr HAMILTON-SMITH: Would you be able to take that on notice and come back with a dollar estimation?

The Hon. P.F. CONLON: We will come back with it, but I tell you it will only be the best estimate.

Mr HAMILTON-SMITH: Budget Paper 4, Volume 2, page 6.30: is there another round of bus schedule changes coming in the months ahead or in the new year, and, if so, which bus companies will be affected and when will the next round of schedule changes occur?

The Hon. P.F. CONLON: There will be changes to rail and bus services in the new year because of the additional money. So there will be additional services in the new year on rail and bus out of the additional funds. The current change has been the biggest in 20 years at least. We may make changes as things go on; things change; demand changes. But we have no major changes planned for the future.

Mr HAMILTON-SMITH: Have the schedule changes that have occurred in the last week or so been contained to Torrens Transit, and will there be a raft of new schedule changes involving South Link and, if so, when will they occur and what will be involved?

The Hon. P.F. CONLON: I have just said there are no major changes on the horizon. There are some small changes in South Link, but the contract requires a six-monthly review. But I have just told you there are no more major changes forecast. I do not know what more you want me to say.

Mr HAMILTON-SMITH: Budget Paper 4, Volume 2, page 6.30, I think this is a question some of the members of the union might want an answer to. In 2002 the government promised that it would end privatisations and outsourcing. Given that the government opposed the outsourcing of the bus services by the former Liberal government why have you renewed the outsourcing arrangements to Transit Plus, South

Link, Torrens Transit? Given that the relevant unions also opposed privatisation why did you do it when you could have, if you like, unscrambled the egg at that time?

The Hon. P.F. CONLON: I do not agree with your premise. We did it because it was the right decision at the time. I was not the minister at the time; it was the right decision to take at the time. I do not agree with your premise, though. So, you know, go out and try and sell it if you want.

Mr HAMILTON-SMITH: Well, supplementary to that—

The Hon. P.F. CONLON: I've got to say, if this was going to be your big night and that is all you have thought of—I mean, you've got an estimates here—

Mr HAMILTON-SMITH: Oh come on, why not join a theatre company, Pat. We don't need the wisecracks.

The Hon. P.F. CONLON: Well, it is up to you, Marty, but you have told everyone you are going to have a big night. I am just trying to help you out here. You are not going to get it with a three-year-old question.

Mr HAMILTON-SMITH: Well, supplementary to the last question, Madam Chair—

The Hon. P.F. CONLON: It does not have to be supplementary; you've got all the questions, Marty.

The CHAIR: Order, minister! We will wait and see.

Mr HAMILTON-SMITH: Has the government by its actions in renewing the private contracts acknowledged that the outsourcing and privatisation—of the bus system in this case—was a good deal for the government, and when will you be signing up to further extend the contracts when they come up for renewal? Does Labor now support, in principle, privatisation of public transport? Is that government policy?

The Hon. P.F. CONLON: No, I mean, you just come up with rubbish premises for your question. Why don't you just ask a question. I tell you, did we think what you did with the buses was good? No. Nearly everything you did was bad. Did a few good things—the Planning Council and electricity I acknowledged earlier, and the Convention Centre. But nearly every contract you wrote was—you weren't a very competent government. But your premise that this is somehow betraying a privatisation pledge, well you're wrong. Forgive me if I am wrong, but this was done before the last election was it not? You did provide them with the right to review, I point out, but this was all done before the last election. I have to say that if the public thought the way you do they would not have swept so many of your people from those benches and increased our majority. We are here with the budget estimates for one of the biggest budgets of a state government for years and you are asking three-year-old questions. Get with the program, Marty. The bus contracts did not happen out of this budget. Surely, you can find something out of this budget to ask a question about.

Mr HAMILTON-SMITH: Well, you are paying those contracts out of this budget. Frankly, you are philosophically opposed to privatisation. You argued against it, yet you are now happy to stick with the deal. What you said in opposition is quite different from what you are saying in government.

The Hon. P.F. CONLON: Do you think we should have removed their right to renew the contracts?

Mr HAMILTON-SMITH: I am interested in what you have said and what you do.

The Hon. P.F. CONLON: Like we should disqualify AGL from bidding for contracts and break the law? Marty, ask something about the budget.

Mr HAMILTON-SMITH: I want to move on to trams, Budget Paper 5, page 26.

The Hon. P.F. CONLON: Praise the Lord!

The CHAIR: Order!

Mr HAMILTON-SMITH: This question was asked in parliament and I did not get a satisfactory answer, so I will try to get the right answer or the truth of it. In last year's capital investment statement 2005-06 (Budget Paper 5) the estimated total cost of the Adelaide light rail project was \$71.9 million. In this year's budget papers the estimated total cost is just over \$84 million—an increase of \$12 million. In parliament, you attempted to explain that by saying, 'We had to buy two new trams.' My question points to two aspects of this matter. Why did you not realise that you needed the two extra trams in the first place? Why did you get it wrong when you initially estimated the number of trams you needed to replace the system? Secondly, is the entire \$12 million for two extra trams or have there been other unforeseen blow-outs in the costs of the project? This has nothing to do with Victoria Square through to North Terrace.

The Hon. P.F. CONLON: Actually, it does. I did not attempt to answer: I told you the answer. The fact that you either refuse or are unable to grasp it is not my problem.

Mr HAMILTON-SMITH: That's very helpful; thank you for that.

The Hon. P.F. CONLON: Well, mate, if you want to proceed quietly, then maybe you should not make insulting remarks. Marty, I have to tell you, no matter how big you are and how well trained you are in the art of warfare, I will not back down from a fellow who wants to insult me.

Mr HAMILTON-SMITH: That's drivell.

The CHAIR: Order!

The Hon. P.F. CONLON: So, if you want to start that business I will keep going.

The CHAIR: Order! That is enough: get on with it.

Mr HAMILTON-SMITH: You are happy to hurl the insults, but you have a glass jaw when they come your way.

The CHAIR: Order!

The Hon. P.F. CONLON: That's right, mate. Well, I found your remark offensive and I will continue to find it offensive.

Mr HAMILTON-SMITH: Well, I just found the remark you made offensive.

The Hon. P.F. CONLON: Did you?

Mr HAMILTON-SMITH: You're happy to hurl it out.

The Hon. P.F. CONLON: Which one was that?

Mr HAMILTON-SMITH: Several.

The Hon. P.F. CONLON: Which one in particular?

The CHAIR: Order! We will just pause for a moment.

Mr HAMILTON-SMITH: 'Like a juvenile delinquent'.

The Hon. P.F. CONLON: I was going to try to help you and withdraw it because I don't want to offend you—

Mr HAMILTON-SMITH: Just get on with it! You are totally unprofessional; just get on with it.

The Hon. P.F. CONLON: As I explained earlier, the \$12 million is for two new trams. Why did we get two new trams? The answer is because we made a decision to extend the tramline. We made a decision to do that and to investigate further extensions. Because you can only buy trams in batches, if we did not buy them then with a view to extending the line in the future, we may have had to wait years for them. It was a prudent decision. I explained that earlier. I fail to understand what you do not understand about it. That is the answer you were given before. They cost \$12 million, which is slightly more but very similar to the per unit cost of earlier trams. I struggle to know what it is you do not understand. If we decide to extend the tram further—and that is something

we are exploring; we think it is a very good idea—then those trams will be required. They will be required for the extension we have in mind.

Our experience in purchasing trams is that it is extremely difficult to get someone to reply to a tender for an order our size. That is a simple fact of life. It was prudent to buy those ahead of future need. We have heard a lot of nonsense, but I point out that the tram extension to North Terrace, which we decided upon and which was so roundly criticised by the opposition, was supported by members of the opposition in three successive elections. In fact, there was a private member's motion from Duncan McFetridge, supported by the member for Schubert, to extend the tram. Whenever we hear the opposition on trams we hear people with no credibility.

Mr HAMILTON-SMITH: On the same subject and the same budget line, you are saying that the \$12 million by which this project has blown out is because you need two extra trams to extend or connect light rail to the City West campus. You need the two extra trams because you are pushing it down North Terrace.

The Hon. P.F. CONLON: No; we needed two extra trams because we are considering further extensions. We cannot consider further extensions if we cannot put trams on the route. Is that plain enough?

Mr HAMILTON-SMITH: That is not what I heard.

The Hon. P.F. CONLON: Tell me what you don't understand and I will tell you.

Mr HAMILTON-SMITH: On page 25 of the capital works statement there is a completely separate budget line: 'connects light rail to City West campus'. It is \$31 million. It used to be \$20 million or \$21 million and you threw in an extra \$10 million when you decided to go from the railway station to the campus.

The Hon. P.F. CONLON: Because it is half as long again.

Mr HAMILTON-SMITH: Yes; somehow we have \$12 million and two extra trams. If it is part of the 'connect light rail to City West campus' budget line, should you not have admitted upfront that it is a \$41 million or a \$43 million project, instead of tacking it on as a \$12 million add-on to a completely separate budget line? The bottom line is that your tram enterprises have blown out by \$12 million because you failed to foresee the need for the original two trams—or you decided to extend the plan. Why did not you include it? If it was part of the separate budget line to extend to North Terrace and City West campus, why did you not include it?

The Hon. P.F. CONLON: It is not. There is no cost for a tram in that budget line. It is a capital works project for extending the line. Your logic may impress someone, but I am struggling to understand. I honestly do not understand where you are coming from. You thought that you had found \$12 million. It was explained to you and now, because it was explained to you, you want to try to make a blow-out somewhere else. You may be making an impression on someone, but I don't get it.

Mr HAMILTON-SMITH: On the same budget line, why was it necessary for this internal transfer of some kind between TransAdelaide and the department of \$10.6 million of 'tram-related infrastructure', which now appears as a demand on your budget? I accept that it is some sort of an inter-governmental transfer, but your budget has had to come up with an additional \$10.6 million to purchase that tram-related infrastructure. Why was that necessary?

The Hon. P.F. CONLON: I can honestly say that it was necessary because someone in Treasury wrote us a note

saying, 'For the purposes of accounting, we want the accounting for these assets transferred over to there.' I will let you in on a secret. I find the arcane ways of accounting in budgets rather complex and mysterious, but I do not argue if Treasury wants to take something from one column and put it in another. Bill, Heather or Jim might correct me, but the only thing that has occurred that is so occupying your mind is taking something from one column in government and putting it in another column, with no other change.

It actually happens quite often. They probably have an explanation here that I will not understand. No, I don't. I will give it to you on notice. It is something to do with the way Treasury wants to account. The actual substantive difference to the government, to the people of South Australia, the taxpayer, is zero, zip, zero, nothing, nil. Apparently the trams are still operating, and that is a good thing. They are staying on the line very well lately, and I am very pleased about that.

Mr HAMILTON-SMITH: Getting back to the subject of metro fares, the government announced in June roughly 10 per cent increases across the board for bus, train and tram tickets on the basis that fuel prices had increased notwithstanding the fact that the trams do not use petrol. I still have not worked that one out, and I think that a lot of the public have not either. Fuel prices have come back down to low levels. You crank the fares up by 10 per cent for everyone at a time when you are trying to increase patronage, on the basis that fuel has gone up.

Fuel has now headed south, and I want to know whether it is your intention, should the price of fuel remain low, to review that; or, now that you have the 10 per cent hike in there, will you retain it on the basis that fuel prices have gone up?

The Hon. P.F. CONLON: The last time there was a hike of this nature was under the previous Liberal government when there was no increase in fuel prices. Our hike, as you call it, recovered only two-thirds of the increased fuel cost. Your proposition is that we should have charged only the increased fares on buses that use diesel. I will get an estimate for the cost of devising a new ticketing system that would do that, but it would have wiped out about five times over, I would guess (or more than that, I am told), the actual revenues from increasing the prices. That is why we have that.

If at some point you are in government again you will give away such silly ideas. The fare increase covers only two-thirds of our increased fuel cost. The rest has come out of consolidated revenue. It leaves public transport enormously subsidised by the taxpayer, and so we think that is a good balance. We think it is a fair balance to recover two-thirds from the riders because there is an increased subsidy out of the arrangements. If fuel goes down I would like to keep that money—and I am sure that Treasury would like to know about it—for more services.

Your point is that we are making a mistake putting them up at a time when we want to increase patronage. Well, we are continuing to increase patronage. The service changes in the northern suburbs last year (which you criticised) I think increased patronage on those services by 11 per cent. That is on initial boardings, in case you are confused. Yes, we are achieving that. We are doing all those things. We are doing it quite well, and I think that the Department of Transport should be congratulated for it. We just have to disagree, Martin.

Mr HAMILTON-SMITH: I refer to Budget Paper 4, Volume 2, page 6.30. What are the government's plans to

replace and upgrade the O-Bahn buses, and what communications problems have been experienced on the O-Bahn line? Does the minister have any safety concerns about the operation of the O-Bahn?

The Hon. P.F. CONLON: No, unless you can tell me what your particular concerns are. We have a bus replacement program for the O-Bahn. The numbers for that are in the budget.

Mr HAMILTON-SMITH: I do not think they are, actually. Perhaps the minister could point out to me the budget line that does specify that?

The Hon. P.F. CONLON: I assure the honourable member that the O-Bahn buses are part of the bus replacement program. Apparently, the new buses rotate through the fleet, anyway. So, there you go. All the new buses have disability access. We are improving that year by year. It is an expensive business.

Mr HAMILTON-SMITH: I refer to Budget Paper 4, Volume 2, page 6.30. You have set a goal in the State Strategic Plan of doubling the use of public transport by 2018. Does the government stand by the target? Will it be met, and what level of investment in the public transport system do you intend to make to deliver it?

The Hon. P.F. CONLON: That is a big set of questions in one. The progress over the past 12 months has been good. I am just looking at the latest August figure compared with the figure for August 2005. We are looking at a 5.6 per cent increase in initial boardings—comparing like with like, in any event. That is a good pointer towards the future. My view is that the dominant paradigm is changing in transport in South Australia with higher fuel costs. The car is no longer king. I think that we can expect growth in public transport. Between now and then there will be many budgets and submissions on infrastructure for public transport. I will be making them, and you will just have to wait and see what the outcome of those is. We were making very substantial progress in the last 12 months.

Mr HAMILTON-SMITH: Budget Paper 4, Volume 2, page 6.30: the security cameras on buses that we were promised, particularly the DTI Pty Ltd contract. With effect today, does the government have any buses fully fitted with completely operational security cameras provided by DTI?

The Hon. P.F. CONLON: Yes.

Mr HAMILTON-SMITH: How many?

The Hon. P.F. CONLON: There are 265 fully commissioned and operational. Of the 537 that are fitted, 265 are fully operational. I am going to ask Heather to tell me how many CCTV buses were fitted in 2002 when you were last in government. None were fitted by the government.

Mr HAMILTON-SMITH: So each of those is fitted and fully operational?

The Hon. P.F. CONLON: No, none. There were no government buses fitted when you were last in government.

Mr HAMILTON-SMITH: That is the DTI contract, each of those?

The Hon. P.F. CONLON: There are 265 fully operational. I gave this information to the media yesterday, incidentally; *The Independent Weekly* was following it up. There are 537 fitted and the number of fully operational and commissioned cameras is 265, which is 265 more than when you were last in government.

Mr HAMILTON-SMITH: Budget Paper 4, Volume 2, page 6.30: is the Transit Watch program announced by the government on 28 August to provide a direct link between police and public transport drivers now fully operational? If

not, what problems have been experienced and, in particular, do the radios work—

The Hon. P.F. CONLON: To save you the rest of the question, yes.

Mr HAMILTON-SMITH: So the radios work and the system is totally effective?

The Hon. P.F. CONLON: I think that is part of being fully operational, yes. Is that right, Heather? Yes, she is nodding.

Mr HAMILTON-SMITH: Budget Paper 4, Volume 2, page 6.58: what are the government's present plans for the Marion-Oaklands interchange? There have been a couple of changes. What result will the community now be getting, and why has the project been scoped back from what was originally promised? How and when will it be delivered?

The Hon. P.F. CONLON: You have all the time and you have all the questions. It would help me if you ask just one at a time.

Mr HAMILTON-SMITH: I am just asking what is going on with it. I am raising the issue.

The Hon. P.F. CONLON: The Marion council was relatively recently advised, as a result of the consultation that took place and discussions with them, that the upgrade would be at a relocated station adjacent to Diagonal Road. It is the construction of a \$6.79 million transport interchange, and we will do it at that price, I am advised by Mr Watson.

Mr HAMILTON-SMITH: My understanding is the original promise was for a full bus-rail interchange, some trees were going to be removed, and it was quite a large development. Are we going to get that—

The Hon. P.F. CONLON: You may not think \$6.7 million is a lot, but I reckon it is a lot of money.

Mr HAMILTON-SMITH: As I understand it, what the community was promised is different from what will be delivered. Is it now the case that we will have the buses and trains some distance apart in a scaled-down arrangement? What will that arrangement be?

The Hon. P.F. CONLON: I will get the details of it, but you have to understand—and we are reminded of this cheap stuff you have done in the past involving the Bakewell Bridge, for example: we go out and consult the community on these projects and we do it genuinely and make changes according to that. I am told that some changes have been made to the original scope because the community did not like buses on Crozier Terrace. It is a bit rich. If we went out and consulted and did not do anything about listening to the community, we would get whacked for that. We do make occasional changes. The details of the project I will get for you. We have briefed your colleague Duncan McFetridge and the local members. There has been no secret kept. We had a full presentation to council. There are no secrets in it.

Mr HAMILTON-SMITH: I refer to targets—Budget Paper 4, Volume 2, page 6.14. Will the government be standing by its promise to extend train services to Seaford and Aldinga? If so, how much will be invested and when will the work begin and end?

The Hon. P.F. CONLON: You are going to have to stand closer to the facts. Please go back and look at what was said and come and ask the question again.

Mr HAMILTON-SMITH: Mike Rann went down there during the election campaign and made a public statement.

The Hon. P.F. CONLON: I tell you: go and find anything from this government that supports what you just said, because you will not find it. We promised an investigation into the extension to Seaford. It has been in writing. We

promised it. This is the serious problem I have with the member for Waite, with the greatest respect—that is, he will not base his questions on factual premises. You may wish that were the case, and you may wish you were the leader of the opposition, but it is not the case. You go and find all the material that says that investigation will be completed by the end of the year and we will make a decision based upon it, just as we undertook an investigation into this extension to North Adelaide. That did not go ahead, and some of you people like that idea. It may well be that Seaford does go ahead, but the promise was for an investigation into an extension to Seaford, and I challenge you to find something different.

Mr HAMILTON-SMITH: So, does the government intend to build the extension? Just give us a yes or no.

The Hon. P.F. CONLON: Go and give the money back for today. I just told you we have an investigation finishing at the end of the year. I could not be more frank when I said we did an investigation into the extension of the tram service to North Adelaide and did not proceed with it as a result of the investigation. It may well come out in favour of the extension to Seaford, but we announced an investigation. If you are asking me if I am going to commit to doing it ahead of the conclusion of the investigation, no, because that would be stupid.

Mr HAMILTON-SMITH: Okay, the people of Seaford will be interested in that one. Referring to Budget Paper 4, Volume 2, page 6.30, does the government intend to provide any funding for a park and ride facility at Mount Barker and, if so, when will this priority be developed?

The Hon. P.F. CONLON: We do not have any funding committed to it, and we are working with the local council and the local contractor, and those discussions have been quite good, as I understand it.

Mr HAMILTON-SMITH: With reference to Budget Paper 4, Volume 2, page 6.66, I am interested in the issue of land taxes on TransAdelaide. Is the government imposing unbearable operating cost pressures on TransAdelaide's budget in the form of increased land taxes and regulatory compliance measures, and what are the regulatory compliance measures mentioned in the budget on that page as a major variation?

The Hon. P.F. CONLON: The first answer is no, we are not imposing unbearable whatever it was that the honourable member talked about. I do not know if the honourable member is aware of it, but there have been a lot of cost pressures in recent years. While the trams do not run on diesel, an awful lot of the trains do, so there are cost pressures. That is an unremarkable part of doing business in a very healthy state economy—which I point out continues to have record low unemployment levels. I am very happy to be doing business in an economy of that nature.

Mr HAMILTON-SMITH: I refer to Budget Paper 4, Volume 2, page 6.58. A number of concerns have been raised with me about the Gawler train line, particularly about ongoing problems on the line in respect of late-running trains, overcrowding, not enough carriages, and passengers having to change trains at Adelaide station on the out trip before they have even departed. They get on one train and they are told to get off it and get on another train. Is there some issue with that line? Is the government aware of the problem, and what action is being taken to fix it?

The Hon. P.F. CONLON: I am not sure I followed all the things the honourable member alleges are problems, but it is most certain that the Gawler line will be the subject of some

of the new funding for services, so we are working that through. Growth in patronage gives you problems but they are good problems to have.

Mr HAMILTON-SMITH: I refer again to Budget Paper 4, Volume 2, page 6.58. How much funding will be allocated to upgrading safety at rail crossings in rural areas and what is the priority of work? There have been a number of serious accidents involving motor vehicles and trains at both Virginia and Tailem Bend in recent weeks, and other incidents going back.

The Hon. P.F. CONLON: Carmel Zollo has that area of responsibility, so she can be asked about that on 24 October. Also, the budget page referred to is not rural, it is TransAdelaide.

Mr HAMILTON-SMITH: I refer to Budget Paper 4, Volume 2, page 6.30. The government has indicated that it will fit its own school bus fleet with seatbelts. What budget provision has been made?

The Hon. P.F. CONLON: The Minister for Education runs the school buses and has done for a very long time.

Mr HAMILTON-SMITH: In relation to Budget Paper 4, Volume 2, page 6.58, why has the estimated cost of the critical replacement of rail track points and crossings been reduced by \$1.4 million from the 2005-06 estimated total cost?

The Hon. P.F. CONLON: There is no reduction in funds: it is simply a matter of timing.

Mr HAMILTON-SMITH: I refer again to Budget Paper 4, Volume 2, page 6.58. Why did the government spend only \$900 000 of the planned \$2 million in 2005-06 on remedial work on cuttings and embankments on the Noarlunga Centre line?

The Hon. P.F. CONLON: Timing issues and contractor availability. We will do it this year. I have said before about the environment in which we are all working.

Mr HAMILTON-SMITH: Is that just a delay?

The Hon. P.F. CONLON: It is going to be done: it is a timing matter. The contractors were not available when we wanted them. I am told it is under way now.

Mr HAMILTON-SMITH: Still referring to Budget Paper 4, Volume 2, page 6.58, why has the government spent only \$300 000 of the \$1.5 million budgeted for the safe railway pedestrian crossing program in 2005-06?

The Hon. P.F. CONLON: There were technical complexities involved in the automatic opening and closing. The money is still there and it will be done when the technical complexities are removed. The honourable member will find throughout transport, especially on capital works, that sometimes things are spent ahead of time and sometimes later. When managing such a large number of capital works, that is what happens.

Mr HAMILTON-SMITH: I refer to Budget Paper 4, Volume 2, page 6.57. How did the government tabulate the claimed 4.5 per cent growth in train patronage? Was this through ticket sales or through some other measure?

The Hon. P.F. CONLON: It is all done through ticket validations.

Mr HAMILTON-SMITH: Referring to the same budget line, how will the government achieve its 3 per cent increase in operational efficiencies in the financial year 2006-07 relating to the utilisation of rail cars, passenger service assistance and a reduction in dead running kilometres?

The Hon. P.F. CONLON: By Bill Watson doing the job we have given him to do. We have given the bloke a job to do and he is going to do it, right Bill?

Mr WATSON: Correct.

Mr HAMILTON-SMITH: I refer to Budget Paper 4, Volume 2, page 6.30. Is the minister aware of problems for patients, nurses and students who need to travel between hospitals by bus? It has been reported to me that there is no direct bus between the Queen Elizabeth Hospital and the Lyell McEwin Hospital with the rearrangements. Nurses have contacted me and reported that, due to recent timetable changes, it will not be possible for people to catch a bus direct between Flinders Medical Centre and Queen Elizabeth Hospital at times required by nursing students to start work or study on time. Is this one of the issues that you intend to resolve, or has it not come to your attention?

The Hon. P.F. CONLON: We have to schedule our buses according to demand, and that is what the new service change is about. I am reliably advised that we are not aware of any large demand at all in the service you are talking about. I am reliably advised that we work with health to make sure that our services reciprocate their needs as much as we can. It is not possible to run a bus for very low demand. That would not be a good use of public funds. I point out again that the public transport system is subsidised about \$4 to every \$1 by the taxpayer. So, there are probably better ways for the taxpayer to achieve that outcome.

The CHAIR: The time agreed for examination of payments relating to TransAdelaide has expired. I declare the proposed payment completed.

Additional Departmental Advisers:

Ms T. Meakins, Executive Director, Transport Planning.
Mr A. Milazzo, Executive Director, Transport Services.
Mr P. Allan, Executive Director, Safety and Regulation.
Mr M. Elford, Director, Road Transport Policy and Planning.

The CHAIR: We now proceed to Transport Planning and Services. Minister, do you have an opening statement relating to this section?

The Hon. P.F. CONLON: No.

The CHAIR: Member for Waite, do you have an opening statement?

Mr HAMILTON-SMITH: No. I refer to Budget Paper 5, page 26, the Long Life Roads program. Can the minister list each project to be funded under Long Life Roads in 2006-07, and exactly how much funding is allocated to each project?

The Hon. P.F. CONLON: The Penola freight access project—that is the one you said we had not funded; do you remember that? Yes, I thought you might—\$5 million. Mill Corner, Loxton, \$2 million. That is the total budget of \$7 million.

Mr HAMILTON-SMITH: Referring to the same budget paper, have you raided a \$7 million program that is there for exactly what it says, Long Life Roads, to fund or put \$5 million into the Penola bypass? You said there is \$5 million, I think, into the Penola bypass, and \$2 million—

The Hon. P.F. CONLON: It is the Penola to Clay Wells widening component. It meets the program. We get funding for something that meets the program; that is what we do. The member for Waite should be embarrassed about some of the things he has said about funding in the South-East. You

actually run around down there telling people things that are not the truth. You have told them there is only \$3.6 million extra for road maintenance. That is not the truth. You told them the \$9 million committed is not funded in the budget. That is not the truth.

I will just put on the record here that we have done a lot of good work down in the South-East with the people. It has been supported by all of those people down there, including your federal colleague, Patrick Secker. Part of that freight plan included a bypass of Mount Gambier, which your party supported in the election campaign—which you supported. Then you went to a public meeting to encourage people to protest against it. Can I say, whenever we talk about roads in the South-East, that you have no credibility whatsoever. Both our jobs would be a lot easier if you would use the facts when you talk about roads in the South-East.

Mr HAMILTON-SMITH: Just to clarify the misrepresentation that you have again made, I simply said at a public meeting that people have a right to protest, not that they should. So you are pretty liberal with the truth yourself there, Pat.

The Hon. P.F. CONLON: You call on us to do it in the middle of a public meeting when people are protesting against it. Goodness me.

Mr HAMILTON-SMITH: They are not very happy with you down there, Pat.

The Hon. P.F. CONLON: That's right, mate, and they were not happy with Rory either. They loved Gandolfi. What is he doing these days?

Mr HAMILTON-SMITH: Can you guarantee then that the \$5 million for the Penola bypass will be spent in this financial year?

The Hon. P.F. CONLON: Can I repeat again: it is for the Penola-Clay Wells widening component and for pavement strengthening. Will it be spent this financial year? I cannot see why not.

Mr HAMILTON-SMITH: Okay, very good. As to the \$9 million that has been committed to the Penola bypass—and I understand the Wattle Range council was led to believe will be forthcoming—where is the rest of it? Is this \$5 million the first \$5 million of that \$9 million, or is this separate? Is there another \$4 million in the budget to meet your commitment?

The Hon. P.F. CONLON: I may have misled you unintentionally. This is separate to that. There is \$9 million in our programs for the Penola bypass should the commonwealth agree to it. Can I be more plain than that?

Mr HAMILTON-SMITH: Where is the other \$4 million?

The Hon. P.F. CONLON: Where is it in the budget paper?

Mr HAMILTON-SMITH: In your budget.

The Hon. P.F. CONLON: I do not know if you understand this but not every road that we spend money on in South Australia is listed in the budget papers. Just get over it. If this is not true then I am going to be misleading the parliament. We have committed \$9 million in funding for the Penola bypass if the commonwealth agrees to it. What don't you understand? I have told you that now on seven different occasions and you still go out to the media and tell people in the South-East that it does not exist. It is just not true. You are spreading untruths yet again, and it does not help us to improve roads in the South-East, which are predominantly, I must say, for people who are natural constituents of the

Liberal Party, and you want to go down and tell them things that aren't true. I just wish you would stop it.

Mr HAMILTON-SMITH: You are really happy to throw it around, aren't you? There is no mention—

The Hon. P.F. CONLON: Are you saying you didn't tell people that they haven't got the \$9 million? Are you saying that? Are you saying you didn't say that?

Mr HAMILTON-SMITH: You are just a little bover boy, aren't you? You are just a little grub.

The Hon. P.F. CONLON: Did you not say it? I will ask you quietly: did you not say it?

Mr HAMILTON-SMITH: Let me ask again—

The Hon. P.F. CONLON: No; you won't tell lies in here, will you?

Mr HAMILTON-SMITH: Have you just said—I am asking the questions, you are supposed to be giving the answers. Is the \$5 million from the Long Life Roads program part of the \$9 million that you claim you are going to spend on the Penola bypass or not? Is it part of the \$9 million? Yes or no.

The CHAIR: Order, member for Waite! Just calm down.

The Hon. P.F. CONLON: It is funded. It is a suitable road for funding from the Long Life Roads project.

Mr HAMILTON-SMITH: But I am asking you, is it part of the \$9 million that you are going to commit?

The Hon. P.F. CONLON: The \$9 million that you have repeatedly lied to people about—

The CHAIR: Order!

The Hon. P.F. CONLON: Did you or did you not tell people there was no \$9 million funding?

Mr HAMILTON-SMITH: I will tell you exactly what I said. There was no mention of the Penola bypass in the budget and no sign of the \$9 million—

The Hon. P.F. CONLON: You said if it is not in the budget it doesn't exist and they are lying to you. That is what you said. That is what you said, because as soon as you get out of this place you run around the South-East on your motorbike spreading an absence of facts—I better not say lies—you are telling people things that aren't true.

The CHAIR: Order! That is enough.

Mr HAMILTON-SMITH: I demand an apology, Madam Chair.

The CHAIR: Member for Waite, I will ask the minister to withdraw when you withdraw earlier comments. There are two lots of comments that could be withdrawn. So we will leave it.

Mr HAMILTON-SMITH: Madam Chair, what comment have I made that you are referring to? I want the minister accusing me of lying to be withdrawn.

The CHAIR: Just a little while earlier you called the minister a grub.

Mr HAMILTON-SMITH: A grub. Well, who is going to go first? If I have offended the minister by calling him a grub I withdraw it.

The CHAIR: We will continue as we are.

The Hon. P.F. CONLON: What do you want me to withdraw? That you told lies? I will withdraw that he told lies. I will just say this, that he has been saying things in the South-East that bear no resemblance to the truth.

Mr HAMILTON-SMITH: Very funny. Well, let's try and get to the truth. This \$5 million—

The Hon. P.F. CONLON: Would you know how to recognise it, Marty?

The CHAIR: Order! We will just pause again for 30 seconds.

Mr HAMILTON-SMITH: So this \$5 million is part of the \$9 million you say you have promised to the South-East for the Penola bypass. Where is the other \$4 million? From which program is the other \$4 million coming from?

The Hon. P.F. CONLON: It comes out of the 2007-08 Long Life Roads.

Mr HAMILTON-SMITH: So the other \$4 million will come out of Long Life Roads?

The Hon. P.F. CONLON: Yes.

Mr HAMILTON-SMITH: And that will be spent in this financial year?

The Hon. P.F. CONLON: No; 2007-08. I have said this before, you have to listen to the answers. I said 2007-08.

Mr HAMILTON-SMITH: You are saying that is contingent upon the Wattle Range Council getting AusLink funding from the commonwealth, or are you offering this irrespective—

The Hon. P.F. CONLON: No; the \$5 million will be spent irrespective, but we do need the commonwealth to contribute to the bypass. That is a simple fact. I have got to say, maybe if you start badgering the commonwealth instead of badgering me about funds that we have already committed we could go further with this.

Mr HAMILTON-SMITH: Will you be asking the commonwealth for that money before or after you ask it for the \$250 million to bail you out of the Northern Expressway?

The Hon. P.F. CONLON: That is one of the stupidest questions out of a series of stupid questions that I have heard tonight. What is your point?

Mr HAMILTON-SMITH: I don't think it helps your credibility very much in Canberra to be asking for \$250 million for the Northern Expressway bailout and in the next breath asking for a significant sum out of the commonwealth for the Penola bypass.

The CHAIR: Order! Member for Waite, do you have a question? That was a comment that was entirely out of order. Do you have a question?

The Hon. P.F. CONLON: What is happening here is the honourable member told everyone he is going to have a big night and he is not having a big night, so now he is resorting to childish abuse, which he started off with very early. Can I say, we have \$5 million committed in the South-East, which you said was not committed. We have \$4 million further if the commonwealth will build a bypass. But do you understand what is happening; we are not asking for the money, Wattle Range Council is. I would have thought you understood that. Maybe you could get across your brief occasionally.

Mr HAMILTON-SMITH: In terms of getting across one's brief, is it your policy, as the Minister for Transport, to help councils with their AusLink bids, given that they are South Australian bids, given that we are competing for that funding around the table with other states?

The Hon. P.F. CONLON: Yes, that is what we have done. We have done an enormous amount of work for them and they are very grateful. In fact I will be having lunch with Don Ferguson on Friday and I will get him to send you a note saying, yes, we have done a lot of work for them and they think we have done it well, if that helps you out. Of course, he is that notorious Labor figure, Don Ferguson.

Mr HAMILTON-SMITH: You seem to leave the councils to do their own bids with AusLink and then if they get the money, great, we will contribute, and if they do not, well there is no money.

The CHAIR: Order!

The Hon. P.F. CONLON: Are you suggesting that we build part of a bypass anyway, with our \$4 million? Can you get real?

Mr HAMILTON-SMITH: I am just suggesting that, as the Minister for Transport, you have a number of councils in your state seeking AusLink funding. You are also there with your own hand out to bail you out of a number of major projects. It would be awfully nice if there was a coordinated approach, and if you prioritised—now, are you; that is the question I am asking you.

The Hon. P.F. CONLON: The SELGA approach in the South-East has been complimented by the mayors of Wattle Range, Grant and Mount Gambier councils and, of course, the would-be Liberal candidate—if the blow in from the city had not knocked him off, who knows how well Rory would have done then, but it is good to see him back—all these notorious Labor figures! Who else complimented us on it? Patrick Secker. Patrick Secker, the member for Barker, came out to say that it was excellent. But, according to you, it is not coordinated. According to you, the \$9 million is not funded. You call upon us to build a bypass around Mount Gambier and then go to a protest meeting against it. The program is coordinated; it has been congratulated across many areas. I include Grant King from the South-East Regional Development Board. All of them have been extremely complimentary of the work done by Andy Milazzo and his team, along with Mark Elford, down there. I do not think any of those people would have been accused in the past of being Labor supporters. If you say it is not coordinated, I can bring you a whole lot of people who say it is and, frankly, I would prefer their word on it.

Mr HAMILTON-SMITH: Thank you for the news. Why didn't you just mention it in the budget so that people knew when they picked up the budget papers that it was there? Why is it hidden away since it is such a major—

The Hon. P.F. CONLON: I point out to the member for Waite that we do not list every single road in the budget. You made a mistake. It is not my fault. You made a mistake and, not being embarrassed, you have continued to repeat to people down there that the \$9 million was not funded. Why don't you just be a grown-up, 'fess up and say you got it wrong? I point out: on Tuesday 26 September 2006, \$10 million for South-East roads in 2006-07. We did not keep it a secret; we told everyone. That is what we do. We do not list every single road because, quite apart from anything else, it would be a nonsense. It would be a very long list. We are doing an awful lot of work in the member for Schubert's electorate over the next few years, but it is not all listed in there. Marty, the problem is not our budget. The problem is that you made a mistake, and you should be a big grown-up, 'fess up to it and say you are sorry.

Mr HAMILTON-SMITH: I refer to Budget Paper 5, page 29. Can the minister list each project to be funded under the black spot program and indicate exactly how much funding is to be allocated to each project?

The Hon. P.F. CONLON: The black spot program is now the responsibility of the Minister for Road Safety, as it should be. I am sure you would be happy to ask her that question.

Mr HAMILTON-SMITH: Is the government committed to supporting the Worrolong Road project as the site for a Mount Gambier bypass or is the government prepared to consider other more long-term solutions?

The Hon. P.F. CONLON: It is part of the joint plan down there. I was very surprised to read a strange story in the

Border Watch, saying that we had been equivocal about it. The letter that was sent does not say that at all. The letter that was sent—the letter that the *Border Watch* had actually read—makes it clear that we have helped develop this plan with the local people and support it.

Mr HAMILTON-SMITH: I refer to Budget Paper 5—

The CHAIR: Order! I want to see if the minister has finished. Advisers are providing information.

The Hon. P.F. CONLON: I see that there is a recent letter from Peter Gandolfi, the former candidate, saying that the Liberal Party made it clear at the last state election that it would take responsibility for Worrolong and Fairbanks Roads, then start a consultation, planning and costing process to build a safe bypass for Mount Gambier. So, apparently, despite your going to protest meetings, your former candidate still agrees with it. Are you still committed to that duplication of the road down there to the airport? Because that was Iain Evans' promise before the election. I have not heard you talk about it since.

The CHAIR: Order!

Mr HAMILTON-SMITH: I refer to Budget Paper 5, page 27. Can the minister list each project to be funded under the overtaking lane program? Exactly how much funding is allocated to each project?

The Hon. P.F. CONLON: We should have listed them in the budget. The budget would have been as long as the Yellow Pages, but we should have listed them in the budget: Noarlunga to Cape Jervis, \$1.655 million; Noarlunga to Victor Harbor (Mount Compass to Mount Compass-Goolwa Road), \$300 000; Riddoch Highway lane (Mount Gambier-Airport lane and junction), \$1.7 million. I will not go through all the investigations and designs at priority locations but they total \$250 000. Revegetation costs are \$50 000. The total budget cost is \$3.825 million, which is a level of over-commitment. We are spending more than we should. It is terrible. The over-commitment is all for you, Michael, because you are such a sweet talker. Two locations on Main North Road are being investigated, as are locations on the Noarlunga-Cape Jervis Road and Princes Highway (Milliecent-Mount Gambier).

Mr HAMILTON-SMITH: I refer to Budget Paper 5, page 27. Can the minister list each project to be funded under the shoulder sealing program and indicate exactly how much funding is allocated to each project?

The Hon. P.F. CONLON: There is a fair list as follows: Tea Tree Gully-Mannum (between Summit Road and Palmer); Chandlers Hill Road (2 kilometres to Grants Gully Road); Burnside-Balhannah (Deviation Road-Beaumont Road); Echunga-Mount Barker (3.5 kilometres between Stirling-Strathalbyn and Mount Barker-Flaxley); Eyre Peninsula grain transport plan (Cleve-Arno Bay and targeted Rudall-Cleve widening); Princes Highway (complete Henry Creek-Kingston); Sandy Creek-Williamstown (3 kilometres spread over entire length); Barrier Highway (3 kilometre section south of Burra and Riverton-Main North Road); Mallala-Two Wells (7.3 kilometres to complete entire length); Waterloo Corner Road (Bolivar Road-Heaslip Road); Aldgate-White Hill Road (Littlehampton-Nairne). It is a total budget of \$7.6 million.

Mr HAMILTON-SMITH: Budget Paper 4, Volume 2, page 6.21. What action has the government taken, if any, in relation to a proposed bypass of Port Wakefield, and how much money has been set aside, if any, in the 2006-07 budget to examine the project?

The Hon. P.F. CONLON: There is an investigation. It is without doubt a national highway, part of the Auslink network. We are doing some concept planning. There was no funding committed to it. I should add that the Auslink Perth corridor strategy has identified the need to look at bypass issues at Port Wakefield. We will do the study and put it in the list of priorities in our Auslink bid to the Commonwealth.

Mr HAMILTON-SMITH: Budget Paper 4, Volume 2, page 6.21: have certain roads been identified by the South Australia Police and DTEI through a safety audit for urgent work and, if so, when will they be fixed and at what cost?

The Hon. P.F. CONLON: We regularly do safety audits on roads. If you are talking about roads that should be the subject of black spot funding, that would be a responsibility of minister Zollo. But we regularly do safety audits on roads. That is part of the ongoing business of the department.

Mr HAMILTON-SMITH: Budget Paper 3, page 2.19: how will DTEI absorb the functions to move from the folding DAIS? How many people, organisations and responsibilities will be coming across into DTEI?

The Hon. P.F. CONLON: Jim can talk about that. I understand that, should his health recover in time, minister Wright will be dealing with most of the DAIS issues out of the budget. But, Jim, if you want to give a brief rundown on it.

Mr HALLION: There are three main areas of DAIS that are coming across to the department. Building Management is the first significant area. Government ICT has come across to us as well, and also Commercial and Government Services, which is made up of two key components, which is the land services/lands title area of government, and also Services SA, which is the shopfront. And I would also add that the Parliamentary Network Support Group, which is obviously of interest to all members, is also part of the transition. Roughly 1 000 FTEs will come across to the department.

Members interjecting:

Mr HAMILTON-SMITH: The committee seems very excited about the prospects of getting PNSG sorted. I refer to Budget Paper 4, Volume 2, page 6.14. As of today how many of the 48 red-light cameras promised in May 2005 as part of the \$40 million road safety package have been provided by Robot Pty. Ltd in Germany and how many are in operation?

The Hon. P.F. CONLON: The responsibility is with the Minister for Road Safety. Regardless of any difficulties with the contractor meeting their obligations, there have been substitute cameras in place throughout that period—wet film cameras. So, nothing was lost in terms of road safety, and all costs are borne by the provider who failed to meet the contract conditions. So, it has not been a matter of enormous moment to us. But I am sure minister Zollo can provide more detail on road safety.

Mr HAMILTON-SMITH: Budget Paper 3, page 2.19: how will the \$20 million of planned savings in the department be made, and will this compromise the department's ability to plan and manage the major capital works planned and to maintain its rapidly ageing assets?

The Hon. P.F. CONLON: There are some savings measures listed at 2.18. But, in short, as I said before with TransAdelaide, they will be achieved by Jim Hallion doing the job he is paid to do for the government.

Mr HAMILTON-SMITH: Can you give us any indication of the areas you are looking to?

The Hon. P.F. CONLON: Well, I think we will let Jim work that out. I am sure there will be an up-to-date report next year on our progress.

Mr HAMILTON-SMITH: Budget Paper 4, Volume 2, page 6.18: do I understand correctly that there was a \$3.022 million spend on the Walkerville building, owned by the Department of Transport, and, if that is so, was this a well considered investment given that the government now plans to relocate those people to the West End?

The Hon. P.F. CONLON: This is a matter that has been asked about in parliament before, this expenditure. Can I say that the intention with the Walkerville building will take quite a few years to unfold, at least three years, which will include quite a number of summers. The money spent there was on airconditioning. I would love to be able to, but it is simply not possible for me to go out and request that the people at Walkerville endure without airconditioning for the next three years. As much as I am loved by the department and everyone who works at Walkerville, even I may have a human resources issue were I to ask them to do that.

Mr PENGILLY: You would be reducing the numbers fairly quickly!

The Hon. P.F. CONLON: Well, it would reduce their weight but I don't know about their numbers.

Mr HAMILTON-SMITH: I refer to Budget Paper 3, page 2.19. What changes will you be making to rationalise the licensing systems and driving assessments to deliver the \$4 million worth of savings planned over four years?

The Hon. P.F. CONLON: Apparently, we are doing it with software. The savings come through the earlier investment into the TRUMPS computer system. That investment will have savings for us over the out years, essentially. It is good to see because they always go and tell the Treasurer that if they are given capital they will save money, and this time they will. Well done.

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

Administered Items for the Department of Treasury
and Finance, \$898 602 000

Additional Departmental Advisers:

Mr Rod Hook, Executive Director, Office of Major Projects and Infrastructure.

Ms A. Gerace, Ministerial Adviser.

Mr G. Mailes, Chief Information Officer.

The CHAIR: I declare the proposed payments open for examination and refer members to the Budget Statement, in particular pages 6.4 and 6.6, and the Portfolio Statements, Volume 1, Part 3.

Mr HAMILTON-SMITH: The opposition would like to place on the record that in light of problems that have arisen in this portfolio area more than one hour should have been allotted for consideration of it by the committee. Hundreds of millions of dollars of taxpayers' money is at risk in this portfolio and people need some answers. My first question is about the Northern Expressway, and I refer to Budget Paper 4, Volume 2, page 6.17. Of the \$550 million to be spent on the Northern Expressway, what proportion is to be spent on the northern Sturt Highway extension—that part of the NEXy which involves construction of a freeway-style road

link between the Gawler Bypass and Port Wakefield Road and Waterloo Corner—and the southern part of the NExy, known as the Port Wakefield Road upgrade, which involves widening Port Wakefield Road and Waterloo Corner?

The Hon. P.F. CONLON: Before going into the detail, the honourable member must understand that the scale and scope of these components changes as time goes on. In fact, the 22 kilometres of the original new road section is now 23 kilometres with the number of initially quite serious and then lesser route changes during that period, so that section is actually longer and bigger than it was. Changes have been made in the Port Wakefield section because, I am advised, there is contemplation of future work on Port Wakefield Road, which may include some of the works that would originally have been included in the Northern Expressway. In short, I am almost reluctant to put any of these numbers in because they are changing. Suffice it to say that the \$550 million covers both sets of works, despite what was said both by you, I think, and the Leader of the Opposition. I just do not think it is going to be useful to itemise that at present because I think the scope for change is quite large.

I want to take it back to your opening comments—which were, frankly, the sort of flatulent nonsense I have been hearing from you since about 3.45 this afternoon—about hundreds of millions of dollars being ‘at risk’, the taxpayers’ money being ‘at risk’. What you have to understand about this and other projects is that none of them have been built, none of them have been started, but someone did something wrong and the costs went up. They are projects, and I have to say that the Northern Expressway was originally looked at by your government, the previous Liberal government. The first routes out there and very many changing scenarios were looked at by you and costings developed over a period of time. The simple truth is that the costings, the estimates, for a project to be built in 2009 (as I think it was then) were wrong.

That does not place any money at risk; what it does is give you a different set of facts on which to make a decision. As the estimates go up, a prudent government looks at it and asks, ‘Is this still a good value-for-money investment for the taxpayer?’ We say that this is still a very good value-for-money investment for the taxpayer, it still returns a great deal on that investment for building freight-moving capacity in South Australia. It is absolute arrant nonsense to suggest that hundreds of millions of dollars will be placed at risk. That is the sort of nonsense you peddle across this portfolio area, and I just pointed out to you some of the things you have repeatedly said outside of this place that are not true.

The truth is that I wish the people making the estimates had got them more correct in the first place, but it would not have changed one iota what will have to be spent to make it. No-one did anything wrong in building a project; what they did do was underestimate the cost of building a major project in 2009. As I said, the truth is that if the project still makes sense you should make the investment; if it doesn’t you don’t. We believe the project still makes sense and we will make the investment, and the state will get a massive return on it. That is also the view of your federal colleague, who said that we should simply get on with it.

Mr HAMILTON-SMITH: Back to the question: can you tell us how much is being spent on the northern sector and how much on the southern sector?

The Hon. P.F. CONLON: I did actually understand your question, but I said that I did not think it would be useful to try to separate that estimate at present.

Mr HAMILTON-SMITH: Let me move on. Same subject, same budget line: will the nine kilometre (or whatever it is now) southern section of the NExy development, formerly known as the Port Wakefield Road widening, still include a freeway-standard road with high speed connections at each end, six lanes with a divided carriageway, a 110 kilometre speed limit, and restricted access with limited interchanges and overpasses, as originally conceived and previously advised to DTEI and local councils?

The Hon. P.F. CONLON: I said to you that there are likely to be changes to that section of road and there will be, because of considerations—

Mr HAMILTON-SMITH: There will be changes all right.

The Hon. P.F. CONLON: So what?

Mr HAMILTON-SMITH: Let me put this to you. In the state government’s own document titled ‘Major Developments SA Directory’—

The Hon. P.F. CONLON: I know that, but so what?

Mr HAMILTON-SMITH: Well, it is your document. You list the northern section. Remember it was \$300 million then before you lost control of it under your watch.

The Hon. P.F. CONLON: No, let us take this point. How did we lose control of it?

Mr HAMILTON-SMITH: Hang on.

The Hon. P.F. CONLON: No; how? What was done?

The CHAIR: Order!

Mr HAMILTON-SMITH: Here we go.

The Hon. P.F. CONLON: The estimate was wrong, Marty. Part of those estimates were developed under your government. The truth is that not a dollar has been spent on building it. Not a dollar has to be spent unless we make that decision, and we make that decision if it is a good investment. That project, at that time, said that thing would happen. So what?

Mr HAMILTON-SMITH: Well, I will tell you so what.

The Hon. P.F. CONLON: So, what does it mean to the taxpayer, Marty? Come on, tell me?

Mr HAMILTON-SMITH: I will tell you what it means. This little document that you have produced says that the project comes—

The Hon. P.F. CONLON: I didn’t: the department did.

Mr HAMILTON-SMITH: —in two parts.

The Hon. P.F. CONLON: Yes, I understand that. You have said that before. So what?

Mr HAMILTON-SMITH: There is the Sturt Highway extension. Now, that is the big bit. That is the bit between Gawler and the Port Wakefield Road. That was going to cost \$190 million, which is 63 per cent of the total project cost.

The Hon. P.F. CONLON: So, what is your point?

Mr HAMILTON-SMITH: And then there is the Port Wakefield Road widening, and that was going to be—

The Hon. P.F. CONLON: Marty, this is your big day. What is your point?

Mr HAMILTON-SMITH: Can I ask my question?

The Hon. P.F. CONLON: Yes, please.

Mr HAMILTON-SMITH: —\$110 million and that was 37 per cent of the project. I am simply asking: the split when it was a \$300 million project was 63 per cent for the northern sector and 37 per cent for the southern sector. What you have done—

The Hon. P.F. CONLON: What is the question, Marty?

Mr HAMILTON-SMITH: You plan to gut the southern sector and severely scale down the Port Wakefield section, because if you did not do that it would cost a lot more than

\$550 million, wouldn't it, Pat? It was going to be a lot more than that—

The CHAIR: Order!

Mr HAMILTON-SMITH: If you stuck with the concept it was going to be more like \$700 million or \$800 million.

The CHAIR: Order!

The Hon. P.F. CONLON: I point out to the member for Waite that it will be 23 kilometres instead of 22 kilometres in the other part. So what? Is it a good investment? So what, Marty? You have said all this rhetoric, but please tell me what taxpayer interest is being affected by changing the scope and design of the road? Please tell me? I am desperately keen to know. This was going to be your big moment. Please tell me what taxpayer interest has been affected?

Mr HAMILTON-SMITH: I will tell you what it points to, minister. I would really like to know—

The Hon. P.F. CONLON: No, tell me. I am struggling—

Mr HAMILTON-SMITH: Well, I will tell you. It is very important to the trucks, to members of the public and to businesses that use the Port Wakefield Road whether they will get a six lane road as originally promised. It is very important. You see, I have a startling bit of news: there is no point in building a nice Northern Expressway from Gawler to the Port Wakefield Road if, when people hit the Port Wakefield Road, they hit a huge funnel that cannot connect through to the Port River Expressway.

The Hon. P.F. CONLON: I will give you an ironclad guarantee that the works at Port Wakefield will be fit for purpose. I find it absolutely galling from a government that could not balance a budget in 8½ years—

Mr HAMILTON-SMITH: Here we go. We're going back to the last century, again, are we?

The Hon. P.F. CONLON: No. Apparently, when we get here empty rhetoric is for him—no rhetoric from anywhere else. The truth is that in your entire time when you could not balance a budget you built one tunnel through the Hills, which was entirely funded by the commonwealth, and one expressway that goes one way, and you want to talk to me about scaling things down—an expressway that goes only one way at a time. I guarantee you this: Port Wakefield Road will be fit for purpose, and it will go two ways at a time—two ways; twice as many ways as the Liberal expressway.

You came in here and you spent nothing on infrastructure in 8½ years. You could not balance a budget. We have record levels of investment in road infrastructure. We have the South Road works paid for entirely by this government—not entirely by the commonwealth, entirely by this government—and you have the gall to sit there and talk to me about scaling down infrastructure. We are delivering infrastructure for South Australia in a way you never could and with a balanced budget, so get a life.

Mr HAMILTON-SMITH: I guess that if you had inherited \$11 billion of debt and a \$300 million current account you might have had a bit of trouble funding this.

The Hon. P.F. CONLON: I was waiting for that statement.

The CHAIR: Order! This is not fair on *Hansard*. I have just received a message. Can everyone please take a deep breath and make their points by the content of their comments rather than the volume.

Mr HAMILTON-SMITH: I refer to Budget Paper 4, Volume 2, page 6.17. Minister, have you decided what the final alignment and scope of the Northern Expressway project will be? If you have not yet decided what the final scope, route and alignment of the Northern Expressway project will

be, how can you guarantee that the \$550 million cost, which you have grabbed out of the sky at the moment, will hold? If you do not know which way it is going to go, how long it is going to be, or which route it will take, how can you guarantee us that it will hold at \$550 million—or have you?

The Hon. P.F. CONLON: I have had to explain to you a couple of times about consultation. We are shortly going to go out with a preferred route for consultation. You have twice been critical of our adding costs to projects or changing projects as a result of actually going to consultation and listening to people. We believe that the route we have is the best one. We have done a lot of work on it, including with the armed services, the air force, some local members and some decent, intelligent Liberals, like the member for Wakefield, who has the state's interests at heart more than the opposition does on this road.

The truth is that, unless consultation is a complete farce, as you would prefer it to be, we do have to talk to those people and we do have to listen to them. I believe that the route we have finalised will be the final route. I believe that our people have done a lot of good work on it. What we do on the Port Wakefield Road will be according to the needs as we understand them at the time. Things do change and, if you think that the state has not changed, then you have not been reading newspapers or watching services. For example, we now have record low unemployment rates and very high rates of economic growth. We have a burgeoning resources sector. Those things change the environment, and they can change it very quickly. I say this to you: the difficulty we have is that big projects with long lead times are difficult to deliver. The easiest thing is not to do them. We are a government that does do them.

Mr HAMILTON-SMITH: After five years.

The Hon. P.F. CONLON: After five years! I expected some questions on the Bakewell Bridge. He was so hoping that everything would go wrong but, no, it went very well, so we are talking about something else. The truth is this: the easy thing to do would be what you did—build nothing. The Northern Expressway is a tremendously important investment for the state. We are having good discussions with the commonwealth, and we believe that we will arrive at a good conclusion with the commonwealth. You talk about credibility with the commonwealth, but can I say this to you: one of the things that has stood us in very good stead with the commonwealth in our discussions on funding has been the commitment of our funds to major works on South Road.

For all your 'no credibility', it has been doing those things and being prepared to balance the budget and make investment that gives us credibility. Do I wish that the cost estimates on the Northern Expressway had not gone up? Yes, I do, because I could build more infrastructure. The bottom line is this—and you have to accept it, get on with it and, in particular, get over it. We have examined the new cost estimates. We can build a very good road, with some changes, which will be of enormous benefit to people moving freight, just as we have done already by improving the Port River Expressway (which you started), with the addition of two overpasses that were not in the original scope.

This is a classic example of a government scoping down an expressway—the Port River Expressway that stopped at two sets of traffic lights. Our government added two overpasses, after talking to the contractors. We built and completed them. People like it, and we get glowing reports on the road. We are building the bridges over the Port River. I understand that we are already substantially into the upgrade

of rail on the Le Fevre Peninsula. All these things are going ahead. What I would ask you to do is to look at the Northern Expressway in the proper perspective. It is something we have not spent money on yet. No money is at risk. It is a very good investment, and we are making a good investment to improve the freight moving capacity of the state. Your federal colleague has recognised it. If you care for South Australia, it would do you good to recognise it.

Mr HAMILTON-SMITH: I refer to the same budget line, the Northern Expressway. Were you advised at any time prior to the March election of the cost blow-out on the Northern Expressway project by any officer of the department, or by any other party, or did you seek advice on the matter before March? Did you have any idea that the project had run beyond the \$300 million budget before March?

The Hon. P.F. CONLON: Marty's big night involves him asking questions he asked six months ago in parliament. Can I say that whatever I said then was the fact. Certainly, I will tell you the truth as I recollect it, and my recollection would have been better then, so whatever I said then you can rely upon. I will say that one of the things I was most disappointed about with the Northern Expressway was that we were aware before the election of the increased scope on the Bakewell Bridge that would lead to a cost and, as I said in parliament, until such time as you write a contract, you do not know. We were aware that the South Road costings were facing pressures from the environment, but never was it suggested to me that the Northern Expressway faced difficulties in costing. If it was, it certainly must have been said very quietly.

The truth is, Marty, I have told you this before. You have nothing new to ask me. What I said before in parliament is the facts and all of the facts. If you are going to do something here tonight you will have to think of something else. We can go back over it all again. I have this list of cost overruns and projects when you were in government. I can run through that again, because we seem to be going over old ground. I prefer not to, but I will if you insist. I say to you that you have to understand that it is nonsense hundreds of millions being at risk. All of these projects are projects with a lead time in the out years, and they are estimates of costings. If you think we are the only place that has had difficulties with estimates and costings on long lead time civil engineering projects, you simply are not in tune with what is going on in the world, including in the private sector.

The fact is this, and I ask you to understand this: what we do is then look at the new estimate, the best estimate we have, and we look at the benefit of that project and we work out whether it is still a good investment. South Road under Anzac Highway is still a good investment and so is Port Road and the Northern Expressway, but no-one in government anywhere did something to make them cost more. It was a matter of the estimate not being correct. I point out to you a lot of the work on the early estimates for the Northern Expressway commenced during your government. So, let us get over this nonsense and move on.

Mr HAMILTON-SMITH: Same subject, same budget line. You have been the Minister for Infrastructure I think since 2003. You were the Minister for Transport early in 2005. This is a major \$300 million project in your portfolio area, and you are telling me that no-one briefed you or spoke to you about the cost of the project for a year.

The Hon. P.F. CONLON: I am not asking you to believe me and I do not care if you don't. Go on with that if you

want. I do not care if you believe me: just try to prove it wrong. You cannot, because it is not.

Mr HAMILTON-SMITH: No-one briefed you about the project overrun and, in that whole year, minister, you never thought to ask anyone, 'How is it going with this \$300 million project? Perhaps I should get a brief on this'?

The Hon. P.F. CONLON: You do not think I should be able to rely on people telling me those things?

Mr HAMILTON-SMITH: Would you ask for a briefing on a major project like that in your portfolio to see how it was going?

The Hon. P.F. CONLON: You do not understand. We did not spend the entire year not talking about the Northern Expressway. During that year we actually talked about where the routes were going and things like that.

Mr HAMILTON-SMITH: You forgot to ask how much it was going to cost, did you?

The Hon. P.F. CONLON: No, see, they told me. Marty, Marty, Marty!

Mr HAMILTON-SMITH: Patty, Patty, Patty!

Mr BIGNELL: Goose, Goose, Goose!

Mr HAMILTON-SMITH: Yes, you have said it! You have really defined it perfectly. Patty, Patty! Just desist from the platitudes.

The CHAIR: Order! Come on!

The Hon. P.F. CONLON: Marty, I know you don't care what I say—

Mr HAMILTON-SMITH: Patty, Patty!

The Hon. P.F. CONLON: I am sorry, the member for Waite. Can I call you that, because you do not mind, do you? Member for Waite, I have told you in here what I told you in parliament. You have asked exactly the same questions you asked then. You went to your friends in the media and you talked up what you were going to do. I do not think they understood that what you were going to do was to ask the same questions. You may not like the answers and you may think that I have shortcomings, but one of the shortcomings I do not have is that I do not fail to tell the truth. I have told you the truth on this matter in parliament; I have told you the truth here. To paraphrase Jack Nicholson, you don't seem to be able to handle the truth, but that is not my problem.

Mr HAMILTON-SMITH: Minister, I am simply asking you, in the year that you were the Minister for Transport and during the two years that you were the Minister for Infrastructure with this important project on your books—it is your responsibility—you do not seek a briefing. You have an election coming up. You do not ask for a briefing on the costs. You do not ask: 'Is this project on budget? It is a \$300 million project. If it goes over budget, it could have some very significant implications for my budget, my bilaterals, and the Treasurer might want to know about it. Therefore, I should get a briefing on this and find out whether the project is on target.'

The Hon. P.F. CONLON: I will tell you what I will do for you for the future, member for Waite. I will put that question on every single project we have: is it on budget? I think you were a minister for three months, were you?

Mr HAMILTON-SMITH: For a \$300 million project, it might be a very good question to ask.

The Hon. P.F. CONLON: The honourable member's view is that, when the bureaucrats come to tell him about the Northern Expressway and they say, 'This is the route we want it to go and this is what we want to do', I should say, 'You are not telling me something'. I mean, get real, member for Waite.

Mr HAMILTON-SMITH: Your answer—

The Hon. P.F. CONLON: The honourable member's view is that I should have asked them. I did not suspect them and I was not suspicious enough of them—okay, I will accept that. In Marty-world I should have been more suspicious. Okay; I accept that. Move on.

Mr HAMILTON-SMITH: Your answer I think, minister, reveals the problem. Your answer is—

The Hon. P.F. CONLON: Marty, you asked all these questions six months ago.

The CHAIR: Order! The member for Waite is not to debate the answer. Do you have a question and a new question? We have heard the same one a number of times.

Mr HAMILTON-SMITH: If you do not mind, Madam Chair, I am allowed to ask the questions.

The CHAIR: The minister does not have to answer them.

Mr HAMILTON-SMITH: I am trying to pursue a line of inquiry, and the minister does not need protection. I am understanding from the minister's answer that his approach to being a minister and ministerial accountability is that when you have a \$300 million project on your books—one of the biggest projects in this state—it is quite okay not to be briefed on it, not to seek a briefing and not to monitor the cost of it. That is quite okay. Is that what I am understanding, because I think—

The Hon. P.F. CONLON: I have tell the honourable member this. I will not take any responsibility for his understanding of anything in the world. This is the most pathetic show by an opposition in estimates I have ever seen. The honourable member has not listened to a single answer since he started. I did enjoy his hissy fit about not getting his way for three hours on energy, so he asked questions for three hours—and we will accept that it only came to 2¼ hours and he ran out of puff. Whatever the honourable member wants to say, my answers appear in *Hansard*. The answer is: we had many discussions about the Northern Expressway in that period. At no point did someone advise me that the costing estimates had changed.

Can I say that the honourable member keeps using the wrong word. It is not a budget blow-out, because nothing has been built: it is an estimate into the future, and I was not advised. The honourable member's view is that, not having been advised, I should have been deeply suspicious and said, 'There's something you're not telling me.' Okay; I have the honourable member's point of view on that, but it did not happen. If Marty's big night is pointing out that he thinks I should have been more suspicious of the staff, then that is fine, but do not verbal me saying that there were no meetings or briefings, because there were. In fact, I think the honourable member FOI'd a whole load of stuff which we sent to him, and one on the items on the agenda at one of the weekly meetings was the Northern Expressway. We talked about alternative routes and cancelled one. Yes, we did talk about it. Marty, the whole thrust of your attack tonight on which you have spent three quarters of an hour is that I should have been more suspicious about what I was being told by public servants. Okay, I have your point; please move on.

Mr HAMILTON-SMITH: In the context of Budget Paper 5, page 27, the Northern Expressway needs to be viewed in the context of the other projects for which you are responsible, minister, and I will move to the Port Road/Grange Road underpass. What is the cost of the South Road/Port Road/Grange Road underpass and when will the work begin and end?

The Hon. P.F. CONLON: I have read the *Hansard* and I think you asked the Treasurer this and he gave you a pretty clear answer.

Mr HAMILTON-SMITH: He did not give any answer. He said to ask you, so I am asking.

The Hon. P.F. CONLON: Port Road starts later, as I told the honourable member in this chamber before the budget that it would. He asked what would we do and I said that we will maintain our budget discipline and invest as we are able to according to our investing program. It will start later. We actually gave him some indication on South Road yesterday, but the nature of the contracting is that it would be both imprudent and difficult to give him that cost. What I can say is that we have been pleased with the progress that Rod Hook and his team have made in negotiating with the early contractor on South Road. The construction contract is not signed and I am giving you this as early as is reasonable, but it looks like about 64.7 with a 3.5 rise and fall and a capacity, if the contractor saves costs, to reduce that cost.

We will be able to give more detail on the other works in the future. The important thing is that we are committed to them within prudent budget management, and they are very important projects for South Australia. I am very pleased with the way the South Road/Anzac Highway project is progressing, and I am confident that this experience sets us up very well for the further underpasses.

Mr HAMILTON-SMITH: Is the South Road/Port Road/Grange Road underpass project likely to exceed \$250 million in total project costs?

The Hon. P.F. CONLON: We both speak English, do we not? I have just gone through an exercise of saying it will not be wise to put a figure on it. We are dealing with the private sector and arriving at a good arrangement there.

Mr HAMILTON-SMITH: Why is it wise to put out the figure of 550 for the Northern Expressway, which is in the same time frame, and the PPPs for schools, but not all right to put out the underpass?

The Hon. P.F. CONLON: Can I explain to the honourable member the difference between a PPP and this type of procurement, then maybe he will understand.

Mr HAMILTON-SMITH: What about the Northern Expressway, Minister?

The Hon. P.F. CONLON: You asked about PPPs: have you gone off that idea? Do you want to know about the PPPs or have you gone off them?

Mr HAMILTON-SMITH: No, I just want to know why there are two standards.

The Hon. P.F. CONLON: With the Northern Expressway we are dealing with the commonwealth. I wish we did not have to put numbers out, because it is a very difficult thing to do. We are dealing with the commonwealth and the commonwealth shares the funding. On South Road we are not: it is our money and we can be prudent with it. Government procurement, particularly in joint projects, is not the best way to procure capital, in my very strong view. The nature of it is such that we, as commercial and morale exemplars, have to deal with the private sector in a way in which the private sector would not deal with the private sector. It is a joint commonwealth-state funded project.

It is necessary to put a number on it. It is unavoidable. Usually, with a PPP the private sector is making revenues out of an ongoing payment for the infrastructure over a long period of time. It is actually not in their interest to drive the construction price up but to drive it down. It is not a risk putting the price out there. If you do not know the difference,

fundamentally you do not understand the two forms of procurement. There is no interest in the private sector driving up that initial construction cost, because they have to take a revenue out of it over the lifetime of the asset. It is a very different thing. Have you got it?

Mr HAMILTON-SMITH: I refer to Budget Paper 4, Volume 2, page 6.34. Which officers in DTEI had prime carriage of the Northern Expressway, South Road and Bakewell Bridge projects when they were originally costed and through 2005 to early 2006, and where are those officers today?

The Hon. P.F. CONLON: If you are asking for the purposes—you opened up questioning today by verballing me about criticising public servants, which did not happen in this place—you made that up. Are you seriously wanting me to put on the record the names of people who originally did the costings so they could be the object of what? While I often have exchanges with public servants, there are some limits. For what reason do you want that information?

The CHAIR: The question is out of order as it is not related to the estimates. Please proceed with a question relating to the estimates.

The Hon. P.F. CONLON: I would love to know what it is for, as it does not sound very nice to me.

Mr HAMILTON-SMITH: It is curious, because as the opposition understands it most of the people who would be in a position to confirm who knew what and when in relation to these matters have either been moved on or have moved on.

The Hon. P.F. CONLON: That is an absolute nonsense. I hope you have something to support such a disgraceful allegation. Can you please tell me who these people are who have moved on? Who was moved on? That is a disgraceful allegation! You are a disgrace!

Mr HAMILTON-SMITH: You won't answer the questions.

The Hon. P.F. CONLON: I will advise you privately, if you undertake not release the information and if the people agree and if it is within the bounds of reason, and then you can talk to them, but do not come in here with your grubby innuendo. You are a disgrace! Who was moved on? You cannot say things like that.

Mr HAMILTON-SMITH: You can carry on and perform.

The CHAIR: Order! The member for Waite will wait.

The Hon. P.F. CONLON: You are an absolute disgrace! Who was moved on? Come outside the chamber and say that.

The CHAIR: Minister, that is enough. Calm down. This is enough. I understand this it was a very provocative question and it was not in order. However, matters having been said, I understand the minister's desire to respond. We will now move on to another question. If the member for Waite asks a question relating to that matter again I will rule it immediately out of order and ask the minister to remain silent.

Mr HAMILTON-SMITH: Okay, madam chair. We are talking about a budget line that involves \$550 million of taxpayers' money. As I understand it the minister is telling us that he never knew it was blowing over budget until after the March election, he never asked to be briefed and was never briefed. I am trying to find what went wrong with the system. It is very relevant to the budget; do not rule it out of order or we will have the whole parliament back here, tonight if necessary, to resolve it. We are trying to find out what has gone wrong with a significant budget line. The minister wants

us to believe that there was this sort of culture in the department of 'I will ask you no questions and you will tell me no lies', right up until the March election. Suddenly he had this revelation in April: 'On my God, the project's blown over from \$300 million to \$550 million. No-one ever told me, I never asked, I was never told.' It is worse than *Yes, Minister*. It is like an episode out of some sort of tragic comedy. I am trying to find out how this breakdown in budget management occurred and I am getting stonewalled by the minister, who will not answer the questions. He is either incompetent or we do not have the right information about who said what and when. That is why I am asking these questions, but all I get back is abuse.

The CHAIR: Questions about individual public servants are not appropriate. The minister takes responsibility. The minister will take responsibility and you will ask a question and move on.

The Hon. P.F. CONLON: Before we move on, once again the member for Waite has minor histrionics about things he alleges I have said. I never said anything of the sort. *Hansard* records what I said. *Hansard* is a very tough test for ministers who do not tell the truth. Be absolutely clear, the suggestion from the member for Waite was that somehow I have moved on people who know the truth; that what I have said is not the truth and I have moved on people who know the truth. Not only would that be unlawful and improper and something I would never do, but I wonder whether the member for Waite has actually thought through his allegation. I do not think the ideal way to keep a person on side and keep them quiet is to sack them or get rid of them. I do not think that would be a tremendous help at all. The member for Waite can continue with his other gunmen on the grassy knoll-type conspiracy theories, but let us not go after public servants. Let us keep some decorum.

Mr HAMILTON-SMITH: I am not going after public servants, minister.

The Hon. P.F. CONLON: Whose names did you ask for?

The CHAIR: Does the member for Waite have a question about the budget estimates?

Mr HAMILTON-SMITH: Yes, I do. I refer to Budget Paper 4, Volume 2, the same page, 6.34. I am trying to find out when the minister was first advised that these projects were running over budget. It is very important to the budget. On what dates did you first become aware that each of these projects were running over budget? How was the news brought to you in each case, and what specific actions did you take to respond when the budget overruns were brought to your attention?

The Hon. P.F. CONLON: It was never the case that these projects overran budgets. They do not have a budget. They are cost estimates into the future. Once again, I will say that you asked the same question in parliament. I gave you the answer then. The answer I gave you then was correct. My memory, I must say, is that it was probably six months ago that you asked this question, or something like that. My memory would have been better than that it is now. From memory, in the first couple of weeks of April I had a briefing from the former chief executive, James Horne, and within a week we had a meeting with James Horne, the Premier and the Deputy Premier. It was not an attempt to hide anything. I have no reason to change anything I have told you before. If you do not have anything new, maybe we can send these people home and I can engage with you in this pointless exercise. Can we at least send the public servants home, because you have not asked a single new question in about

an hour and a half? If you do not believe me, I really do not care. I am telling you the truth.

Mr HAMILTON-SMITH: In the same budget line, was the April date you just gave for your discussion with Dr Horne the very first occasion on which you became aware that any of these projects were running over their forecast budget?

The Hon. P.F. CONLON: Asked and answered, your honour.

Mr HAMILTON-SMITH: Right. So that was the very first time?

The Hon. P.F. CONLON: Mate, you have asked me 19 times. I go back to the answers I gave you in parliament. You are like the Russians cross-examining at Nuremberg. They produce a photo and then say, 'Do you now admit that you are a Nazi dog?' You have to get a bit of technique. I will give you this answer out of an abundance of clarity. I told you in this place, and I will tell you again, that in terms of Bakewell Bridge we were aware towards the end of last year that the changes in scope as a result of consultation would increase the cost. Okay? What we did not know was what the exact figure was until we contracted for it. Once we knew we told the parliament.

So, on the others we knew that the underpasses faced cost pressures. I have said that in parliament before. I have to say, the one I was taken aback by was the Northern Expressway, because we had not had any consideration. I have said all this before. There is a video tape called 'The Ten Commandments of Cross-examination'. Perhaps you could have a look at it and get a bit of technique, because all you are doing is asking the same question over and over. You are not going to tire me into a slip-up because I just keep telling you the truth. Marty, the truth is a good thing; it is a handy thing to have in your kit-bag.

Mr HAMILTON-SMITH: I will just make the point, minister, and ask the question: if, as you say, you were never told of the massive cost overruns in major projects for which you were responsible, have you not, by failing to ask for a briefing or any update at any time from your department following your appointment as Minister for Infrastructure, I think, on 13 May 2003 and Minister for Transport on 23 March, asked for nothing until after the 18 March election? No questions asked and no information given on the major project cost, which was worth hundreds of millions of dollars, demonstrated either some sort of irresponsibility in not seeking the information or, frankly, just gross neglect. As a senior cabinet minister responsible for these portfolio lines, should not the minister have remained abreast of where they were going?

The CHAIR: I point out to the member for Waite that there was no question there; there was an accusation.

The Hon. P.F. CONLON: The member for Waite needs to understand that constant repetition does not make his expression either more felicitous or more accurate. He has said the same thing over and over. The point that the member for Waite wants to make is that he does not think that I am a very good minister. Okay, I am now fully apprised of the opinion of the member for Waite. Thank you. I personally think I am a great minister. Kevin Foley likes me, the Premier likes me—

The CHAIR: The member for Waite should ask a question relating to the estimates payments and not make general accusations.

Mr HAMILTON-SMITH: We will obviously not get any further in relation to that issue. I refer to Budget Paper 4,

Volume 2, page 6.34, 'Water infrastructure'. Why do SA Water's capital spending plans not reflect the project priority set out in the state infrastructure plan, for which the minister is responsible? For example, each of the priority one projects identified in the plan appear not to be specifically mentioned in the SA Water capital works in progress budget line.

The Hon. P.F. CONLON: Well, I am responsible for SA Water because the member for Waite says that I am. I am responsible for the infrastructure. I do not know whether he noticed, but it was a government, I think, probably under the leadership of John Olsen, that corporatised SA Water and gave it a corporation and a board and, in fact, that corporation responds to a different minister. Mate, if your big night has petered out in transport, you will not get out of it by asking questions that should be asked of a different minister. The member wanted extra time. We have ages left. He wanted extra time, and now he is asking about something that is not in my portfolio area. Another fizzer, Marty.

Mr HAMILTON-SMITH: I think the infrastructure plan is the minister's portfolio area.

The Hon. P.F. CONLON: It is, indeed—and the South Australian Strategic Plan is in the Premier's area, and the responsibility for those areas resides with the individual portfolios meeting our strategic plans.

Mr HAMILTON-SMITH: I again refer to Budget Paper 4, Volume 2, page 6.34. Who takes the lead on water infrastructure planning? Is it the Minister for Infrastructure, the Minister for Government Enterprises or the Minister for Environment and Conservation?

The Hon. P.F. CONLON: The fact that I am the Minister for Infrastructure does not mean that I am responsible for every piece of environment built by the government. I do not go to every annex built onto a school or every structure built onto a hospital. It does not happen like that—and I do not think the member really thinks it happens like that. For his information, things built by SA Water, a corporate body, are the first responsibility of the board and the chief executive and then their minister. All ministers are brought before the opposition's probing questioning at some point, and I suggest that members opposite ask the relevant minister. I again point out that the member talked about the unfairness of not having enough time on transport. Maybe he could ask a few more transport questions.

Mr HAMILTON-SMITH: I might do that, actually.

The Hon. P.F. CONLON: Good; that is nice.

Mr HAMILTON-SMITH: I again refer to Budget Paper 4, Volume 2, page 6.34. When you became the minister, on what date did you receive a ministerial briefing, an incoming brief, and did it include the cost of any of the projects that we have been discussing—the Northern Expressway, the Bakewell Bridge or the South Road underpass projects? Who gave the minister the briefing? Was it Dr Horne?

The Hon. P.F. CONLON: When I first became the minister, Dr Horne was not the chief executive—it would have been Tim O'Loughlin, and I was briefed on all matters that Tim O'Loughlin believed appropriate on which to brief me. I expect someone who is paid as much as a chief executive to get that right, and I have no reason to believe that he did not.

I do point out, before you think that I should double-check the work of chief executives, that they are paid more than ministers. We are not talking about some base grade clerk with unusual responsibility thrust upon them. I do expect them to live up to the salary they are paid. I have to

say that sitting alongside me are a few people who do live up to the salary they are paid, and I am very grateful for the work they do.

You have to understand that the way, in my view, to manage is not to be suspicious of everything you are told. If you cannot trust what you are told then you cannot keep that person. You cannot manage by being suspicious of everything you are told by a person who is paid to tell you. If you don't like the way the dog's barking, you get a new dog.

Mr HAMILTON-SMITH: I refer to the same budget line, Madam Chair. Given that CEO Dr James Horne was not the CEO when the projects were originally scoped and costed, but he was the CEO when you were advised the projects would in fact cost far more than originally forecast, did you shoot the messenger by sacking Dr Horne? Why was it his fault that your government got the costings wrong before he was ever appointed?

The Hon. P.F. CONLON: I have made it plain on countless occasions that James Horne's termination as chief executive had nothing to do with costings of major projects. I don't know why you fail to understand that, but I have said it on numerous occasions; so, no. I have to say too—and this is similar to another question you asked months and months ago: I am glad your boss isn't here listening to you.

Mr HAMILTON-SMITH: The Eyre Peninsula grain logistics transport plan, Budget Paper 5, page 26: why has the government cut its contribution to the Eyre Peninsula grain rail project by \$2.3 million to just \$3.3 million, and how long has it been holding on to the commonwealth's \$15 million contribution to the project? How much of the remaining \$11.6 million South Australian share will now have to be funded by the private sector and how much by councils, if at all?

The Hon. P.F. CONLON: Well, they have not been cut. Our contribution to the Eyre Peninsula involves rail and road and they have not been cut.

Mr HOOK: They have not been cut, and the figures are included in the infrastructure budget on page 6.34 of Budget Paper 4, Volume 2.

Mr HAMILTON-SMITH: Does that reconcile with what is on Budget Paper 5, page 26, which seems to indicate there is a reduced investment? And I cut to the issue of the \$15 million that the commonwealth has already contributed, with not much result or outcome at this point, which I presume is money in the bank.

The Hon. P.F. CONLON: Before you get too far into that, the only reason the commonwealth committed is that we plagued them, harried them, harassed them to do that for a very long time. It is not usual for us to make a contribution to such rail. The number that you see there is the capital component. The better explanation of all the figures is at 6.34, and I think if you read those you will be fully reconciled.

Mr HAMILTON-SMITH: Referring Budget Paper 5, page 27, exactly how much will all stages of the Port River Expressway project now cost? What portion will be paid by the state government and what will be paid by the federal government? Why has the timeline for the project blown out by another six months from June 2007 to December 2007, and will this involve unforeseen costs?

The Hon. P.F. CONLON: Perhaps we will move through those one at a time. What was the first one? What is the total cost?

Mr HAMILTON-SMITH: Of each stage.

The Hon. P.F. CONLON: There was \$175 million in there and then in addition there is about \$3 million operating. There is \$24 million we are spending on Le Fevre rail upgrade, which appears not in investing for some reason; because we are spending it on someone else's infrastructure asset it becomes operating. I think you asked a question earlier today: what is the difference between 175 and 202? That explains that. As to the 202, I had better check that before we move any further, because every time you talk about a blow-out we have to look at it very carefully.

Mr HAMILTON-SMITH: I do not think I did, actually.

The Hon. P.F. CONLON: No; you did say 'blown out by six months'.

Mr HAMILTON-SMITH: The timing, not the cost.

The Hon. P.F. CONLON: 'Blown out by six months', I think you said. You like that expression, obviously.

Mr HAMILTON-SMITH: Yes. It seems to come up often with your portfolio.

The Hon. P.F. CONLON: I can run through this list again if you like; the one with about 15 items on it. You did not get the estimates wrong, but got the budget wrong: 'When you were building it, it went wrong.' But I think we have done that. I am not like you, wanting to repeat myself over and over again.

The timing of the rail bridge, mid 2007; the road bridge, late 2007—and that is built according to priorities. They are very good projects, I have to say, for the grain industry, and the grain industry needs good projects at present.

Mr Pengilly interjecting:

The Hon. P.F. CONLON: Yes. You can get a good price if you have any, but not a lot of people have it.

Mr HAMILTON-SMITH: Moving to stormwater management for a moment, I refer to Budget Paper 4, Volume 2, page 6 15. When will the legislation establishing the new stormwater management arrangements be introduced into parliament, and will the government be providing any additional funding above the \$4 million that has been identified so far for stormwater infrastructure?

The Hon. P.F. CONLON: I cannot speak to future commitments to that fund. We have committed an amount of money to be indexed into the future, which really is the basis of making this project go ahead. It has been a very difficult process. It is an Australia first, and it is the first in our relationship with the LGA. The process has taken a very long time, and it has to go to consultation. Regrettably, often when you are dealing with a large number of local government bodies you go as fast as the slowest component, but we hope to be back in November with it. We will be making more contributions in the future. That is certainly not impossible. Worthwhile projects pay for themselves. It is also a very good vehicle for achieving commonwealth funding. I think it is one of the best initiatives of the Rann Labor government, and it is a tremendous step forward in stormwater infrastructure.

Mr HAMILTON-SMITH: The whole approach you are taking, minister, to AusLink—and I know we touched on this earlier—involves certain projects that you take and bid for, and then the councils are out there also bidding for AusLink. For example, the government is now having to go out looking for the extra \$250 000, and the various other councils are making their individual requests. You are able to say to them—

The Hon. P.F. CONLON: We have a great deal of money committed for the early stages of it already. It is a long way out to be talking about the extra funds. It is not in competition for funds this year; it will not be in competition

for funds next year or the year after. You have to understand time lines.

Mr HAMILTON-SMITH: Various industry stakeholders—and some of them have done this publicly on radio—have made the point that they feel that the state government should be leading more forcefully our AusLink bids, and it should not be leaving councils to their own devices, going off and saying—

The Hon. P.F. CONLON: Which ones?

Mr HAMILTON-SMITH: It is sort of a way out for the state—

The Hon. P.F. CONLON: Refer them to me!

Mr HAMILTON-SMITH: The Freight Council, for example. I have heard on ABC Radio—

The Hon. P.F. CONLON: The Freight Council has not said that. You have already verbalised the Freight Council in parliament. I would be very careful. You said the Freight Council criticised our budget.

Mr HAMILTON-SMITH: It was either the Freight Council or SARTA—

The Hon. P.F. CONLON: Well, there is a big difference—a profound difference.

Mr HAMILTON-SMITH: Do you see any need to change the approach you are taking to AusLink to make it a more coordinated state effort, rather than a disjointed effort where the state government and the councils are working independently for bids?

The Hon. P.F. CONLON: I do not know whose voices the member for Waite is hearing. The people in the South-East who are making approaches to the commonwealth are extremely pleased with the coordination with the department of transport. Don't take my word for it. I will get them all to tell you that. If there is a council out there that thinks we are not well coordinating, I would like to hear from them, but I have not heard from them. I urge you to get these people that you have heard to talk to us.

The CHAIR: The time allocated for examination of payments related to the Office of Major Projects and Infrastructure Development has expired. Thank you, advisers. We will now move to the Land Management Corporation.

Additional Departmental Advisers:

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

Mr M. Buchan, Chief Financial Officer, Land Management Corporation.

The CHAIR: Minister, do you have an opening statement?

The Hon. P.F. CONLON: No.

Mr HAMILTON-SMITH: I refer to Budget Paper 3, page 6.6. What is the government plan to significantly increase its dividend take from LMC in the financial year 2006-07 to \$59.6 million, given an estimate for 2005-06 of only \$35.4 million?

The Hon. P.F. CONLON: There has been a significant transfer of land to the Port Adelaide Maritime Corporation off our books onto theirs. Our land and Environment and Heritage land transferred to the corporation, run by Andrew Fletcher, so that we can plan strategically the use of that land from the perspective of the extremely valuable air warfare destroyer contract and other prospective benefits we have there. The transfer has not occurred yet, I hasten to point out.

Mr PENGILLY: I refer to Budget Paper 3, page 6.6. What is the expected dividend from the Land Management

Corporation to government in the years 2007-08, 2008-09 and 2009-10?

The Hon. P.F. CONLON: Isn't it in the budget? Crikey, I don't know. We make money and Kevin takes it; that is what happens. Let me be very clear about the relationship: we make money and Kevin takes it. For 2007-08, the dividend is \$28.404 million; for 2008-09, the dividend is \$39.086 million; for 2009-10, the dividend is \$10.417 million. We hope to do better than that because they usually do. They are not bad, this mob. If you are ever selling a property, let them do it for you. You will go all right. Underneath this table, they have white shoes on.

Mr PENGILLY: In relation to Budget Paper 3, page 6.6, which major assets have been sold by the LMC in financial year 2005-06, and how much was raised from each sale?

The Hon. P.F. CONLON: I think it would be best to take that on notice. I do not know what you mean by major assets. They buy and sell land; that is what they do.

Mr PENGILLY: How much revenue was raised from those sales?

The Hon. P.F. CONLON: The sale of the land at Seaford Meadows would probably be the only one, although I do not know what you mean by major asset, but a big sale would be Seaford Meadows. Seaford Meadows sale is a payment over time. The total sale will be \$120 million, but that will be realised over a considerable period of time. We will send you the list of sales.

Mr PENGILLY: Budget Paper 3, page 6.6: what major assets are intended for sale in the financial year 2006-07? How much does the government anticipate to raise from each of those sales?

The Hon. P.F. CONLON: The amount of total sales is in excess of \$90 million. We can send you a breakdown, if you like.

Mr VENNING: My question refers to Budget Paper 3, page 6.6, in relation to borrowings. What was the level of borrowings by LMC in 2005-06 and what is the projected level of borrowings in 2006-07? How is the money, in both cases, being used?

The Hon. P.F. CONLON: I am prepared to answer it, but can I say that comparisons of this nature are not going to be particularly useful. It is about borrowings and investment programs, and snapshots are not going to be particularly meaningful but I am quite happy to provide that information.

In terms of an overdraft facility we had none at June and we have none still. There are borrowings against specific projects and specific earnings. I think it probably would be best if we get you an explanation of those because it is not simply borrowings as such. We will get you that, but some of them are against different items.

Mr HAMILTON-SMITH: Budget Paper 3, page 6.6: looking at footnote B at the bottom of this page, I note that the government delayed the repatriation of past earnings by LMC to 2006-07. Why were these repatriations not made before the March 2006 election so that the sums could have been taken into account at the time? Did the government effectively stash the cash in LMC so as to create a windfall after the election in 2006? Why was there a need to do that?

The Hon. P.F. CONLON: It is not for the reason you have suggested.

Mr HAMILTON-SMITH: Perhaps you can enlighten us.

The Hon. P.F. CONLON: That is just a nonsense. What would the point have been? Can I say that most people try to stash cash for before an election, not for after it. I struggle to understand what your logic is but, no, it is simply a matter of

when Treasury requires it. I do not think you should be looking for another gunman on that grassy knoll, mate.

Mr HAMILTON-SMITH: What was the reason?

The Hon. P.F. CONLON: Because that was when Treasury required it. It is not a matter of great indifference to the LMC.

Mr HAMILTON-SMITH: When you say it was a Treasury requirement, what are you saying, that the Treasurer just decided that he would defer it until after March 2006? Was there a reason given?

The Hon. P.F. CONLON: I will find out for you. You asked me before why they transfer things from one column to another. You asked a question and I am going to tell you. It was not so we could hide money until after an election. That is the most bizarre thing I have ever heard.

Mr HAMILTON-SMITH: I will further explain the question.

The CHAIR: No. Member for Waite, allow the minister to complete his answer.

The Hon. P.F. CONLON: I am desperately keen to hear this conspiracy theory. It will be a crackerjack, I reckon.

Mr HAMILTON-SMITH: Well, it is a very good way to make a mid-year budget review look as though it is very tight and there is not a lot of cash available for an opposition to use when determining its budget policies. Just position a little bit of money out there; you know you will pick it up.

The Hon. P.F. CONLON: You think that before the election we wanted to have our budget situation look worse than it really was so that we could spend less and promise more?

Mr HAMILTON-SMITH: I am simply asking you a question; I do not have an answer.

The Hon. P.F. CONLON: Okay; you asked me a question. I think that would be a bizarre thing to do, but I will ask Treasury why it wanted to do it that way. I have heard some odd things, but that is kind of like trying to make a budget look worse before an election so that you can spend less. You get points for originality.

Mr HAMILTON-SMITH: I refer to Budget Paper 3, page 6.4. Is it the government's plan to make a profit from land sales by transferring assets to the Port Adelaide Maritime Corporation for on-sale at a profit to private sector entities co-located with the PAMC? If so, how does the government expect to make from the land transactions between LMC and PAMC at Port Adelaide?

The Hon. P.F. CONLON: I can assure you that transfers are made for exactly the reason I gave you earlier. The reason that the PAMC exists is to plan and operate strategically our resources around the biggest defence contract ever won. The transfers to the PAMC are entirely budget neutral. It is moving from one government column to another; in fact, I think their corporate status is very similar in terms of budgeting. It makes absolutely no difference except that all of that land, including environment and heritage land, which, of course, does not have a corporate structure of LMCs, is now under the PAMC. They are there to plan the use of the lands. It made no difference to our budget—not one iota, as I understand it. I will refer that to the Treasurer to make sure, but it is my understanding that it has no budget impact whatever, and will not in the future.

Mr HAMILTON-SMITH: On the same budget line, will the PAMC retain any or all of the proceeds from the land sales or will profits be returned to LMC?

The Hon. P.F. CONLON: How the PAMC deals with any proceeds is a matter between the Treasurer and the

PAMC. It is no longer a matter of any interest or control in my portfolio areas. You should have asked the Treasurer. If you like, I can find out a bit. As I say, I strongly suspect that there will not be a hard and fast policy. We will respond to circumstances as they develop. It is the sensible thing to do.

Mr HAMILTON-SMITH: I refer to Budget Paper 3, page 6.4. What are the total proceeds or dividends to government so far from the link to the Port Waterfront Development Project? What financial benefit does the state government intend to make throughout the remaining life of the project?

The Hon. P.F. CONLON: I will check that for you. I do not think it is substantial at this point. Our revenues will increase later in the project, not earlier. There is \$4.5 million from the sale of Precinct 1. In terms of this project, I point out that whilst the winning bid for Newport Quays was let by this government, the process was actually commenced under the previous government. It was a half completed tender process that we inherited. According to our obligations, we had to judge the tender upon the process set by the previous government. Just in case you are concerned about that aspect of it, it is very much the case that whilst the winning bidder was selected by this government it was under processes commenced under the criteria established by the previous government.

Mr HAMILTON-SMITH: I refer to Budget Paper 3, page 6.6. What is LMC's involvement in plans to relocate the South Australian Film Corporation and elements of Transport SA to the CBD? What process will be used to identify and obtain a suitable location? Has a particular location already been identified? What budget provision has been made to purchase the land, construction sites and buildings?

The Hon. P.F. CONLON: We have a very limited role. I think DTED is taking the lead on the relocation. Our role is to assist them in finding a site, and I do not believe anything is finalised in that regard at present. We can get a report from DTED for you, but we are simply an agent.

Mr HAMILTON-SMITH: I have a supplementary question. Although Transport SA is moving and the South Australian Film Corporation is coming into some sort of—

The Hon. P.F. CONLON: They are not the same thing. The film corporation will not be on the same site as Transport SA. It is not the same thing at all.

Mr HAMILTON-SMITH: So they will be separately located.

The Hon. P.F. CONLON: The things that one would require for a good site for transport may be different from the things one would require for a good site for the Film Corporation. I imagine the Film Corporation—and it is not my area—would want to be in that university/cafe area. We are talking about arty types. They want somewhere to get a cup of coffee. The transport types keep working in their office with a Nescafe.

Mr HAMILTON-SMITH: Is the Balfours site one of the preferred locations?

The Hon. P.F. CONLON: There is no preferred location for either project, as I understand it. In fact, we still have not gone out to expressions of interest on the transport project. My very strong view on these matters is that we should go and see what the market can do for us without trying to pick something in advance.

Mr HAMILTON-SMITH: Will there be a full tender process?

The Hon. P.F. CONLON: The first stage will be an expression of interest to see what is out there. At the end of the day we will have to abide by the rigorous processes that are imposed by the Auditor-General on dealing with large government contracts. That is what we will be doing. In terms of transport, we are talking about something that is several years out. I cannot answer for the Film Corporation. I think that is something that has a more pressing timetable.

Mr PENGILLY: I refer to Budget Paper 3, page 6.6. Who will own all the land at Marina Adelaide, and what leasing or sale arrangements are connected to the project?

The Hon. P.F. CONLON: It is our land at present. The intention is to sell a 75-year lease to a single operator-owner. Obviously, some conditions are to be met. The sailing club is to be relocated and it will have its rights there, but it is considered to be a viable commercial enterprise for a buyer. We will sell a 75-year lease and ultimately the land will return to the state at an appropriate time while giving sufficient time for a good investment for whomever wants it. We are in the process and we will reveal more later.

Mr PENGILLY: Acknowledging the minister's great love of boats, at the time of construction of the \$21.6 million Marina Adelaide development at Largs North, how many yachts of reasonable size are planned for relocation from elsewhere to the new berths?

The Hon. P.F. CONLON: Those from Port Adelaide Sailing Club, and they have about 40. There is provision for 200 berths. The appetite for marinas is very high, and we believe that the appetite for those berths will be the subject of a business case for the person who wants to buy the 75-year lease. However, we believe the appetite will be strong.

Mr VENNING: I refer to Budget Paper 3, page 6.6. What is the total spending to date on the Thebarton bioscience precinct, how much remains to be spent, and what will be the final cost of the development?

The Hon. P.F. CONLON: In rough terms I think we have spent \$200 000 on investigations so far, and there is \$12 million to be spent on construction.

Mr VENNING: Again I refer to Budget Paper 3, page 6.6, and the Adelaide Entertainment Centre. What plans does the government have to sell the land at the Adelaide Entertainment Centre site, and why is LMC involved in providing advice and management of the public registration of interest process linked to the site?

The Hon. P.F. CONLON: I think the question should more appropriately be addressed to the Hon. Jane Lomax-Smith as Minister for Tourism. The LMC gives advice to the entertainment centre on things around land tenure, planning and subdivision—those sorts of things. Ultimately, all they do is give advice as an agent, and the decision on that site is for the entertainment centre. As usual we are just helping out our friends.

Mr VENNING: In relation to the sale of SA Water land at Mannum, did the LMC have conveyance of that land? This is a large piece of land in the town of Mannum, and I believe it has been sold recently. If it was not the LMC who was it?

The Hon. P.F. CONLON: Do you know when it was?

Mr VENNING: It was six to 12 months ago, where the pumping station is.

The Hon. P.F. CONLON: It was not us. Under the revised circular 114 the LMC would do it, but they were not doing it then. It was probably the Department for Environment and Heritage.

Mr VENNING: I was amazed because it was not offered to local government either, which I thought they would have to do.

The Hon. P.F. CONLON: I think that is all the more reason why the new processes are better. I do not know the land in question.

Mr VENNING: It is a big piece of land. The Lutherans wanted it for a retirement village and it would be brilliant for that, but they never got the opportunity.

Mr HAMILTON-SMITH: I refer to Budget Paper 3, page 6.6. What is the process of due diligence for the purchase of the former Castalloy premises at North Plympton for subsequent leasing to Harley-Davidson? How much has been spent so far and what will be the total cost of the development?

The Hon. P.F. CONLON: I am advised that DTED undertook all the due diligence, so you would need to address that question to them.

Mr HAMILTON-SMITH: Moving on to Budget Paper 3, page 6.6, I notice that on its web site the LMC talks about providing assistance to DTED with site identification for a number of significant economic development initiatives. What projects or locations and initiatives for land are being examined at present?

The Hon. P.F. CONLON: With respect to the film corporation mentioned earlier, the only two we can remember—and we will bring back a more accurate answer—are Edinburgh Parks and the Castalloy site.

Mr PENGILLY: I refer to Budget Paper 3, page 6.6. What is the minister's view on the urban growth boundary? Should it be abandoned and how would LMC's activities and landholdings be affected if the boundary was removed?

The Hon. P.F. CONLON: I can give only a personal opinion, because it is the responsibility of the planning minister. My view is that the urban growth boundary is a very important thing. It is a very important guide for development in the future. We mentioned before how things can change dramatically. There may be arguments for changes to it. I think those arguments must be very well made before such a change is made, because I believe that it does serve a very important purpose. I hasten to point out that I have given you my views. Probably more appropriately, my views are not nearly as important as the views of the Minister for Urban Development and Planning.

Mr HAMILTON-SMITH: I refer to Budget Paper 3, page 6.6. Has the government, over the past few years, been through a process of in-sourcing from the private sector any activities linked to the management of government-owned property, for example, management of rental properties on government-owned land? Which projects have been in-sourced and what savings are linked to the cancellation of arrangements with the private sector? Has it been necessary for LMC or anyone else to hire additional staff to manage the changed arrangements?

The Hon. P.F. CONLON: I do not know. I cannot answer for other areas that might rent property. I know that the Department for Transport rents some properties; it is a significant landlord. I do not understand that anything in-sourced has been transferred to the LMC which, in fact, sub-contracts its management, anyway.

Mr HAMILTON-SMITH: I understand that you occupy some Transport SA land for future purposes. It has some rental properties or premises on it.

The Hon. P.F. CONLON: In fact, we have had some of those rental properties for years.

Mr HAMILTON-SMITH: Has the management of that property changed from the private sector to the department sometime recently?

The Hon. P.F. CONLON: No, certainly not with the LMC. Jim Hallion has gone. I do not think so. We have talked about the LMC being more involved in land management advice to the department because of its expertise and because they are all within the same area, but I am not aware of any changes in that regard. I will take that on notice. I do not think there is. However, I will take it on notice and I will get Mr Hallion to let you know if there is. It is more appropriately a transport question.

Mr HAMILTON-SMITH: I refer to Budget Paper 3, page 6.6. What plans does the government have for LMC's substantial landholdings at Gillman? What is the value of the land and when will it be sold or utilised?

The Hon. P.F. CONLON: Well, that is a big question. Some of it is planned to be utilised quickly. We have got

some ongoing smallish subdivisions and a couple of business developments. Off the top of my head, I know that I have been involved with Alan Scott on one. We are in the process of master planning and, in fact, we hope to be finished by the end of the year. We may well have a master plan for you to look at next year for the site and then get on with it. We are talking about a big swag of land.

The CHAIR: The agreed time for completion of the examination of this line has arrived. I declare the examination of the proposed payment of Administered Items for the Department of Treasury and Finance adjourned to 24 October. Thank you, advisers, thank you *Hansard* and thank you all staff. It has been a very long day.

ADJOURNMENT

At 10.30 p.m. the committee adjourned until Thursday 19 October at 11 a.m.