

**HOUSE OF ASSEMBLY**  
**Thursday, 27 July 2017**  
**ESTIMATES COMMITTEE A**

**Chair:**

Ms F.E. Bedford

**Members:**

Hon. J.M. Rankine

Mr T.S. Bell

Ms A.F.C. Digance

Mr S.P. Griffiths

Mr E.J. Hughes

Mr D.G. Pisoni

*The committee met at 09:00*

*Estimates Vote*

**DEPARTMENT OF PLANNING, TRANSPORT AND INFRASTRUCTURE, \$860,537,000**  
**ADMINISTERED ITEMS FOR THE DEPARTMENT OF PLANNING, TRANSPORT AND**  
**INFRASTRUCTURE, \$9,208,000**

**Minister:**

Hon. S.C. Mullighan, Minister for Transport and Infrastructure, Minister for Housing and Urban Development.

**Departmental Advisers:**

Mr M. Deegan, Chief Executive Officer, Department of Planning, Transport and Infrastructure.

Mr P. Gelston, Chief Operating Officer, Department of Planning, Transport and Infrastructure.

Ms J. Tepohe, Chief Corporate Officer, Department of Planning, Transport and Infrastructure.

Mr B. Seidel, Chief Finance Officer, Department of Planning, Transport and Infrastructure.

Mr A. Excell, Director, Portfolio Management Office, Department of Planning, Transport and Infrastructure.

**The CHAIR:** Good morning, everybody. Thank you for attending and welcome as we gather on Kaurna land for Estimates Committee A, which is a relatively informal procedure and, as such, there is no need to stand to ask or answer questions. I understand that the minister and the lead speaker for the opposition have agreed to an approximate time for the consideration of proposed payments, which will facilitate a change of departmental advisers. Can the minister and lead speaker for the opposition confirm that the timetable for today's proceedings as previously distributed is accurate?

**The Hon. S.C. MULLIGHAN:** Yes, I believe so.

**Mr PISONI:** Yes.

**The CHAIR:** You accept the timetable. Changes to committee membership will be notified as they occur. Members should ensure 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 27 October 2017. This year, estimates committee responses will be published during the 14 November sitting week in corrected *Daily Hansard* over a three-day period.

I propose to allow both the minister and the lead speaker for the opposition to make opening statements of about 10 minutes each, should they so wish. 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 ask a question at the discretion of the Chair. Questions must be based on lines of expenditure in the budget papers and must be identifiable or referenced at the beginning of each question. Members unable to complete their questions during the proceedings may submit them as questions on notice for inclusion in the 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.

During the committee's examinations, television cameras will be permitted to film from the northern and southern galleries. We ask everyone to have their phone switched to silent, if they could. I declare the proposed payments open for examination and refer members to the Agency Statements in Volume 3. I call on the minister to make a statement, if he wishes, and to introduce his advisers.

**The Hon. S.C. MULLIGHAN:** I will not be making a statement, but I can introduce Michael Deegan as the Chief Executive Officer of the department. Paul Gelston, to my left, is the Chief Operating Officer, Julianne Tepohe is the Chief Finance Officer, and Andy Excell and Ben Seidel are behind me.

**The CHAIR:** Member for Unley, are you going to make a statement, or do you just want to go straight to questions?

**Mr PISONI:** I will go straight to questions. My first question, minister, refers to Budget Paper 4, Volume 3, page 76, program 6. We have seen an increase of about 50 per cent in the estimated net cost of services for this program. This is Infrastructure Planning and Management. Are you able to provide the committee with some information about the increase above budget of that line and also what projects the department has been working on in that area?

**The Hon. S.C. MULLIGHAN:** This is between the 2016-17 budgeted figure and the 2016-17 estimated result figure?

**Mr PISONI:** That is correct, yes.

**The Hon. S.C. MULLIGHAN:** I direct your attention to page 94, where program 6 that you mentioned is outlined in greater detail in the table. You will notice a significant drop in the other income line at the bottom of the table on page 94, and that relates to a drop in income receipts for the Festival Plaza project. That is a timing change where the budgeted income for 2016-17 was not realised, and I understand it is to be paid in a later year.

**Mr PISONI:** Minister, this refers to cost. There has been an increase in costs, not income.

**The Hon. S.C. MULLIGHAN:** That is a net cost of services line that is provided in the table you referenced on page 76. If you turn to page 94, that is broken down in further detail in a table outlined on that page. You will see in the second to last line of the table I refer to on page 94 that net cost of providing services number, where you have the difference in the estimated result between 2016-17 budget and 2016-17 estimated result. In the fourth to bottom line of that table is the other

income line, and you will see the fluctuation between the two budgeted figures: the budget figure of \$35.8 million and the estimated result of \$9.5 million.

What I am advised is that the timing of a payment for the Festival Plaza project has impacted that number, caused the significant reduction and makes up the bulk of that difference between the \$53 million and the \$80 million figure. I am just trying to ascertain the rationale behind the difference in the timing of that payment. I will have to come back to the committee and provide further information.

**Mr GRIFFITHS:** Chair, can I just seek clarification on that. I respect the minister's answer, but in noting that revenue line (and the significant difference is about \$26 million in round figures) other income for the 2017-18 year is only \$8 million. If there has been a timing issue in relation to the payment for that, why is it not shown as an income stream for the 2017-18 year?

**The Hon. S.C. MULLIGHAN:** I am trying to ascertain if it is due in a later year than 2017-18, if it is going to materialise in 2018-19. I am just trying to get some information on that.

**Mr PISONI:** Are we waiting for that to come?

**The Hon. S.C. MULLIGHAN:** It might just take us a little while, so perhaps we can come back to it.

**Mr PISONI:** Will you actually be able to advise us whether it is in the four-year forward estimates?

**The Hon. S.C. MULLIGHAN:** Yes, we are chasing that down.

**Mr PISONI:** While we are waiting on that, if I can refer you to Budget Paper 4, Volume 3, pages 78 and 79, and the table there. Of the \$67.5 million budgeted for improving critical road infrastructure in 2017-18, has this full value been dedicated to particular projects, or does it include money that has been prioritised rather than allocated?

**The Hon. S.C. MULLIGHAN:** Could you perhaps better focus my attention on which page, member for Unley?

**Mr PISONI:** Page 78.

**The Hon. S.C. MULLIGHAN:** Your question is basically: where is that being spent?

**Mr PISONI:** The question is: has the full value been dedicated to particular projects and, if so, what are they? Or does it include money that has been provisioned rather than allocated?

**The Hon. S.C. MULLIGHAN:** I am advised that in 2017-18 that is to fund 67 lane kilometres of resurfacing works and 190 kilometres of rural roadside shoulder resheeting works. Twenty-nine kilometres of the road maintenance or road resurfacing are being done in urban areas and 38 kilometres are being done in rural areas. Key highlights include resurfacing the Barrier Highway west of Manna Hill and shoulder resheeting of the Horrocks Highway near Yacka.

There is also an allocation of \$2.5 million to be spent on the last part, I think it would be, of the River Murray ferry replacement program to replace the last of the timber-hulled ferries with steel-hulled ferries. I do not have further detail than that in the briefings that I have here, but I can see if we have more detailed allocations for the projects for the current financial year.

**Mr PISONI:** What is the budgeted spend on improving critical road infrastructure for each of the years in the forward estimates?

**The Hon. S.C. MULLIGHAN:** I might have to come back to you because I think we only have briefing material for the 2017-18 budget year on that, but I think in total our road maintenance and road improvement spend lifts from \$126 million to \$136 million from 2016-17 to 2018-19. Within that figure, there is also \$27.5 million included as a contribution to the Upper Yorke Peninsula works for critical road maintenance.

**Mr GRIFFITHS:** Hear, hear!

**The Hon. S.C. MULLIGHAN:** Indeed. Strong advocacy.

**Mr GRIFFITHS:** Thank you, minister.

**The Hon. S.C. MULLIGHAN:** Member for Unley, I will have to come back to the committee with any further detail for the out years. I should also say that it is a program that has been supplemented since the 2015-16 financial year with an additional \$70 million over four years to boost the critical road maintenance spending that we put in in both regional and urban roads in South Australia.

**The CHAIR:** Before I go back to the member for Unley, the member for Wright has indicated she has a question.

**The Hon. J.M. RANKINE:** When your department prioritises the road infrastructure spend, is consideration given—

**Mr PISONI:** Chair, can we have a page number?

**The CHAIR:** I am sure that it is the same line as you were on.

**The Hon. J.M. RANKINE:** Exactly the same line. I am talking about the same budget line that you are questioning. Does the department take into consideration fire danger around those particular roads? A road might need an upgrade, but would the necessity of a community to use a road for fire evacuation be taken into consideration?

**The Hon. S.C. MULLIGHAN:** Specifically, I think the answer would be no. I think we have been at pains as a government, particularly over the last six or seven years, to get the message out to the community, particularly members of the community who live in high fire danger areas, that they should not be relying on any transport network, let alone a road network, as a means of escaping imminent fire danger, that they should prepare and make a decision much earlier than that is likely to be. Instead, the considerations are mainly about road condition and making sure that the road condition is improved so that it can be used at all times, day or night, and in all conditions.

It has been a particular focus of discussion in the meetings I have had—for example, up around Blackwood where the member for Waite has strongly argued in favour of improving projects like the Blackwood roundabout. When I went and met with that community at a meeting that he organised a couple of weeks ago—

**Mr BELL:** It is not his electorate.

**The Hon. S.C. MULLIGHAN:** —no, but it will be—we made that same point, that people have to prepare early and make a decision much earlier than if they felt they had to flee within a matter of minutes or a small number of hours from what they believed was an imminent threat from bushfire.

**Mr GRIFFITHS:** Minister, this question is on Budget Paper 3, page 109, at about the middle of the page. I will read out one particular sentence:

The government continues its commitment to investing in regional infrastructure with expenditure on projects either underway or commencing in 2017-18 totalling over \$1.1 billion.

As a proud regional member, I take great interest in that. I am wondering whether the minister can outline what makes up that \$1.1 billion.

**The Hon. S.C. MULLIGHAN:** I mentioned before that between 2016-17 and 2017-18 our critical road maintenance spend in one year was increasing from \$126 million to \$136 million. Off the top of my head, I think that the amount that we will spend on critical road maintenance and general road improvements will be in the order of \$530 million over four years. We spend approximately 60 or 65 per cent of that in regional areas, so certainly in terms of general road upgrades I think that you could allocate in the order of, give or take, \$300 million out of that \$1.1 billion.

There is also the major APY lands main access road upgrade, which is underway at the moment. That is a \$102 million upgrade project. I think that the project that we are funding at the top of Yorke Peninsula, a road package including a series of highway upgrades and also the change to the intersection of the Yorke and the Copper Coast highways, is approximately—

**Mr GRIFFITHS:** It is \$36 million.

**The Hon. S.C. MULLIGHAN:** I was going to say \$40 million, but it sounds like you are a little more focused in on the particular number than me. I am just looking for some of the other projects.

**Mr GRIFFITHS:** Absolutely, but even on generous rounding up we are up to about \$500 million or so.

**The Hon. S.C. MULLIGHAN:** I have just recalled those off the top of my head. Let me delve into the papers and dig out some more detail.

**Mr GRIFFITHS:** Minister, as it is from a separate budget paper you could assume that it is an accumulation of a lot of different things, even though it refers to infrastructure. That is why the question was asked. I am happy if you are prepared to provide a response after this that goes into some detail.

**The Hon. S.C. MULLIGHAN:** That is not a problem. I should also mention that beyond the matters I have raised, those matters of perhaps immediate concern to me as transport minister, there are likely to be infrastructure projects that other agencies, and hence other ministers, are superintending outside the transport and transport-related portfolios.

**Mr GRIFFITHS:** In seeking that information to be provided later, I wonder whether you can also comment on what you define as 'regional'. There is a variety of different descriptions used when I consider that. From a transport and infrastructure perspective, how is it determined between metropolitan and regional when it comes to dollar spend?

**The Hon. S.C. MULLIGHAN:** Yes, that is a good question. My understanding is that for various classifications of roads and transport services we have a boundary around the greater metropolitan area. Perhaps what I can do is seek to give you some clarity of that boundary and whether it is consistent with the definition that has been included by Treasury in these budget papers.

**Mr PISONI:** I refer to Budget Paper 5, page 57, the community infrastructure fund. Are you able to explain to the committee what the guidelines are for the community infrastructure fund?

**The Hon. S.C. MULLIGHAN:** Are you talking about the community wastewater management systems funding agreement line on page 57?

**Mr PISONI:** No, I am talking about—

**The Hon. S.C. MULLIGHAN:** The Fund My Neighbourhood?

**Mr PISONI:** Yes.

**The Hon. S.C. MULLIGHAN:** My understanding is that they are being developed by the Department of the Premier and Cabinet. I can either seek that information and provide that to you or I can ask the Premier and his department to provide that information to you.

**Mr PISONI:** You are not able to advise the committee today on what types of projects would be eligible for funding?

**The Hon. S.C. MULLIGHAN:** They will be neighbourhood projects, but the actual criteria for grant applications to be successful I will have to seek from the department managing them.

**Mr PISONI:** Will they include things like repairs and maintenance to existing neighbourhood infrastructure?

**The Hon. S.C. MULLIGHAN:** Until I can confirm the strictures of it, I guess anything is possible.

**Mr PISONI:** What steps will the government take to ensure the funding is accessible and fairly distributed to communities throughout the state?

**The Hon. S.C. MULLIGHAN:** It would be consistent with our approach to disbursing funds across the state normally, I would imagine, being fair and equitable.

**Mr PISONI:** What, marginal seats?

**The Hon. S.C. MULLIGHAN:** Are you worried about your seat missing out, are you?

**Mr PISONI:** I would certainly like to see some spent in my seat, that is for sure. Perhaps I will run a very low-key campaign and attract some interest.

**The Hon. S.C. MULLIGHAN:** Well, you could, or you could celebrate the upgrades that have been ongoing in your electorate for some time.

**Mr PISONI:** Who would be eligible to nominate for a project? Will it be individuals, associations, businesses, local councils, members of parliament?

**The Hon. S.C. MULLIGHAN:** I think you are getting the flavour from me that the guidelines, the criteria and the assessments are being developed by an agency other than the one I am responsible for. I am happy to take that on notice and come back to you with all that detail once I am able to get it from the Department of the Premier and Cabinet.

**Mr PISONI:** Which department will be assessing the applications?

**The Hon. S.C. MULLIGHAN:** I am to be advised. I assume that we will have a role in it, particularly given the predilection of many communities to ask for sporting-related infrastructure, for example. There is likely to be some involvement from the Office for Recreation and Sport, but beyond that I cannot say with any specificity.

**Mr PISONI:** If it is a Treasury matter, why is it in the DPTI budget papers?

**The Hon. S.C. MULLIGHAN:** I think I said it was a Premier and Cabinet matter.

**Mr PISONI:** Sorry, it is a Premier and Cabinet matter. Why is it not in Premier and Cabinet budget papers? Why is it in yours?

**The Hon. S.C. MULLIGHAN:** I would have to ask the Under Treasurer and come back. I did not draft the budget papers.

**Mr PISONI:** So we do not know that either. We are not quite sure who will be administering the fund. Do we know who will be administering the fund? You said the Department of the Premier and Cabinet are setting it up. Who will be administering it?

**The Hon. S.C. MULLIGHAN:** That will be the level of detail that I would expect to be provided by DPC. I suspect they would be guided by what sorts of grants and what sorts of contributions to different types of neighbourhood and community infrastructure are likely to come of it, and they are likely to seek involvement or superintendence from those directly related agencies. I am speculating because, again, I did not draft the budget papers, but one reason that jumps to my mind that may well be the case is that, as I said, communities are often keen to see improvements in sporting infrastructure. DPTI is the home for the Office for Rec and Sport, and so perhaps that is why it has been allocated here.

My understanding is that the Department of the Premier and Cabinet is drafting those guidelines. That will include not only who may well be eligible—the size of the project that might qualify, for example, in terms of funding, how applications could be made, how they are to be assessed—but also who will particularly disburse the funds. Given that it is located in this section of the Budget Measures Statement, I am guessing that we may be partly or solely responsible for the disbursement of the funds.

In doing that, if it is done on a grant basis, we would have to be responsible for the development of the appropriate grant agreements, which is usually what happens when we make these sorts of grants available to councils or community organisations—all those sorts of things—to give some confidence both to the agency and to people who look over the activities of an agency, such as the Auditor-General, the government. The taxpayer can then be sure that these funds are being used for the purpose for which they have been provided, which is usually the principal concern.

**Mr PISONI:** The Treasurer's speech states:

Projects could be as diverse as a new bus stop, an upgrade of a park, better local lighting, roundabouts or new playgrounds.

What involvement has your department had in drawing up the guidelines? Many of those things are your responsibility as Minister for Transport and Infrastructure.

**The Hon. S.C. MULLIGHAN:** Could you read that list again.

**Mr PISONI:** The Treasurer said in his speech that things such as a new bus stop, better lighting, roundabouts, for example, are projects that can be funded under this program.

**The Hon. S.C. MULLIGHAN:** I would say that of those examples given by you just then, and also the slightly lengthy list you gave before, they are almost exclusively the responsibility of local councils.

**Mr PISONI:** How will this program monitor the cost shifting from local government to state government?

**The Hon. S.C. MULLIGHAN:** In fact, it would be the inverse, would it not, because we would be providing them money so that they can—

**Mr PISONI:** That is what I am saying: cost shifting from local government to state government.

**The Hon. S.C. MULLIGHAN:** Rather than trying to portray people in local councils as egregious rent seekers, we would see this as being a worthy contribution to local communities so that people living in those communities can enjoy the fruits of better infrastructure and services. I do not know if I would agree with your characterisation of this as cost shifting.

We would see this as a welcome contribution to those communities that may not have the financial wherewithal to provide these sorts of facilities to their community. As I explained in my earlier answer, the way in which we would usually go about providing these sorts of sums is that, after providing the criteria to give people some understanding of what may be eligible and what may not be eligible and going through the assessment, once the funds are provided there is usually a grant agreement provided to councils or community organisations so that they, in receipt of those funds, agree to spend those funds on what they have actually applied for and they do not use those funds for another purpose.

**Mr PISONI:** Will local councils be consulted?

**The Hon. S.C. MULLIGHAN:** Yes, that would be my understanding, yes.

**Mr PISONI:** Before decisions are made?

**The Hon. S.C. MULLIGHAN:** The decision has been made to provide \$40 million.

**Mr PISONI:** I am talking about on projects.

**The Hon. S.C. MULLIGHAN:** If a council has put in an application, or if an application has been made to improve council infrastructure—

**Mr PISONI:** At what point does the council get involved in that?

**The Hon. S.C. MULLIGHAN:** That will depend on the nature of the application. It may be a council that makes the application, so of course they would be heavily involved. It might be improper or impractical to consult with the grant applicant about whether they should be given the grant because that of course would put them in the position of potentially making the decision to disburse those funds. The level of consultation will be dependent on the nature of the application and making sure that those people who are meeting the criteria have the same sort of run of winning funding for the particular project or item that they have sought funding for.

**Mr PISONI:** Is it expected that grants will cover the total cost of the project, or will grants also be granted with the expectation of money coming from elsewhere?

**The Hon. S.C. MULLIGHAN:** I think that would be part of the criteria that will be developed by the Department of the Premier and Cabinet.

**Mr PISONI:** You could then have a situation where some community members have advocated for a roundabout and the grant body that administers this—although we do not know who that is yet—decides that it is going to grant 50 per cent of the costs of that providing the council grants 50 per cent. Could councils be placed in that position? Is that what this grant will be able to do?

**The Hon. S.C. MULLIGHAN:** It will depend on the criteria and whether there are—

**Mr PISONI:** But you are not ruling that out? That could happen?

**The Hon. S.C. MULLIGHAN:** As I said earlier, until we see the criteria, literally anything is possible, isn't it?

**Mr PISONI:** What about the due diligence in the vetting of applicants and the projects that will take place to ensure that project costs and benefits have been accurately estimated? How will that occur?

**The Hon. S.C. MULLIGHAN:** To some extent, using the example of councils, vetting their operations and their personnel might be perhaps somewhat in excess of what might be reasonable in disbursing these funds. As a state, we perhaps would be entitled to believe or understand that councils are reasonable corporate citizens to be able to be in receipt of this sort of grant funding and that, if they provide a cost estimate, for example, let alone an estimate about delivery of whatever the improvement or the upgrade is, that would be a reasonable estimate. But I am wondering whether your question is more directed at community organisations and suchlike in terms of—

**Mr PISONI:** So you are going to be accepting something that is brought forward to you as a costing without any due diligence? Is that what you are saying if you are pushing it back onto the organisation who applies for the grant? Are you just going to take their back-of-the-envelope estimates as the grant figure, or are you going through due diligence? If they have told you that a playground is going to cost \$80,000, how is that going to be confirmed?

**The Hon. S.C. MULLIGHAN:** Usually, you would ask them for a substantiation of that cost. When councils put up infrastructure for these sorts of programs, as they have done over the years from time to time, usually they would go and get a quote for the works so that there is some sort of understanding of whether those works can be delivered within the funding sought, or whatever the funding arrangement is if it is a partial funding arrangement. It might assist me if you were a bit more specific with your questioning. Are you concerned about whether the project is vetted or whether the individuals or the organisations who are putting up the projects need to be vetted?

**Mr PISONI:** It is the entire vetting process really. I am asking what process is in place to ensure that the applicants qualify. We do not know what the qualification requirements are yet, whether the project itself qualifies or whether the costings are genuine. Does the organisation that applies have to be incorporated, for example? Can an individual simply put something forward with community support and then where does the money go if the organisation is not incorporated?

**The Hon. S.C. MULLIGHAN:** They are all legitimate concerns. Making sure that taxpayers' money is spent appropriately and making sure that we manage this grant program in the same way that we manage other government grant programs where we have sufficient rigour in it will be necessary. But I think it is also reasonable to say that if, for example, there is a pocket park proposal or a roundabout proposal, let's say in your electorate of Unley, and it is put up by the council if they should be eligible for this program, I do not think it is reasonable that we have to conduct due diligence over the senior officers of the council or that mayor, unless of course you think that is necessary.

**Mr PISONI:** How much of the \$40 million will go towards the administration of this fund?

**The Hon. S.C. MULLIGHAN:** It would depend on what the administrative arrangements are and who will superintend them but, given the fact that there are already across a number of agencies grant management processes and people who are responsible for those processes in place, I cannot imagine it would be a significant additional burden or that there would need to be a significant contribution.

**Mr PISONI:** You would be using existing grant management processes for assessing these, or will you be bringing in new ones?

**The Hon. S.C. MULLIGHAN:** No, I was illustrating that, given we already have those, that will likely enable us to defray what would otherwise be administrative costs of this scheme.

**Mr PISONI:** Who will be responsible for managing the delivery of construction of the infrastructure projects and who will own the newly created assets?



**The Hon. S.C. MULLIGHAN:** That will all depend on what the project is, how it is funded, and that will relate specifically to the details of the application. If we were providing funding—again, to use your example of bus stops, roundabouts and lighting upgrades in a local community—then it is likely that I cannot comment on the particular case, obviously because we do not have a specific one to assess. But it is likely that if we were upgrading or providing council infrastructure that they would manage it and probably own it.

**The CHAIR:** Before we continue, I draw members' attention to the fact that it is beyond 9.30am. Are you happy to continue on planning and management and not move to roads?

**The Hon. S.C. MULLIGHAN:** Whatever you like, yes.

**The CHAIR:** Everyone is okay with that.

**Mr PISONI:** Thank you, Madam Chair, for your guidance. What about the ongoing operation of any assets that are provided under this program? Will the grants from this program be able to cover those?

**The Hon. S.C. MULLIGHAN:** Again, it would depend on what the grant is being provided for. If it is for an asset, or if it is for a piece of infrastructure that requires maintenance, or if it requires management on the recipient's balance sheet, then that would be a matter that the applicant would have to consider in making or supporting the application. If it is for a net bag full of footballs for a football club, then probably not.

**Mr PISONI:** You are suggesting that sporting equipment would be eligible under the grant program.

**The Hon. S.C. MULLIGHAN:** It may well be because, as we have previously ascertained, anything is possible at this point.

**Mr PISONI:** The Treasury refers to better local lighting, new playgrounds. Will schools be able to apply under this program for such projects?

**The Hon. S.C. MULLIGHAN:** That would be another detail that I would seek from the department that is putting the criteria together.

**Mr PISONI:** What about non-government schools?

**The Hon. S.C. MULLIGHAN:** Again, that would have to be detail that I seek from the department that is putting the criteria together.

**Mr PISONI:** So we do not know.

**The Hon. S.C. MULLIGHAN:** No. You could list through every different manifestation of community organisation you could think of and you will get the same answer from me because I do not have the detail in front of me.

**Mr PISONI:** What level of consultation has the Department of the Premier and Cabinet had with your department about how this might work?

**The Hon. S.C. MULLIGHAN:** At this point, I am advised not much because they are still determining the criteria. I would imagine that beyond the criteria, those sorts of matters of superintendence and administration would require further and deeper consultation with whichever agencies are going to be responsible for the disbursement of these funds.

**Mr PISONI:** When will applications be available?

**The Hon. S.C. MULLIGHAN:** My understanding is that that is to be advised once the processes we have just been talking about—the settling of the criteria, the application process, etc.—are determined.

**Mr PISONI:** Obviously this financial year, because you are expecting to spend \$20 million in this financial year; is that correct?

**The Hon. S.C. MULLIGHAN:** Yes.

**Mr PISONI:** How long is it anticipated that a grant will take to process?

**The Hon. S.C. MULLIGHAN:** You are asking me questions that I am not in a position to answer. We have not ascertained whether I will be a minister who has oversight or superintendence of this program. We have ascertained that an organisation other than the one I am responsible to this parliament for is developing the criteria. We have not been able to determine from me what those criteria are because they are being developed by other people. I am happy to progress with this, but I have a pretty expansive range of portfolio arrangements and you are hammering down on something in my agency that I may not have any responsibility for whatsoever.

**Mr PISONI:** What about your existing grants? How long do they take to administer from when the—

**The Hon. S.C. MULLIGHAN:** That is an excellent question. The two main ones would be the grants administered by the Office for Recreation and Sport, so I can ask minister Bignell about that. The other major grant line would also be the Planning and Development Fund open space grants, and I can ask minister Rau, the Attorney-General, about that one.

**Mr PISONI:** The other grants, the DPTI community grants, how long do they take to process after they have been received? What is the balance of that account?

**The Hon. S.C. MULLIGHAN:** The DPTI community grants?

**Mr PISONI:** Yes.

**The Hon. S.C. MULLIGHAN:** Which page are we looking at?

**Mr PISONI:** This question follows on from our questioning about the community grants.

**The Hon. S.C. MULLIGHAN:** Yes.

**Mr PISONI:** We can simply go to expenses, supply of grants and subsidies, on page 94, the DPTI Community Grants. How long do they take from application to notification of whether or not you are successful? What is the balance of that as at the end of the financial year?

**The Hon. S.C. MULLIGHAN:** I am looking at page 94, member for Unley. I can see the third to last dot point there is a once-off grant to the City of Mount Gambier towards Mount Gambier Airport upgrade in 2017-18. There is the grant to the Kangaroo Island Council for the redevelopment of the Kangaroo Island airport in 2016-17. There are one-off payments, including Mount Barker and Virginia Grove urban developments and the remote—

**Mr PISONI:** They are under the DPTI Community Grants program, are they?

**The Hon. S.C. MULLIGHAN:** No, I am just looking at—

**Mr PISONI:** I am specifically asking about the Community Grants program.

**The Hon. S.C. MULLIGHAN:** I am looking at page 94, grants and subsidies line, under the expenses of \$14.5 million in 2017-18 and the estimated result of \$17.17 million. This is the information I have in front of me. If you want a full reconciliation, I am happy to get that. I am not trying to be difficult. I am just saying that the major grant programs that I am responsible for are of the ilk I have just mentioned—those contributions to places like Mount Gambier and Kangaroo Island. If there are other grant programs, I will come back to the committee.

**Mr PISONI:** I will tell you what other grant programs you are responsible for. The State Bicycle Fund, could I have the balance of that fund as at the end of the financial year?

**The Hon. S.C. MULLIGHAN:** Yes.

**Mr PISONI:** And any forward allocated grants from that fund and also the processing time for that grant. Could I have the same information for the Rail Care Art Grants and the Residents Win program?

**The Hon. S.C. MULLIGHAN:** Sure.

**Mr PISONI:** I would like to take you now to the same budget page, 94. This is basically the description objective of the Department of Planning, Transport and Infrastructure. My understanding is you have had a role in the certification of work at the Royal Adelaide Hospital. My question relates

to a media report that the hospital was not electrically safe, as light poles on the exterior of the property were not compliant with Australian wiring regulations. Mike Smithson on 7News covered a story on this on 20 June. My understanding is that it was reported that the light poles were not protected with a safety switch as required under Australian Standards AS3000. Has that been confirmed to be the case and, if so, has it been rectified?

**The Hon. S.C. MULLIGHAN:** My understanding is that is the first I have heard of this matter. Minister Snelling, as Minister for Health, has responsibility for the new Royal Adelaide Hospital project, so I can seek some information from him about that matter, but I do not have anything—

**Mr PISONI:** Are you saying your department is playing no role whatsoever in the—

**The Hon. S.C. MULLIGHAN:** That is not what I said. My department plays a wideranging role across several portfolio areas as we have just discussed, including the disbursement of grants for rec and sport and planning. There is also support for the Minister for Aboriginal Affairs. There are some staff who have supported minister Snelling and the health department in the delivery of the new Royal Adelaide Hospital, but I do not have any information on those particular matters you asked me about because I am not responsible for the project. However—

**Mr PISONI:** So you are not responsible for those staff.

**The Hon. S.C. MULLIGHAN:** However, I am happy to provide information—

**Mr PISONI:** The Department of Planning, Transport and Infrastructure staff—

**The CHAIR:** Before we go any further, we have a tradition in here. We ask a question then we wait, and then we have the answer and then we wait. We cannot have people speaking over the top of each other because Hansard cannot hear you.

**Mr PISONI:** Thank you so much, ma'am.

**The CHAIR:** Let's have the answer before we have the next bit.

**The Hon. S.C. MULLIGHAN:** As I said, the new Royal Adelaide Hospital program is something that minister Snelling is responsible for. I seek some further details on that matter, but I do not believe it has ever been brought to my attention or that I have been asked to play any role in the management or resolution of that issue. I will check that, but I am pretty confident that that is the case. Let me see if there is anything else I can provide.

I am reminded that the project is a public-private partnership with a private sector builder, so if those matters that you raised are in fact liable to be managed or rectified, it would need to be done through the process and arrangements that the government has with that builder. My understanding is that is being managed by the Minister for Health as his piece of infrastructure that he is responsible for delivering.

**Mr PISONI:** Are you saying that your department has no role in any independent certification of the work?

**The Hon. S.C. MULLIGHAN:** My understanding is that there is an independent certifier, and my department has provided support and assistance to the health department over a couple of years in terms of resolving some of the issues that have arisen with the delivery of the hospital. But in terms of that particular matter, I am not sure that we have any information at hand. It is more likely that the information is available from the health department, but I am more than happy to take that on notice and see if I can get that information for you.

**Mr PISONI:** Did your department sign off on the work on the lighting before it was independently certified, and is your department now in negotiations with the builder for them to accept liability?

**The Hon. S.C. MULLIGHAN:** I do not have any of that information at hand. I will have to take that on notice.

**Mr PISONI:** Are you aware of any other outstanding defects that have not been resolved that your department is responsible for auditing with the independent accreditor?

**The Hon. S.C. MULLIGHAN:** As I said earlier, the department has provided some assistance to SA Health in managing the delivery of the building. I am aware that there have been—as we have all heard and read about, particularly over the last 18 months—some matters that had to be worked through with the builder and the delivery of the hospital as it was procured, but I have to seek some advice on those particular matters. Not being a project that I am responsible for managing, I have not brought any detail on it to the committee. I am happy to take it on notice and seek some information from the health department or the Minister for Health or, indeed, from my own department, if they have any further detail.

**Mr PISONI:** Has your department been made aware of the engagement of an external builder to perform major remedial works in the tech suites, otherwise known as the operating theatres?

**The Hon. S.C. MULLIGHAN:** Certainly, my department has been involved, working with SA Health, in order to manage all those issues that the government, at whichever particular time, was not happy with in terms of the building being delivered in the manner in which it was originally procured. As for that particular matter, I think I will have to take it on notice.

I am advised that there are obviously the building works that the private builder is responsible for, and there are also some works in the hospital precinct that SA Health is responsible for, but in terms of understanding what they are and whether they relate to the two particular matters that you have raised about lighting and about suites, I will have to get some better information for you.

**Mr PISONI:** So you are not aware whether your department has had any role to play in either of those two matters?

**The Hon. S.C. MULLIGHAN:** My department has certainly had a role to play in assisting SA Health with a very wide range of issues in the delivery of the hospital, and that has been underway for a couple of years. Whether it is related to these two particular issues, I will have to find out because I do not have that information at hand and I am not sure whether we are in a position to comment particularly accurately, given the dearth of information in front of us now.

**Mr GRIFFITHS:** Minister, can I go to marine facilities, which is in the next component. There are a few budget references that I am particularly interested in; one is in Budget Paper 5, page 58, where it talks about marine facilities improvements and the initiative providing \$9.34 million over two years. Budget Paper 4, Volume 3, pages 78 and 79, lists several areas in which you are doing it. I will put on the record that I am grateful for the decision made by you and minister Brock last year for funding to be available for the repair of jetties that were damaged in storms. That \$3.5 million was gratefully received.

I have had a significant interest in these sorts of facilities for some time and reflect upon the agreement reached in about 2000 by one of your predecessors, minister Laidlaw, regarding the transfer of marine facilities from state control to an arrangement where they were leased to and under the care and control of councils. I believe there were about 36 that were transferred some years ago.

In looking through this list that appears in the budget paper, in trying to identify inequity that exists, you list Henley Beach, Port Noarlunga, Semaphore and Port Bonython. My understanding is that Port Noarlunga jetty is actually part of a council arrangement. Can you outline the funding that is going to Port Noarlunga and why that is getting funds when potentially other jetties that need maintenance work or assistance with materials are not getting support, as I understand it?

**The Hon. S.C. MULLIGHAN:** That is a good question. There are two different streams of funding that have been made available for jetties. You mentioned the storm damage, which occurred last year to jetties and there was—

**Mr GRIFFITHS:** I had Port Victoria and Port Rickaby in the Yorke Peninsula area, but there were others also.

**The Hon. S.C. MULLIGHAN:** Yes, and Port Germein.

**Mr GRIFFITHS:** Port Germein, yes.

**The Hon. S.C. MULLIGHAN:** Let's say 10. It is not 10 but, give or take, it is close to 10 jetties around the state that needed significant repair work, and we provided the funding for that. My

understanding is that the arrangement that was struck—and I will take your word for it that it was in 2000, but it was certainly some time ago—was that the government divested jetties to the care and control of councils, which meant that they would have to look after just the regular maintenance of them, such as cleaning, taking away rubbish and all that sort of stuff.

However, if there was damage or some other similar issue that arose with the jetty, we would seek from the council that was managing that jetty for them to pay the first \$10,000 and then they would be able to make a submission to the government for us to pick up the remainder of the cost. That is a similar arrangement to what happened with the storm-damaged jetties. That was all those and that figure, which I do not have in front of me, was several million dollars.

That is quite different from what you pointed out on page 58 of Budget Paper 5, which is separate and additional funding for principally the Port Bonython jetty, which is a government-owned jetty that allows Santos and the Mitsubishi Corporation, I think, to both load and unload fuels from there. There are then contributions to Henley Beach, Port Noarlunga and Semaphore.

You asked particularly about Port Noarlunga. I think the contribution is \$258,000 at Port Noarlunga, which is a contribution towards approximately another \$80,000 that the council is putting in to replace the stairs at that jetty. These are the stairs that lead into the water for swimmers and divers in particular to be able to access that jetty and the reef beyond the end of the jetty. I think that was provided perhaps because of the importance of that facility, from the City of Onkaparinga's perspective, in attracting divers and swimmers to that area. I have certainly received a number of pieces of correspondence, particularly from the Mayor of the City of Onkaparinga, asking us to do that.

After the upgrade of the Largs Bay jetty in 2010, the Semaphore jetty in I think 2012 and the Grange jetty in 2014, perhaps the last remaining government-controlled jetty that needs to be fixed is the Henley Beach jetty, and that is the other significant contribution out of that. In terms of order of magnitude, certainly Port Bonython represents the majority of those funds, followed by Henley Beach and then Port Noarlunga and Semaphore.

**Mr GRIFFITHS:** I appreciate the fulsomeness of the answer and I congratulate the Onkaparinga council on its negotiations with you to be successful for the grant. However, I am also interested in ensuring that equity exists. I have been provided with a letter signed by you—and this is not trying to trap you or anything—to assistant minister Picton, which talks about jetties on Yorke Peninsula. It was a matter that the member took up on the council's behalf. There is a sentence in the letter that states:

In the case of routine maintenance, DPTI has, in the past, been able to assist councils with expertise and materials. However, DPTI is not currently able to do so due to competing priorities for funding.

I understand there is a wide variety of competing areas that you have to try to support, but in the discussions that I have had—and I know that there are divers who are actually carrying out inspections on the maintenance needs of jetties—my concern is that the liability that will be determined in all this will be significant.

I think there will be some need for local governments that have these arrangements with the Crown to enter into some discussions. I would like to see that there is an ability to discuss it and to consider the options, such as Port Noarlunga, where there is a good argument put, and potentially for some level of funding to be made available, competing on a priority basis. Is there an opportunity for part of this information that I am providing to you to be part of your thought process in the future for a budget allocation?

**The Hon. S.C. MULLIGHAN:** Yes, I think so. I have always taken the view, particularly when there are storm events—and jetties will get damaged, sometimes very significantly; because it is the longest one, perhaps Port Germein is the best example because several sections of that were lost—that it is important to maintain these jetties, because once they are gone they are probably never coming back. Probably no government in the future is going to have the wherewithal or the money to reinstall them.

When you refer to people who are undertaking their own inspections, I think that they have actually contacted us as well—I forget which jetty it was, but I am pretty sure it was on Yorke

Peninsula—drawing to our attention things that they thought ideally should be fixed. Will we establish a set fund? We currently have the SABFAC fund, the boating facilities fund, which has usually been dedicated towards—

**Mr GRIFFITHS:** Boat ramps.

**The Hon. S.C. MULLIGHAN:** Boat ramps, because the funding that is raised from it comes from boat registrations rather than from the people who use the jetties. We are willing to look at it, though I would wager that almost any level of funding is going to be (pardon the mixed metaphor) a drop in the ocean compared with what is actually required to bring all the jetties that councils and government have back up to 100 per cent condition, but that is not a reason not to put any money into it.

**Mr GRIFFITHS:** To finish off on this, my understanding is that the transfer agreements that were in place in about 2001 have a 20-year life span, so within the life of the next government there is going to be a need to sit down and really seriously consider how to do this.

**The Hon. S.C. MULLIGHAN:** Yes, I think that is a fair point. Councils have been pretty good, particularly the regional councils. They have very small budgets. They have been pretty good at managing these jetties, and the last thing we want is to see them feel that they have been put in a position where they cannot afford to do this anymore and they walk away. So I agree.

**Mr BELL:** On Budget Paper 4, Volume 3, page 80, regarding the Commissioner for Kangaroo Island, can you confirm if the commissioner continues to be funded?

**The Hon. S.C. MULLIGHAN:** My advice is yes. Technically, it comes under Program 1: Land Use Planning, which the Attorney-General is responsible for as Minister for Planning, although I understand that he was less clear on that yesterday in his estimates.

**Mr PISONI:** Point of order.

**The CHAIR:** You have a point of order?

**Mr PISONI:** We attempted this question with the planning minister yesterday and he referred us to minister Mullighan.

**The CHAIR:** The planning minister in committee B?

**Mr PISONI:** In committee B, yes. He referred us to Mr Mullighan and Mr Mullighan has said it is not his area, so perhaps we can have some clarification on that because we are obviously interested to ask these questions.

**The CHAIR:** Can you help us, minister?

**The Hon. S.C. MULLIGHAN:** I am advised that minister Rau might have momentarily forgotten the allocation of that particular responsibility, but I am advised that it comes under the land use planning program, which is within his purview as the Minister for Planning.

**Mr BELL:** What was the budget for the office or function in the 2016-17 year and what was the estimated spend?

**The Hon. S.C. MULLIGHAN:** I have it for 2017-18, this current financial year: \$963,000.

**Mr BELL:** Would you assume that 2016-17 was around the same?

**The Hon. S.C. MULLIGHAN:** Perhaps, but I would have to check.

**Mr BELL:** Is there a deadline or a sunset clause on that allocation or is it open-ended at this stage?

**The Hon. S.C. MULLIGHAN:** I would have to check with minister Rau and the planning area of the department because I do not have that detail with me. I am happy to bring that back to the committee.

**Mr PISONI:** If I could take you to page 78 of Volume 3 of Budget Paper 4, the table there refers to the carbon neutral travel initiatives. Are you able to advise what those initiatives were in 2016-17 and what the budgeted initiatives are for 2017-18?

**The Hon. S.C. MULLIGHAN:** My understanding is that the \$2 million in 2016-17 was for a range of cycling initiatives with the City of Adelaide. I do not have further detail on those particular initiatives, but I am happy to provide those to the committee.

**Mr PISONI:** You do not have detail on the \$5 million worth of initiatives for the 2017-18 year?

**The Hon. S.C. MULLIGHAN:** Not in detail, but I am happy to provide that to the committee.

**Mr PISONI:** Has it been allocated?

**The Hon. S.C. MULLIGHAN:** Sorry, \$1 million of the funding will be provided towards Greenways on the Outer Harbor and Gawler train lines. The Greenway program was a cycling program to establish cycling corridors adjacent to train lines. My recollection is that the program was funded initially at \$3 million a year between 2010 and 2014, so \$12 million over four years. That assisted us to establish bike routes along train lines, including the Seaford train line and the tram line.

The Greenway that I refer to here for the \$1 million is for the Outer Harbor and Gawler lines, which I presume will be filling in those gaps where there is poor infrastructure for cyclists to ride at least adjacent to those lines in either direction.

**Mr PISONI:** You said that the total project was \$12 million over four years.

**The Hon. S.C. MULLIGHAN:** That was the old program between 2010 and 2014. That established the Greenways program in Adelaide. The idea of the Greenways program is to provide those—I do not think I can call them dedicated cycling corridors—shared-use paths that cyclists can use running alongside train lines (I should say 'rail lines' because I think one of them runs along the tram to Glenelg). And \$1 million dollars of the \$5 million for 2017-18 is to contribute to the Greenways which have not been completed alongside the Outer Harbor and Gawler lines.

**Mr PISONI:** Is that on top of the \$12 million?

**The Hon. S.C. MULLIGHAN:** Yes, this is additional funding. That \$12 million was expended in that four-year period going back a handful of years now.

**Mr PISONI:** The remaining \$4 million for next year, is that allocated?

**The Hon. S.C. MULLIGHAN:** I have to get some detail on that.

**Mr PISONI:** The carbon neutral initiatives program cost is \$10 million. It is estimated to be completed by June 2019. Do you have an allocation for the forward estimates beyond 2017-18 and, if so, what is it?

**The Hon. S.C. MULLIGHAN:** For the 2018-19 year as well?

**Mr PISONI:** Yes.

**The Hon. S.C. MULLIGHAN:** I will take that on notice and provide that detail.

**The CHAIR:** I would just like to acknowledge that in the gallery we have a group who are obviously the guests of the member for Light. We welcome them to parliament this morning and hope they enjoy their time with us.

**Mr PISONI:** I refer to Budget Paper 2 and the esteemed Treasurer's speech. In the third paragraph on page 4, he refers to the Goodwood Road and Daws Road intersection. How much money has been held in contingencies for the realignment of the Springbank, Goodwood and Daws roads?

**The Hon. S.C. MULLIGHAN:** I would have to check with the Department of Treasury and Finance because they are holding that within their contingency funds. It is a significant amount. My understanding is that this project will be well into the double figures of millions of dollars because it will constitute a major infrastructure project, realigning those two intersections to try to join them, as well as service relocations and land acquisition.

The detailed design is still underway, and of course we need to talk to the landowners and local government authorities as we are doing that to make sure not only that we have the best traffic outcome but that we have managed that area as best as possible in terms of the surrounding land.

**Mr PISONI:** When is the detailed design expected to be complete?

**The Hon. S.C. MULLIGHAN:** It will depend on how quickly we can move through our consultation processes, particularly with the affected landowners as well as the council. We also have a land acquisition process, which we are going to need to manage, and because we have not settled a concept design—which is not the final design, but it is a concept that we would go out to the community and consult with them about—we have not finalised what we understand to be the land acquisition process.

That is all an explanation to say that we think it will take at least six months from now in order to be in a position where we could contract the works to be delivered. We have quite some time to go. It could stretch out longer than that: it could take longer, depending on how quickly we can move through the design, community consultation, land acquisition and service relocation processes.

My advice is that unfortunately, for the purposes of this project, there is a significant concentration of services in the area that will need to be dealt with, and by 'services' I mean power, water, telecommunications, maybe even gas—hopefully not, but—

**Mr PISONI:** Has the department been presented with options already?

**The Hon. S.C. MULLIGHAN:** Certainly. We have even had the City of Mitcham provide us with an option.

**Mr PISONI:** Have you engaged engineers yourself to present options?

**The Hon. S.C. MULLIGHAN:** My understanding is that there have been concept plans that have been generated by council, which have come to us, but also our own concept plans, and we are still talking with council about those. We have also commenced discussions with at least one landowner—the quite well-known children's party supplier, Peter Van—about what the impacts may be and how best to mitigate them for his benefit.

**Mr PISONI:** Where do the traffic studies tell us that that intersection will be at capacity?

**The Hon. S.C. MULLIGHAN:** There are perhaps three different types of traffic data that you could think about with this project: there is the data from a couple of years ago before the Darlington project, there is the data we are seeing now with the impacts of the Darlington project and also what we expect to see after the Darlington project has been delivered, because, at least in those second two scenarios, there is a traffic redistribution effect certainly while roadworks are underway, but also once that project is completed.

The concept designs that have been developed and are being developed are trying to pay heed to those because it is likely that we are going to see a change in behaviour. The reason why that is important is not just in terms of the necessity of fixing the intersection but it speaks to how long the turning lanes are; for example, how much capacity has to be provided for different movements if people are going to choose to use that intersection to reach particular areas further on in the network, and so that is all being worked through.

Your question was: what does the modelling currently say? The only thing that jumps immediately to my mind is the 2015 Australian Infrastructure Audit Report which was released, which showed that Goodwood Road and the corridor, including this intersection, were at significant risk of reaching capacity within 10 or 15 years. I do not have the exact date. It is those sorts of things that have influenced our decision to invest in this intersection.

**Mr PISONI:** If I can take you back to Budget Paper 4, Volume 3, page 95, there is a reference on the last dot point of an increase in the AdeLINK planning study in 2016-17 of \$3.3 million. Is that in addition to the \$4 million total budget for that study, because I think that the budget papers last year said you were expecting to spend \$3.5 million in 2016-17? Can you explain that figure?

**The Hon. S.C. MULLIGHAN:** I am advised that it is just a timing change; it is not an increase in the overall cost of the study.



**Mr PISONI:** So in the AdeLINK study there is no change in the \$4 million budget?

**The Hon. S.C. MULLIGHAN:** That is my advice, yes.

**Mr PISONI:** How much has been spent so far on the study?

**The Hon. S.C. MULLIGHAN:** I will have to bring that back to the committee.

**Mr PISONI:** Has the firm that is putting the study together for you presented you with any reports?

**The Hon. S.C. MULLIGHAN:** Taking the basis that the government has a desire to reinstate Adelaide's tram network, the process to date has been, in broad terms, to engage in a very detailed study about where and how. Their approach has been to engage particularly the inner rim councils (Norwood, Payneham and St Peter's, Prospect, West Torrens and Unley) and talk about particularly route selection.

I noticed that there was some discussion in the media this week about one of those councils suggesting an alternate route from what had been previously proposed and, from our perspective, that is all fine. That is exactly what we are meant to be fleshing out with councils. That work has been underway for quite some time. They have been speaking with each of the councils about those route options.

Rather than just say, 'We would prefer it down this road, rather than that road,' the assessment has been: what will that road look like in the future? What sort of traffic, what sort of retail and commercial activity are likely to happen on that route? What sort of residential development is either happening on that route or just back from that route and how could it be serviced by that tram? Where would the stops be? Where is the opportunity—

**Mr PISONI:** I understand all that, but the question was whether you have received any reports—interim, draft or otherwise.

**The Hon. S.C. MULLIGHAN:** Sorry. My understanding is that I have been provided with the route assessments that have gone to each of the councils, particularly for the inner rim. Yes, I have been provided with reports.

**Mr PISONI:** Have you been provided with costings?

**The Hon. S.C. MULLIGHAN:** Yes, I think there were some preliminary costings, but they were—I probably cannot use the term 'generic'. My understanding is that they were calculated based on the length of the route, the number of stops, rather than a detailed assessment of the actual cost of needing to construct stops at particular locations, laying rail lines along roads which are likely to have particular services and utilities underneath them requiring relocation, etc. Yes, I have some high-level estimates, but I do not think we would be extremely confident that they would represent the final cost if they were to be delivered in today's dollars.

**Mr PISONI:** What are the estimates so far?

**The Hon. S.C. MULLIGHAN:** I do not have that detail in front of me, but I can see if we can provide it.

**Mr PISONI:** Does the estimate give you an idea of what the total project will cost, based on the early estimates that no-one is going to hold you to?

**The Hon. S.C. MULLIGHAN:** I think we also had an early estimate in the Integrated Transport and Land Use Plan (ITLUP). I am just trying to remember what that was.

**Mr PISONI:** Yes, but that was not done with a \$4 million study.

**The Hon. S.C. MULLIGHAN:** I do not have the document in front of me, but I think it was \$3 billion to \$4 billion that was outlined in ITLUP.

**Mr PISONI:** So \$3 billion to \$4 billion.

**The Hon. S.C. MULLIGHAN:** For the entire network.

**Mr PISONI:** For the entire network, \$3 billion to \$4 billion.

**The Hon. S.C. MULLIGHAN:** Including stops, rolling stock, stabling yards over a 20-year period.

**Mr PISONI:** What is the capacity now of the tram yard at Morphettville? Have you got room for the three new trams there? Does that take it to capacity? Have you initiated any studies about a relocation?

**The Hon. S.C. MULLIGHAN:** Not of that particular stabling yard, but certainly as part of the AdeLINK study, looking at further additional stabling facilities around metropolitan Adelaide has been a key part of it because I think we would be pretty close to capacity, if not at capacity, with the three new trams. So any further extensions, but more particularly any further rolling stock, are going to require further investment in trams unless we were to commence running 24-hour services.

**Mr PISONI:** I note on the contract pages there was a process of public tender which I have to admit I missed. I am a regular reader of the tender pages. It is amazing reading.

**The Hon. S.C. MULLIGHAN:** That is not how I would characterise it, but each to their own.

**Mr PISONI:** When I have trouble sleeping I open up the tender pages.

**The Hon. S.C. MULLIGHAN:** I can imagine that would resolve the problem.

**Mr PISONI:** Acquisition of a wheel lathe for light rail at \$1.78 million: the execution date was 2 June and the completion date is at the end of 2020. Where is that going to go?

**The Hon. S.C. MULLIGHAN:** The wheel lathe?

**Mr PISONI:** Yes.

**The Hon. S.C. MULLIGHAN:** My understanding is at the Glengowrie stabling depot.

**Mr PISONI:** Where is that work being done now?

**The Hon. S.C. MULLIGHAN:** I think it is done by contractors.

**Mr PISONI:** Local or interstate?

**The Hon. S.C. MULLIGHAN:** I will have to check.

**Mr PISONI:** I think it is interstate. The bogies are sent over to Melbourne.

**The Hon. S.C. MULLIGHAN:** Melbourne.

**Mr PISONI:** Will that mean that the wheel lathe work will now be done in Adelaide?

**The Hon. S.C. MULLIGHAN:** I would be disappointed if it were not, after investing in a wheel lathe.

**Mr PISONI:** It will be housed in Adelaide?

**The Hon. S.C. MULLIGHAN:** Yes.

**Mr PISONI:** I refer to Budget Paper 4, Volume 3, page 78, the relocation of the Train Operations Control Centre. There is a document dated 31 March 2016, the Rail Commissioner Steering Committee minutes of a meeting, where they discussed the Operations Control Centre and it says that the current proposal will take two years at a cost of \$35 million and that other options are being floated to reduce it to \$20 million.

I understand that there was a development of a business case for SAHMRI 2 that identifies \$16 million to \$20 million. Are you able to explain the difference in prices? In the budget, you are allowing \$31.4 million. You have minutes saying that you could get it down to \$20 million. Can you clarify why there is such a big difference in budget figures and options?

**The Hon. S.C. MULLIGHAN:** I will have to take that on notice and check it, I am told.

**Mr PISONI:** Who is the chair of the Rail Commissioner Steering Committee?

**The Hon. S.C. MULLIGHAN:** The Rail Commissioner, I believe.

**Mr PISONI:** Mr Deegan, who is sitting next to you?

**The Hon. S.C. MULLIGHAN:** Yes.

**Mr PISONI:** He was at that meeting?

**The Hon. S.C. MULLIGHAN:** And he has advised me that he does not have the information in front of me; hence, we will have to take it on notice.

**Mr PISONI:** It was not that long ago. He was at that meeting—

**The Hon. S.C. MULLIGHAN:** What were you doing on 31 March 2016?

**Mr PISONI:** —where there was a \$20 million option. He was at that meeting where it was floated that there was a \$20 million option.

**The Hon. S.C. MULLIGHAN:** And you think he should immediately recall the details of that from his memory?

**Mr PISONI:** Well, it is a significant—

**The CHAIR:** The question has been taken on notice.

**The Hon. S.C. MULLIGHAN:** It was 18 months ago.

**Mr PISONI:** It is a significant—

**The Hon. S.C. MULLIGHAN:** What did you have for breakfast that day, member for Unley?

**Mr PISONI:** I actually do not eat breakfast.

**The Hon. S.C. MULLIGHAN:** You do not eat breakfast?

**The CHAIR:** Order!

**Mr PISONI:** I would have had an apple about 10 o'clock.

**The CHAIR:** Member for Unley, I have called order and that means you actually have to—

**The Hon. S.C. MULLIGHAN:** My question was breakfast, not brunch.

**The CHAIR:** Member for Unley and minister, I have something to say to you.

**Mr PISONI:** I look forward to that, Madam Chair.

**The CHAIR:** It is normal when I say 'order' that you listen. The question has been taken on notice. It is best to move on, I would think. You must have lots of questions.

**Mr PISONI:** I do, thank you.

**The CHAIR:** Off you go.

**Mr PISONI:** Thank you so much. The Public Works Committee on 25 November 2008, when it was first mooted that this control centre was going to move, was told that a further report on the future of the OCC would be submitted during the first half of 2009. That obviously did not happen.

**The Hon. S.C. MULLIGHAN:** It may have.

**Mr PISONI:** No, I have had it checked.

**The Hon. S.C. MULLIGHAN:** Have you?

**Mr PISONI:** No, it did not happen.

**The Hon. S.C. MULLIGHAN:** Then you probably did not need to bring it up.

**Mr PISONI:** Are you able to advise how different the proposal in the budget now is from the proposal that the Public Works Committee was supposed to get eight years ago?

**The Hon. S.C. MULLIGHAN:** Supposed to get, or did get?

**Mr PISONI:** Supposed to have got and did not get.

**The Hon. S.C. MULLIGHAN:** I thought you said it was submitted on 25 November 2008.

**Mr PISONI:** No, the report of the Public Works Committee states that it has been told that a further report on the future of the OCC will be submitted during the first half of 2009. I have been advised that the Public Works Committee did not receive such a report.

**The Hon. S.C. MULLIGHAN:** I see. So your earlier contention that the report was not done may not in fact be the case?

**Mr PISONI:** I do not know. It certainly was not presented.

**The Hon. S.C. MULLIGHAN:** And that would make two of us because, unfortunately, it occurred somewhat before my time in this role.

**Mr PISONI:** You may want to come back to the committee—

**The Hon. S.C. MULLIGHAN:** I may.

**Mr PISONI:** —and advise whether a report was prepared and how different this project is from the project that was proposed in 2008. On the same page number, there is an amount of money that is being proposed for expenditure on the Oaklands rail crossing this year. Can you detail when it will start and what work will be done in this financial year?

**The Hon. S.C. MULLIGHAN:** There will certainly be some detailed planning and preliminary investigations on the site this financial year. There may be the commencement of works this financial year, but it would be cutting it pretty fine because I think our view is that not only will we need a significant amount of time to do the detailed design but it is to be an integrated development along with what the Mayor of the Marion council is trying to achieve there, which would be a first for South Australia, and that is an integrated transport development with adjacent, mixed-use development as well.

We are also very reluctant to commence major construction works in that area while the Darlington project is occupying such a large swathe of the north-south corridor because certainly our experience at the moment is that the redistributed traffic to the broader southern road network is putting increased pressure on the Oaklands crossing and Diagonal Road. To put that section of road under some major level of roadworks and disrupt traffic and service to that area would be very difficult for the remainder of the southern road network to accommodate.

In short, it is likely that there will be some works that will be underway this financial year. They are likely to be more preliminary in nature, and it is likely that the major works will commence once we get more and more access for regular traffic back to the Darlington corridor of South Road.

**Mr PISONI:** Will the Noarlunga rail line need to close in order for the work to be done, or will you be diverting the line?

**The Hon. S.C. MULLIGHAN:** At this point in time, I think what we anticipate is managing the train services in a similar way to how we have managed the Outer Harbor train services, firstly for the upgrade of the South Road section between Torrens Road and the River Torrens and also for the Torrens rail junction works where, rather than taking the previous approach of shutting the line down for very long, extended periods of time, we would seek to interrupt the train service for relatively brief periods, work very, very hard at whatever the works are at that point in time and get it reopened.

With the Torrens to Torrens works, where we have built a new train bridge over the South Road corridor, and the Torrens rail junction works, where we are taking the Outer Harbor line underneath Park Terrace and in a lowered railway for several hundred metres into the Parklands and underneath the freight line, I think the total amount of closures for those two major projects for the Outer Harbor line will be approximately nine weeks.

As you can see, if you compare that with how the Seaford rail line was upgraded, where it was closed for close to a year, it is a markedly different treatment for train services, despite a line being upgraded.

**Mr PISONI:** Will the alignment change on the completed project?

**The Hon. S.C. MULLIGHAN:** Quite possibly, but I do not think it would be a significant change. There is likely to be the need to significantly interrupt the existing corridor in order for the

lowered rail line solution to be impacted. At this point in time, it is too early to tell the extent of the realignment, but I think, generally speaking, it would be kept within close proximity to the existing alignment.

**Mr PISONI:** I refer to page 93 and the South Road tram stop. Do you have a completion date for that?

**The Hon. S.C. MULLIGHAN:** For the bridge repair works?

**Mr PISONI:** No, I beg your pardon, for City South.

**The Hon. S.C. MULLIGHAN:** The City South tram stop? I think it is this financial year.

**Mr PISONI:** So, the work will start—

**The Hon. S.C. MULLIGHAN:** We are just working that through with council at the moment, but, given the necessary interruption to tram services, our aim would be to try to time that to be during a level of lower patronage. We are just working that through. It will likely be in that January period.

**Mr PISONI:** Will there be the same number of car traffic lanes available after the project is complete?

**The Hon. S.C. MULLIGHAN:** Yes, but with some modifications. The intent is to have two through lanes of traffic and converting the tram lane to tram only but with some opportunity for right-hand turns into some of the streets that come off that section of King William Street. The other modification will be the reallocation of car parks along there as well.

**Mr PISONI:** Will car parks be removed?

**The Hon. S.C. MULLIGHAN:** Car parks will be changed, but our aim is to deliver a no net loss in car parks. If you picture the configuration of the road at the moment, the problem with the City South (Halifax Street) stop is that there is probably only a metre or so width of kerb that patrons can stand on. The idea behind the project is to remove that, move the rail lines out a little and install a proper tram stop there. That necessitates taking some road width, which means that we either take it from vehicle lanes or from the kerbside lane, which is used for cars or some plantings or bus stops or loading zones.

The Lord Mayor and I are striving to have our two respective groups of officials not only to deliver an improved tram stop and an improved streetscape but try to mitigate the loss of car parks in the same way that we have done with the O-Bahn City Access project. Although, in some particular areas car parks have gone, we have identified other areas where car parks can go in. That is the aim with this as well.

**Mr PISONI:** What about turning right into Sturt Street and Halifax Street? Will that still happen?

**The Hon. S.C. MULLIGHAN:** My recollection is yes, but I will have to check. There are three opportunities between South Terrace and Light Square for people to turn right. I am pretty sure that Sturt and Halifax is one, but I will have to check.

**Mr PISONI:** Has that not been finalised, or do you just not know?

**The Hon. S.C. MULLIGHAN:** That is part of what we have been working through with the council. We are trying to not only mitigate the impact on car parks but provide right turn facilities. That means that we are going through several different iterations of the allocation of the fixed road space between the gutter and the centre of the road to make sure that we can provide at least two through lanes of road traffic, the tram being able to run and right-hand turns into those side streets.

**Mr PISONI:** Will the pedestrian crossing there become a scramble crossing?

**The Hon. S.C. MULLIGHAN:** I do not think that is proposed at this stage.

**Mr PISONI:** Can I take you to page 78 and the North Terrace tram extension. My understanding is that it is coming to the Public Works Committee on 3 August, but you have a situation here where you have spent \$15 million in the 2016-17 year. Could you detail what that money was spent on?

**The Hon. S.C. MULLIGHAN:** My understanding is that it is related to two things; one is the purchase of additional rolling stock as well as some of the preliminary works, which have been underway already in terms of finding out what is under the road and managing the early stages of services and service relocations.

**Mr PISONI:** There is a separate line for additional tram purchases of \$9 million for the estimated result.

**The Hon. S.C. MULLIGHAN:** I might have to get back to you with further detail then.

**Mr PISONI:** Will your department officers who present to the Public Works Committee be able to answer those questions at the Public Works Committee?

**The Hon. S.C. MULLIGHAN:** Yes.

**Mr PISONI:** Additional tram purchases and extended tramline is a total of \$20 million and the North Terrace tramline extension is \$50 million, which is \$70 million.

**The Hon. S.C. MULLIGHAN:** Yes.

**Mr PISONI:** That was published just a month ago in the budget, yet last week you announced an extra \$10 million for that program. When were you made aware that there was a \$10 million blowout in that program?

**The Hon. S.C. MULLIGHAN:** I think a decision was taken after the necessary budget documentation and journals were provided to Treasury for the purchases of this that, by contributing additional funds to the project, we could deliver some additional benefits within the project. I think there is an accelerated work program to manage the impact on traffic on North Terrace.

I think there is a further extension north of 100 metres or so of the line to bring it closer towards the intersection with Victoria Drive where the Torrens Parade Ground is. I think there is some additional money for the junction works that are being done at North Terrace and King William Street. Your question was why—

**Mr PISONI:** The junction works were in the tender documents that went out in December; that is not new. That was in the North Terrace tender documents before you even announced—

**The Hon. S.C. MULLIGHAN:** Yes, we certainly did go out to tender, saying that there would be some junction works.

**Mr PISONI:** —the extension down at Festival Plaza. Junction works were already in there.

**The Hon. S.C. MULLIGHAN:** Yes, indeed. We did say that there would be some junction works. I think what I said earlier was that there were some additional junction works, which have been identified as necessary to deliver the best possible tram extension here and for the long term.

**Mr PISONI:** You made public comments that, because you were working around the clock, extra money was needed to meet the desired time frame. Why does putting on more day shifts cost more if you are shortening the length of the project? I would have thought that putting on more night shifts would increase the cost, but you told the media on 15 December last year that you were prioritising work outside peak times on weekends and at night.

You had already budgeted for the penalty rates to be paid. You were shortening the time of the project, which meant that fewer penalty rates were paid because more people were working on day shifts. How does that increase the cost of the project to have it finished in a shorter period of time?

**The Hon. S.C. MULLIGHAN:** I appreciate the effort of the member for Unley in trying to make some tenuous link between this and penalty rates, but I think—

**Mr PISONI:** It has nothing to do with penalty rates.

**The Hon. S.C. MULLIGHAN:** You mentioned penalty rates.

**The CHAIR:** Order! When I say 'order'—

**Mr PISONI:** It is a fact.

**The Hon. S.C. MULLIGHAN:** You mentioned penalty rates.

**The CHAIR:** —that means everybody stops.

**Mr PISONI:** There are fewer penalty rates being paid.

**The CHAIR:** I am on my feet. I do not understand which part you do not understand about 'order'. One at a time, please, for Hansard.

**The Hon. S.C. MULLIGHAN:** You mentioned penalty rates.

**Mr PISONI:** I do not have any problem with the penalty rates. What I am asking you is—

**The Hon. S.C. MULLIGHAN:** That makes you an orphan on that side of the chamber, doesn't it?

**Mr PISONI:** —if there are fewer penalty rates being paid, why is it costing more?

**The Hon. S.C. MULLIGHAN:** It makes you an orphan on that side of the chamber, doesn't it?

**Mr PISONI:** Why is it costing more?

**The Hon. S.C. MULLIGHAN:** Because we are putting more work crews on. That is why, David.

**Mr PISONI:** There are more hours, are there, more hours in the total job now?

**The Hon. S.C. MULLIGHAN:** Likely.

**Mr PISONI:** So it is a blowout.

**The Hon. S.C. MULLIGHAN:** No, we are—

**Mr PISONI:** Yes, it is a blowout. If there are more hours in the job—

**The CHAIR:** Member for Unley!

**The Hon. S.C. MULLIGHAN:** You seem agitated, member for Unley.

**Mr PISONI:** Whether you have—

**The CHAIR:** Member for Unley, could you just wait a minute. There is more to this answer as far as I can tell. Is there?

**The Hon. S.C. MULLIGHAN:** No, I was goading him.

**The CHAIR:** There is not. Question?

**Mr PISONI:** Whether you have one person doing it for two weeks or two people doing it for one week, there is no difference in cost.

**The Hon. S.C. MULLIGHAN:** There may be more than two people.

**Mr PISONI:** Then it would take a shorter time, otherwise there is a blowout in the hours and it is a blowout in your budget.

**The Hon. S.C. MULLIGHAN:** Unless the—

**Mr PISONI:** It does not matter how you spin it—

**The CHAIR:** Order!

**Mr PISONI:** —it is a blowout.

**The Hon. S.C. MULLIGHAN:** Unless the scope of the work changed, and I have just demonstrated that it has.

**Mr PISONI:** Which you were not even aware of four weeks ago when the budget came out.

**The Hon. S.C. MULLIGHAN:** No—

**Mr PISONI:** I put it to you that the outcome of the tender was where you had to find the extra \$10 million. On the same page, regarding the tram purchases, can you advise what the \$9 million is that is the estimated result for 2016-17?

**The Hon. S.C. MULLIGHAN:** I am told that the \$9 million represents the purchase price of the additional trams.

**Mr PISONI:** Regarding the cost of delivering those trams to Adelaide, there was a tender. Does that include the cost of the tender?

**The Hon. S.C. MULLIGHAN:** We do not have that figure in front of us, but we are happy to provide that figure.

**Mr PISONI:** It is on your tenders and contracts, \$1.0725 million. Is that on top of the \$9 million?

**The Hon. S.C. MULLIGHAN:** No, I am advised that it is part of the \$9 million.

**Mr PISONI:** Were there insurance costs on top of that?

**The Hon. S.C. MULLIGHAN:** That specific amount we would have to try to find for you, but I think we would generally regard that sort of thing as part of the transport costs, but we would have to come back to you. Certainly, that \$9 million figure, I am advised, is for the purchase of three trams, which aligns with the figure that I gave publicly of approximately €2 million per tram. It is somewhat cheaper than the \$7 million that you were quoting per tram.

**Mr PISONI:** No, I was not quoting \$7 million.

**The Hon. S.C. MULLIGHAN:** In fact, that is true. You were not quoting it; I think you were just making it up.

**Mr PISONI:** No, I was quoting from reports of tram purchases in New South Wales of—

**The Hon. S.C. MULLIGHAN:** That is some distance from here, is it not? Is it 1,400 kilometres away in another jurisdiction, on an entirely different project with different rolling stock?

**Mr PISONI:** They are trams.

**The Hon. S.C. MULLIGHAN:** They are all the same?

**Mr PISONI:** A Toyota costs less in Sydney than it does in Adelaide.

**The Hon. S.C. MULLIGHAN:** That is right, like a Rolls-Royce is the same as a Corolla, is it not, to you?

**Mr PISONI:** Does it? Is that what you are saying?

**The Hon. S.C. MULLIGHAN:** I understand.

**Mr PISONI:** There was an article written in 2012 about brand-new CAF trams out of Spain for \$3.2 million each.

**The Hon. S.C. MULLIGHAN:** So not only do you know from 2012 that those trams were then \$3.2 million each, but you would be unsurprised to learn that \$9 million here, including transport costs, would be the cost that we would pay for this next tranche of trams.

**Mr PISONI:** For 10-year old trams.

**The Hon. S.C. MULLIGHAN:** So your excuse for running around quoting New South Wales transport costs is deliberately misleading, member for Unley—

**Mr PISONI:** It is not because there was another purchase—

**The Hon. S.C. MULLIGHAN:** —which, I have to say, is kind of par for the course with you.

**Mr PISONI:** —of trams in Turkey—

**The Hon. S.C. MULLIGHAN:** In Turkey?



**Mr PISONI:** —in 2016 for \$2.7 million—

**The Hon. S.C. MULLIGHAN:** Well, \$2.7 million, member for Unley!

**Mr PISONI:** —converted to Australian dollars at €0.68 per Australian dollar.

**The Hon. S.C. MULLIGHAN:** This is fascinating. Do you have any Estonian figures that you could relate for us?

**Mr PISONI:** It just shows you how—

**The Hon. S.C. MULLIGHAN:** How deliberately misleading you have been in the media, yes.

**Mr PISONI:** —you are ripping off South Australians—

**The Hon. S.C. MULLIGHAN:** Yes, it does; it shows me directly.

**Mr PISONI:** —by buying 10-year old trams to meet a political time line because you did not order—

**The Hon. S.C. MULLIGHAN:** It is not a political time line.

**Mr PISONI:** —in time for them to be built. You went back to Spain, to Madrid, to buy more second-hand trams with 10-year old technology—

**The Hon. S.C. MULLIGHAN:** Not only have we established that we are paying a regular market price, which you have been aware of since 2012, but we have also established that you are misleading your media.

**Mr PISONI:** —that you are bringing to Adelaide—

**The CHAIR:** Order!

**Mr PISONI:** —and you announced them as new trams when you made the—

**The CHAIR:** Member for Unley!

**Mr PISONI:** Can you please—

**The CHAIR:** No, I am still on my feet.

**Mr PISONI:** Sorry.

**The CHAIR:** I have asked you not to speak over the top of the minister as he responds, and vice versa, because we need to be able to record all these really important facts in *Hansard*.

**Mr PISONI:** Thank you. Can you advise what the warranty arrangements are for these trams?

**The Hon. S.C. MULLIGHAN:** I will take that on notice.

**Mr PISONI:** Do the trams come with a warranty?

**The Hon. S.C. MULLIGHAN:** We do not have those details in front of us.

**Mr PISONI:** This goes back to performance indicators, Bridge Health Index. I refer to Budget Paper 4, Volume 3, page 90. Can you advise how many bridges have been audited since the announcement after the failure of the South Road tram bridge?

**The Hon. S.C. MULLIGHAN:** My understanding is that 336 structures have been inspected as of a couple of weeks ago—sorry, road bridges—and rail structures, a further 100.

**Mr PISONI:** Have any footbridges been inspected?

**The Hon. S.C. MULLIGHAN:** I think we will consider those as part of the road bridge structures that have been inspected.

**Mr PISONI:** When was the Lonsdale footbridge inspected?

**The Hon. S.C. MULLIGHAN:** I am advised that the Lonsdale bridge dates back to 1974. Detailed inspections for the Lonsdale pedestrian bridge were conducted in 2001 and 2007, and

defects were noted and repaired following the 2007 inspection—which would have made it 43 years old in 2007?

**Mr PISONI:** Thirty-three.

**The Hon. S.C. MULLIGHAN:** Thirty-three; that is why I am not Treasurer. There has been an investigation by Aurecon more recently, and a contract for the maintenance repair of the structure is progressing this week. That is to deal with those areas of spoiled concrete, to inspect the hence exposed reinforcing, and remortaring of the structure. It is expected that that work will be done in approximately a week.

**Mr PISONI:** When was that contract let?

**The Hon. S.C. MULLIGHAN:** The work is due to be done in the week we are currently in, so it would be—

**Mr PISONI:** It was not a tender process then?

**The Hon. S.C. MULLIGHAN:** No.

**Mr PISONI:** Who was approached? Do you have a pool of contractors that you use? What is the process?

**The Hon. S.C. MULLIGHAN:** My understanding is that across all areas of the department we have panels of prequalified organisations that can do this work. I am advised that, while we do not have the details in front of us, it is likely we went to one of the organisations that have gone through that process.

**Mr PISONI:** When was the panel decision made that the work be done?

**The Hon. S.C. MULLIGHAN:** It is not a panel decision; there is a panel of contractors that we have for various—

**Mr PISONI:** When was it awarded by the panel?

**The Hon. S.C. MULLIGHAN:** In the last couple of weeks, I am advised.

**Mr PISONI:** The budget for bridge works is \$2.2 million. Does that include this particular job, and does it include the South Road bikeway?

**The Hon. S.C. MULLIGHAN:** I am not sure where you have taken that \$2 million figure from, member for Unley. We cannot seem to—

**Mr PISONI:** Page 78, Budget Paper 4, Volume 3.

**The Hon. S.C. MULLIGHAN:** Critical bridge improvements? I am advised that is a specific allocation for a small number of bridge maintenance tasks and does not represent the totality of our expenditure on bridge maintenance.

**Mr PISONI:** What is the cost of repairing the South Road bridge?

**The Hon. S.C. MULLIGHAN:** That is to be determined once it is repaired and those costs are to be, on my understanding, pursued from the contractor.

**Mr PISONI:** There is no settlement on that yet?

**The Hon. S.C. MULLIGHAN:** It is hard to settle a payment when the cost of the works has not yet been incurred.

**Mr PISONI:** Budget Paper 3, page 38, refers to contingencies for 'General government capital investment by agency'. Are you able to provide a list of what projects those contingencies are for?

**The CHAIR:** Now might be a good time. There being no further time for this particular section, the examination of the proposed payments is adjourned until later today.

*Sitting suspended from 11:00 to 11:16.*

**DEPARTMENT OF PLANNING, TRANSPORT AND INFRASTRUCTURE, \$860,537,000****ADMINISTERED ITEMS FOR THE DEPARTMENT OF PLANNING, TRANSPORT AND  
INFRASTRUCTURE, \$9,208,000****DEPARTMENT OF TREASURY AND FINANCE, \$70,268,000****ADMINISTERED ITEMS FOR THE DEPARTMENT OF TREASURY AND FINANCE,  
\$1,752,379,000****Minister:**

Hon. S.C. Mullighan, Minister for Transport and Infrastructure, Minister for Housing and Urban Development.

**Departmental Advisers:**

Mr J. Hanlon, Chief Executive, Renewal SA.

Mr M. Devine, General Manager, Renewal SA.

Mr D. De Luca, General Manager, Renewal SA.

Mr M. Buchan, General Manager, Renewal SA.

Ms G. Vasilevski, General Manager, Renewal SA.

Ms R. Ager, Director, Renewal SA.

**The CHAIR:** I declare the proposed payments open for examination, refer members to the agency statements at Volume 4 and call on the minister to make an opening statement if he wishes and to introduce his new advisers.

**The Hon. S.C. MULLIGHAN:** I will introduce the advisers: John Hanlon, the Chief Executive of Renewal SA, Mark Devine from Renewal SA and Damian De Luca from Renewal SA. Rather than make an opening statement, I think the member for Mount Gambier was going to ask some omnibus questions to kick off.

**Mr BELL:** The omnibus questions are:

1. Will the minister provide a detailed breakdown of expenditure on consultants and contractors above \$10,000 in 2016-17 for all departments and agencies reporting to the minister, listing the name of the consultant, contractor or service supplier, cost, work undertaken and method of appointment?

2. In financial year 2016-17 for all departments and agencies reporting to the minister, what underspending on projects and programs was (a) approved and (b) not approved by cabinet for carryover expenditure in 2017-18?

3. For each department and agency reporting to the minister, please provide a breakdown of attraction, retention and performance allowances, as well as non-salary benefits paid to public servants and contractors in the years 2015-16 and 2016-17.

4. For each agency for which the minister has responsibility:

(a) How many FTEs were employed to provide communication and promotion activities in 2016-17 and what was their employment expense?

(b) How many FTEs are budgeted to provide communication and promotion activities in 2017-18, 2018-19, 2019-20 and 2020-21, and what is their estimated employment expense?

(c) The total cost of government-paid advertising, including campaigns, across all mediums, in 2016-17, and budgeted cost for 2017-18.

5. For each agency for which the minister has responsibility:
- What was the cost of electricity in 2016-17?
  - What is the budgeted cost of electricity in 2017-18?
  - What is the provisioned cost of electricity in 2018-19, 2019-20 and 2020-21?
6. For each grant program or fund the minister is responsible for, please provide the following information for the 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21 financial years:
- Balance of the grant program or fund;
  - Budgeted (or actual) expenditure from the program or fund;
  - Budgeted (or actual) payments into the program or fund;
  - Carryovers into or from the program or fund; and
  - Details, including the value and beneficiary, of any commitments already made to be funded from the program or fund.

**Mr PISONI:** I will start with Budget Paper 3, page 83 and the income table. We are seeing that there are dividends, and in the 2017-18 year we are seeing \$13.9 million in dividends. This year, it is an estimated \$17 million, but then we see dramatic drop-offs to \$3.6 million and \$9 million in the years following. Can you advise of the reason for the expected lower dividend payments in the forward estimate years?

**The Hon. S.C. MULLIGHAN:** I am advised that the dividends are a function of the after-tax profits achieved by Renewal SA, which in turn are heavily influenced by the dollar value of land sales that are scheduled to occur in those particular years. That explains the fluctuations between 2016-17 when it lifts from \$2.1 million up to \$13.9 million and then further to \$17 million and then dropping back down to \$3.6 million. I am advised that that largely reflects either larger or higher value land sales in those particular financial years.

**Mr PISONI:** Does that mean you are expecting less activity in those years?

**The Hon. S.C. MULLIGHAN:** You mean in terms of the number of properties sold?

**Mr PISONI:** Less activity by Renewal SA.

**The Hon. S.C. MULLIGHAN:** I am advised that it is not related to the level of activity but more the value of the landholdings that are to be sold in that particular year. So in 2016-17 I am advised that total sales are expected to be \$70.5 million but \$96.8 million in 2017-18, and that leads directly to the increase in the dividend between \$2.1 million in 2016-17.

**Mr PISONI:** What are those sales in the forward estimates?

**The Hon. S.C. MULLIGHAN:** Which year? Do you mean across all forward estimates?

**Mr PISONI:** Yes.

**The Hon. S.C. MULLIGHAN:** I do not have the forward estimates, but I have a year. I have sales in Woodville West, Playford Alive, St Clair, Lightsview, Bowden, Tonsley, Seaford, Port Adelaide, Gillman, Edinburgh Parks. I might have to take some further advice about whether it is appropriate to reveal the dollar values, given that they are yet to be sold.

**Mr PISONI:** Are you getting that advice now?

**The Hon. S.C. MULLIGHAN:** It confirmed my comment to you earlier that we perhaps should not disclose those dollar amounts prior to selling those particular parcels of land.

**Mr PISONI:** Was the sale of the Gillman land finalised in the 2016-17 year? Did that have any impact on dividends?

**The Hon. S.C. MULLIGHAN:** Not in the 2016-17 year, no.

**Mr PISONI:** So the tender process for Gillman is closed?

**The Hon. S.C. MULLIGHAN:** Yes; we are not accepting any further offers.

**Mr PISONI:** How many offers do you have for the Gillman land?

**The Hon. S.C. MULLIGHAN:** My understanding is that we have had five interested parties, but we are yet to finalise the sale transaction.

**Mr PISONI:** When is that likely to happen?

**The Hon. S.C. MULLIGHAN:** I cannot be specific with the date, but I am advised in the near future.

**Mr PISONI:** I do not understand what that means.

**The Hon. S.C. MULLIGHAN:** It would be closer to the distant future. Perhaps another way I can express it is we have budgeted for some income from that land sale in this financial year that we are in at the moment, 2017-18.

**Mr PISONI:** The full amount?

**The Hon. S.C. MULLIGHAN:** Given we have not finalised the transaction, I cannot really answer that question completely.

**Mr PISONI:** Was it a tender process or an expression of interest process?

**The Hon. S.C. MULLIGHAN:** It was an expression of interest process: expressions of interest and then short-listed.

**Mr PISONI:** Are any of those for the entire lot?

**The Hon. S.C. MULLIGHAN:** I cannot go into that detail until the transaction is finalised.

**Mr PISONI:** Are you able to indicate what jobs will be created from any of the tenders?

**The Hon. S.C. MULLIGHAN:** Not at this point in time, not until we are in a position to announce a finalised transaction and whatever the associated details of that transaction are.

**Mr PISONI:** The tender document that is out at the moment for the demolition of parts of the old Royal Adelaide Hospital, when will that be finalised?

**The Hon. S.C. MULLIGHAN:** I am advised in early August.

**Mr PISONI:** Is it expected that the Gillman site will be used for landfill?

**The Hon. S.C. MULLIGHAN:** Our intention is that material removed from that site, including soil, would be directed towards landholdings that Renewal SA owns. If a landholding at Gillman were to pass out of government hands, then that would preclude it from being used. I should qualify that by saying, unless that formed part of the arrangements under the transaction.

**Mr PISONI:** Which transaction? The Gillman land sale transaction or the tender transaction?

**The Hon. S.C. MULLIGHAN:** The Gillman land sale transaction.

**Mr PISONI:** Will you be waiting for an outcome on the decision on the Gillman land sale before you award the contract for demolition of the old Royal Adelaide Hospital?

**The Hon. S.C. MULLIGHAN:** No, because we have a separate landholding at Gillman, near the east Grand Trunkway Road, which is our soil bank operation, so it could well be directed there. It is not contingent on how the Gillman land sale transaction is finalised.

**Mr PISONI:** What is the estimated landfill volume for the old Royal Adelaide Hospital site?

**The Hon. S.C. MULLIGHAN:** I think our estimate, for all the material that needs to come off that site in total, is approximately 300,000 tonnes.

**Mr PISONI:** In regard to the Walker car park project, has any substantial work started or any demolition? I have not noticed anything other than the fact we have been kicked out of the car park.

**The Hon. S.C. MULLIGHAN:** You have noticed that, have you?

**Mr PISONI:** I have noticed that, yes.

**The Hon. S.C. MULLIGHAN:** You and 68 others.

**Mr PISONI:** You have not noticed it, obviously, because your driver will drop you off at the front door.

**The Hon. S.C. MULLIGHAN:** I have noticed it. Certainly, the grade separation works have commenced in between Parliament House and the Festival Centre.

**Mr PISONI:** Was Walker doing that?

**The Hon. S.C. MULLIGHAN:** No, that is the early works program that we are funding. What has also commenced is the Festival Centre upgrade. In terms of Walker's car park redevelopment, once the grade separation works have reached a particular threshold of completion, he can then commence his car park redevelopment.

**Mr PISONI:** So Walker Corporation has not spent any money on the Riverbank development?

**The Hon. S.C. MULLIGHAN:** In terms of infrastructure works, I am advised no, but in terms of preparatory works including design, etc., yes.

**Mr PISONI:** Is there a hold-up with Walker Corporation because of an investigation by the Auditor-General or ICAC?

*The Hon. J.M. Rankine interjecting:*

**The CHAIR:** Order!

*The Hon. J.M. Rankine interjecting:*

**The CHAIR:** Order, member for Wright!

**The Hon. J.M. RANKINE:** That is the modus operandi, is it not?

**The CHAIR:** Member for Wright, that is not a question. Minister.

**The Hon. S.C. MULLIGHAN:** I am not aware of that. I understand that the Auditor-General made some comments in the estimates committee yesterday about him looking at the arrangements in Festival Plaza but, beyond that, I am not aware.

**Mr PISONI:** Have you been advised of any hold-ups with Walker's involvement due to any investigations?

**The Hon. S.C. MULLIGHAN:** No, I think the time frame that we are now seeing roll out has been a result of certainly protracted negotiations and the timing of the different elements of the infrastructure works. As I mentioned earlier, once the grade separation works have reached a particular threshold, then he is obliged, I think, to commence work after that point in time. I am advised that we have not yet reached that threshold with the grade separation works. I am told that there is an agreed works program between Walker and the government for the scheduling of his works for the car park and then the plaza.

**Mr PISONI:** When is the Walker office development due to start?

**The Hon. S.C. MULLIGHAN:** I am advised that after the grade separation works have reached that particular threshold, he then has a 20-month period to complete the car park and then the associated elements of the plaza and the retail precinct out the back of Parliament House. In total, as at the date of the agreement that he reached with government to proceed, he has six years to substantially commence his commercial building, so all those processes are within that period. If he does not commence that office building within that period of time, then he is obliged to wear the full cost of the works in kind and the plaza works and he loses his development approval for the tower.

**Mr PISONI:** What is the date when that is triggered?

**The Hon. S.C. MULLIGHAN:** Six years after the commencement of the car park, which is February 2018.

**Mr PISONI:** Sorry?

**The Hon. S.C. MULLIGHAN:** That period commences from February 2018.

**Mr PISONI:** That is when the car park will start; is that what you are saying?

**The Hon. S.C. MULLIGHAN:** Yes.

**Mr PISONI:** Are there any consequences if the car park does not start by February 2018?

**The Hon. S.C. MULLIGHAN:** It depends on what the cause of the delay is, but there are rights that the state is able to exercise if there is a delay attributable to Walker.

**Mr PISONI:** What are those penalties?

**The Hon. S.C. MULLIGHAN:** My understanding is that he loses his financial contribution to the precinct, as well as his development rights of the tower.

**Mr PISONI:** He has six years in which to start the tower; how long to finish it?

**The Hon. S.C. MULLIGHAN:** We would estimate a build time of approximately 24 months. It is not contracted because it would be unfeasible to substantially commence a commercial office tower and not complete it without incurring significant financial loss to the developer.

**Mr PISONI:** Is there a legal definition of what the start is?

**The Hon. S.C. MULLIGHAN:** Of substantial commencement?

**Mr PISONI:** Yes.

**The Hon. S.C. MULLIGHAN:** Yes, I am advised there is. I understand there is a definition and it is one that is consistent with the majority of our commercial developments that we do across the portfolio.

**Mr PISONI:** Previously—

**The Hon. S.C. MULLIGHAN:** Just to clarify, I am advised that it is worded in a way that the developer cannot do what has been done on O'Connell Street, for example, which is to include demolition of an existing structure and classify that as substantial development. The actual building must actually commence, rather than there be just some sort of demolition works.

**Mr PISONI:** So we are not going to have a hole in the ground for a substantial period of time?

**The Hon. S.C. MULLIGHAN:** I am hoping that you will have a hole in the ground in which you can park in the future.

**Mr PISONI:** The Treasurer has previously ruled out that the Walker office tower will have government accommodation. Does that still stand?

**The Hon. S.C. MULLIGHAN:** My understanding is that there is no precommitment from the government to take out accommodation.

**Mr PISONI:** In June this year, DPTI issued a market call for government office accommodation seeking suitable premises available in the market for two government office accommodation requirements with fit-out of new or existing refurbished premises. The two requirements are summarised as approximately 9,000 square metres to 12,000 square metres available from late 2019 in any location in the Adelaide CBD, core or frame, and approximately 13,000 to 16,000 square metres available from late 2020 in any location in the Adelaide CBD, core or frame. Can you rule out that Walker Corporation will be recipients of that call?

**The Hon. S.C. MULLIGHAN:** To provide some context, DPTI is, on behalf of the general government sector, the manager of office accommodation arrangements. In the last 18 months to two years, we have recruited a particular individual who was responsible for managing the property portfolio of Australia Post. He and his team have been engaged in an ongoing process to consolidate

government office accommodation throughout the CBD—in some small number of non-CBD matters as well, but focused within the CBD, given the significant amount of holding that we have in the CBD.

Those calls you have made mention of have been designed to anticipate when existing lease arrangements for government departments come up and to then go to the market to see what other accommodation arrangements—preferably more competitively provided by the market—can be entered into. This has meant that over the course of the last two years there has been a substantial consolidation in the number of sites that we occupy in the CBD. In addition to reducing the number of sites, we have also reduced the square metreage of our accommodation.

As you can imagine, reducing that square metreage has led to significant dollar savings as rental costs have decreased. It is also a pretty good time to be in the market because dollars per square metre rates are very attractive and there are significant price incentives, as well as other incentives, being offered by building owners. Your question was, given that we have three market calls, I think you said—

**Mr PISONI:** Two.

**The Hon. S.C. MULLIGHAN:** Two, 2018 and—

**Mr PISONI:** No, 2019 and 2020.

**The Hon. S.C. MULLIGHAN:** 2019 and 2020. I think you can foresee that, given we have an estimated car park commencement date of February 2018 and that, if the building were to progress on the quickest time frame and it is indeed a two-year build time, it would be cutting it extremely fine for government office accommodation, through the DPTI tendering process that you referred to, to be able to make it into that building. On top of that, there has been no commitment or no requirement for government to take out government office accommodation in the Walker building.

The only thing I think we have stipulated is that we have a right of consultation or a right of refusal, depending on which tenants are going to take out the ground floor, so that the government can be comfortable that whoever is located on that ground floor is consistent with the sort of tenant and contributor to a revitalised plaza precinct that we would ideally like to see.

**Mr PISONI:** Is the government ruling out Walker participating in that process?

**The Hon. S.C. MULLIGHAN:** I do not think we are ruling it out, but we have certainly made no commitment and there is no requirement on government to take out office accommodation space. If he were to approach government and offer leasing terms on a very favourable basis compared with what the market was providing, for example, then we would be in a position where we would have to seriously consider moving into that premises, but there is no commitment and no obligation for government to take out office accommodation space in that building.

**Mr PISONI:** What if Walker Corporation said that they could actually start immediately if they received those tender calls? Would the government award Walker the accommodation contract to speed the project up?

**The Hon. S.C. MULLIGHAN:** I do not think they can commence immediately because they will not be able to get access or they will not be able to commence—

**Mr PISONI:** Immediately from 18 February. You are in buildings now. You can extend the lease on a monthly tenancy if it is going to be tight. Businesses do this sort of thing all the time.

**The Hon. S.C. MULLIGHAN:** I am advised that not only have we made no precommitment but I think there is a particular clause in our legal arrangements with Walker that there will be no government precommitment for his building. If he were to offer commercial terms separately from that that were acceptable to government at some point in time in the future, then it would be up to a government in the future to decide, but we have made no commitment, nor do we have any obligation, to take out any space in that building. That was a key tenet of our negotiations with them.

**Mr PISONI:** Just to clarify, does that mean that the Walker Corporation would be precluded? Would it be unable to tender for this if it had not started the work?

**The Hon. S.C. MULLIGHAN:** I think the distinction we draw in this arrangement is that we are not participating in, and cannot participate in, a precommitment with Walker where the



opportunity for government office space to be taken out in his particular development is done on a bilateral basis, but if at some point in the future he had a completed building or a building nearing substantial completion and we were currently in the market for government office accommodation, then it would be open to the government of the day to test whatever offer he is able to make to the government along with the rest of the market.

This distinction is the participation in a market process that is open for people to put offers to government broader than just Walker. I think that has been a key part of the state's position in this, that there is no precommitment or obligation on the state to take out any floor space in that building.

**Mr PISONI:** To clarify, does that mean that the Walker Corporation would be precluded from any market call, even if accommodation were not required for three or four years, if the work has not begun?

**The Hon. S.C. MULLIGHAN:** I do not think it would be countenanced by the government as being precluded from a market call, but there would be a preclusion of us entering into discussions or an arrangement on a direct basis outside of testing the market. As you have mentioned with those examples of government office accommodation needs in the future, particularly two of those coming in the future, I do not think that there is any expectation from the government—I cannot speak on behalf of the developer—that that building is likely to be delivered in a time period that means it could meet the government's needs in accommodating that floor space demand.

**Mr BELL:** Can the minister confirm the value of payments to the Riverbank Precinct authority in each year of the forward estimates?

**The CHAIR:** Is that on the same page?

**Mr BELL:** Page 179, Budget Paper 4.

**The Hon. S.C. MULLIGHAN:** In 2016-17, the Riverbank Authority had a budget for its administration of \$734,000 and it had a project delivery budget of \$4.35 million. I will have to come back to you on the subsequent financial years.

**Mr BELL:** Do those two figures you have just—

**The Hon. S.C. MULLIGHAN:** Sorry, I can fill in that rich detail. For 2017-18, the budget is \$753,000; for 2018-19, it is \$772,000; for 2019-20, it is \$791,000; and for 2020-21, it is \$811,000.

**Mr BELL:** Do those figures that you have given, particularly for this year's budget, represent the total value of funding to the Riverbank Precinct authority from the state government?

**The Hon. S.C. MULLIGHAN:** The \$734,000 relates to its administration and management. On top of that, there was \$4.3 million worth of projects that were delivered from the Riverbank Authority that it received money for.

**Mr BELL:** There is no other money going in there?

**The Hon. S.C. MULLIGHAN:** I do not think so.

**Mr PISONI:** My question is on the status of the ORAH site. Are you able to advise when a plan will be announced for the ORAH site?

**The Hon. S.C. MULLIGHAN:** We hope we will be in a position to do that in the not too distant future. We have had a period of exclusive negotiations with the preferred proponent, which is a joint venture between John Holland and Commercial and General. They provided their most recent proposal to the government approximately four weeks ago. That is being worked through by Renewal, which has been tasked with managing the negotiation process, and then that will be considered by the government for a decision. We imagine it will be decided in a number of weeks.

**Mr PISONI:** Does the proposal for Commercial and General include towers no greater than 12 storeys?

**The Hon. S.C. MULLIGHAN:** I cannot go into the details of their current proposal, but I have certainly made the government's position clear in the media about what our expectation is in terms of elements of the development; that is, South Australians have become used to buildings of a

particular height on that site, which I think is approximately 53 metres high, and we are seeking from the market something in keeping with that.

**Mr PISONI:** What is the expectation of the mix of commercial versus retail that the government is aiming for on the site?

**The Hon. S.C. MULLIGHAN:** Before we entered into this period of exclusive negotiations with the proponent, we released, in broad terms, their proposal for the site. That included the retention and re-use of the five heritage buildings on the corner of the site, bounding Frome Road and North Terrace, and repurposing the easternmost heritage building into a hotel and the establishment of a large multi-use commercial research and higher education facility spanning the back of those buildings.

There is approximately 35,000 square metres of space within that building for those different uses. They have proposed up to 1,000 apartments for residential dwellings for student accommodation and for aged care. That is what they proposed. Where we are at the moment is working through the details of the most recent offer that they put to government. As I said, that was about four weeks ago, so we are still going through all that detail.

**Mr PISONI:** Does that include a due diligence process as well?

**The Hon. S.C. MULLIGHAN:** Certainly, we are conducting a due diligence process throughout the course of these negotiations for the purposes of being able to finalise the transaction.

**Mr PISONI:** Is that something that is done with your department, with Treasury, or do you bring in outside help for that?

**The Hon. S.C. MULLIGHAN:** There is a negotiation and evaluation team that has been established that involves senior executives from Renewal SA and external expert commercial legal advice. They have sought advice from time to time from other consultants during the course of this, and that is used by the negotiation team and the evaluation panel in evaluating the offer that is being put to government by the proponent.

**Mr PISONI:** The evaluation is being conducted by external—

**The Hon. S.C. MULLIGHAN:** By a combination of government officers supplemented with expert external advice, where necessary.

**Mr PISONI:** How does that work? Do you get a report from the independent valuers and then that is evaluated by the department? What is the process?

**The Hon. S.C. MULLIGHAN:** There is a range of different advice that the government would receive for this project, as well as for some other projects. That would include expert advice about commercial land and the expert legal advice we would get throughout the process, as well as any other advice from external experts that is brought on as is necessary by the negotiation and evaluation team.

**Mr PISONI:** Is any of the land or any of the ORAH site going to be sold freehold?

**The Hon. S.C. MULLIGHAN:** The government has made it clear that we are prepared to issue ground leases but not sell freehold.

**Mr PISONI:** What is the maximum term of ground lease that you are prepared to offer?

**The Hon. S.C. MULLIGHAN:** That is to be negotiated, but I have stated publicly that the community's expectation of what we have seen in other parts of the Riverbank Precinct of Adelaide, which we would consider the old RAH to be in—in fact, I think the first one was the lease expiring in 2085 over the ASER site, which was issued in 1985—is that it is nothing longer than 99 years, but we have not finalised our discussions with them. It may be shorter.

**Mr PISONI:** If I could take you back to the Riverbank area in regard to the announcement yesterday by the Casino, are you able to advise whether we will see any further restrictions on the access to the bridge to the Oval when that development starts?

**The Hon. S.C. MULLIGHAN:** The management of pedestrian access around that area is designed to keep the Riverbank footbridge open and where possible, particularly for major events, to provide direct access through to what we call the northern entrance of the Adelaide Railway Station. There is a requirement that, in relation to the package of works that is underway at the moment for the grade separation, we will be able to use that northern entrance and exit of the Railway Station in time for the Ashes Test.

What we have seen, though, is that it has been closed for football games this season. We have had to redirect Railway Station foot traffic out of the southern entrance of the Railway Station onto North Terrace and around, in between the Intercontinental building and the Railway Station building down to the level of where the footbridge lands on this side of the Torrens. The management of those sorts of access arrangements is what we are going to see. My understanding is that maintaining access for a defined number of events has been part of the signed agreement with SkyCity so that the works for their new facility there maintains pedestrian access over the bridge.

I should make it clear that I think it is the government's perspective that the issue is not so much about access over the bridge itself but about how people get from this side of the bridge into the different facilities between the bridge and North Terrace. The management has been around into and out of the northern part of the train station, which is the closest part of the train station. Your question was about closing down access to the footbridge itself. That is not the issue: it is actually managing people who are in between North Terrace and the footbridge and managing the access around there.

**Mr PISONI:** Is that access suitable for those with disabilities?

**The Hon. S.C. MULLIGHAN:** I am advised that they have no right to close access during the course of the development in its entirety. The way we have managed disability access from, say, North Terrace, when the rear of the train station is not open and people are not able to traverse from the train station at grade onto the footbridge, will be managed in the same way. Where foot traffic is walking down that 20 steps or whatever it is at the back of the Intercontinental, there is the lift there as well, and that is how we managed. That is coordinated by the plaza precinct group.

**Mr BELL:** Minister, can you indicate when you first became aware that there were issues with the way that the Office of the State Coordinator-General, Jim Hallion, was calling in applications?

**The Hon. S.C. MULLIGHAN:** I will check. I am not sure if I was made specifically aware, although from time to time I think I have come across complaints, most recently aired in the last week or two publicly, but I would have to check. I do not recall being specifically made aware, but I would have to go back and check that.

**Mr BELL:** In May 2015, the state government used planning laws to approve a development of Hungry Jack's on the corner of Edwards Street and Brighton Road, South Brighton. Approval had previously been rejected by both the City of Holdfast Bay and the ERD Court. The initial application of the council valued the project at just \$1.4 million. However, when it was put to the DAC, its value had jumped to \$3.3 million. A freedom of information request to the City of Holdfast Bay now reveals that the true capital value is \$2.45 million. My question to the minister is: do you have confidence in the work of the Coordinator-General given the obvious and significant discrepancies between the three values of this project?

**The Hon. S.C. MULLIGHAN:** I am not familiar with the details of that particular project and, indeed, that might be the project that has been aired publicly recently that is making me recall that there have been concerns raised with the process in that instance. I should also point out that the Coordinator-General does not actually report to me. I think they have recently been moved to the Department of Treasury and Finance; nonetheless, I am happy to take up this particular issue and bring back some information for the committee.

**Mr BELL:** It seems to be a big jump from \$1.4 million, \$3.3 million recorded to the DAC and then \$2.45 million, which through freedom of information is the capital cost used by the City of Holdfast Bay.

My next set of questions relates to a Stirling service station that was brought to me by the Hon. Rory McEwen. What action would the minister expect the DAC to take if they were advised that

a builder had commenced construction on a DAC-approved development without first gaining council development approval?

**The Hon. S.C. MULLIGHAN:** I probably could not comment fulsomely because it might be a question better directed to the Minister for Planning because he oversees the DAC process and those elements of the planning approval process. I can certainly refer that question to him and bring back some information to the committee.

**Mr BELL:** At the same time, one of the conditions of the DAC approval for the Stirling service station is that landscaping, which was approved by DAC, be undertaken by the builder. Why has the developer been allowed to progress the development to a point where it is now impossible to satisfy the DAC planning condition? In essence, they have built to a point where landscaping cannot occur because there is not a one-metre setback from the boundary fence.

**The Hon. S.C. MULLIGHAN:** I will have to raise that with the land use planning area and bring back a briefing for the committee.

**Mr PISONI:** Budget Paper 3, pages 77 to 78, where there is a series of tables, refers to how Renewal SA receives a community service obligation (CSO) payment for non-commercial activities in some development projects such as the Tonsley Park redevelopment and the implementation of government social housing policies and activation projects.

The dividend is paid to government by Renewal SA. It is estimated to rise from \$2.1 million in 2016-17 to \$13.9 million in 2017-18 and \$17 million in 2018-19. That table is on page 78. How does the government decide and how does the private sector know when Renewal SA is working on a commercial project generating a dividend to government and when it is working on a non-commercial project which is receiving community service obligation payments from the government?

**The Hon. S.C. MULLIGHAN:** Certainly the fact that community service obligations are being paid indicates that there are non-commercial activities being undertaken by Renewal SA, which are being reimbursed or paid up-front, as the case may be, centrally from government for those activities. It is commonly the case that some activities within a particular development are commercial and some other activities are not commercial and require a community service obligation.

The large precinct developments, such as Bowden and Tonsley, for example, are likely to have a mix of both of those activities. When facilities are not strictly regarded as being commercial or are invested in and do not provide a direct commercial return, they are the sorts of things that attract a community service obligation. They fluctuate across the project from year to year depending on when those sorts of contributions are being made. If you are after a reconciliation year by year of those CSOs by project, I am happy to provide that.

**Mr PISONI:** Does that include subsidised or free rent for businesses? Is that a community obligation?

**The Hon. S.C. MULLIGHAN:** I am not sure. I think providing facilities and paying for them up-front, such as the commercial space with the pods at Tonsley, which people go in and operate out of, may trigger a trend.

The advice I have just received is that if Renewal SA is to undertake a non-commercial activity then that would attract a CSO from Treasury. If that were part of an effort to attract or keep or see grow a particular business in South Australia, which would otherwise be regarded as an industry attraction or industry development initiative, and there were facilities or reduced costs provided, that would be the sort of thing that would attract a community service obligation. You mentioned cheap or subsidised rent. If, in fact, that were the case, that we had done that, then that would attract a CSO.

Perhaps the qualification about the cheap or the discounted rent would be that if we were holding buildings or facilities that were not being tenanted, and we desired to fill them with a tenant, then we may provide discounted rent or very cheap rent, in some cases maybe even free rent. I am thinking of some of the shops on St Vincent Street at Port Adelaide that would not attract a CSO because it would be a decision by Renewal itself to enter into an arrangement with somebody in order to fill what was otherwise vacant space. If that rent were offered to a business or a number of

businesses in a particular facility at less than market rates, I guess the determination by Renewal goes towards whether or not that attracts a CSO.

**Mr PISONI:** What was the case with The Henry Austin restaurant in Chesser Street that is closing now that it has to pay \$100,000 a year in rent? Was there a business case put to the government? Most restaurateurs, or anyone in business, will need to sign a personal guarantee for rent when they are leasing properties. There are not many landlords who will hand over to a company keys to a property without a personal guarantee by one of the developers. What were the circumstances of that and how is it that someone can walk away from a rent-free period once the rent-free period finishes?

**The Hon. S.C. MULLIGHAN:** My understanding is that the building that that particular restaurant operated in is a privately owned building—it is not owned by government—and that the proprietor of that business, which is closing, participated in a scheme managed by Renew Adelaide, which is not part of government and which is not part of Renewal SA. However, the government—

**Mr PISONI:** It does receive grants, does it not?

**The Hon. S.C. MULLIGHAN:** The government, from DPC, has provided grants to Renew Adelaide to help activate otherwise empty spaces. The other example I can think of is the shops in Topham Mall between Waymouth Street and Currie Street. Several of those have been managed by Renew Adelaide. There is a relationship between Renew Adelaide and the landlord where they suggest to the landlord that they can get a vacant tenancy filled for them on the basis that there would be some discounted rent. I think the idea is that, after a period of time, once that new business gets itself up and running and can operate, that landlord then transitions them to something more akin to a market rate.

I am advised that the operating model for Renew Adelaide—and, again, it is not a government agency—is that they offer 30-day rolling leases to these businesses that set up and try to get on their feet. In the last financial year, 2016-17, 25 new businesses, or what they call 'city activations', commenced under the program, 20 new vacant properties were activated and 10 commercial leases were signed. They advise us that 56 full-time equivalent jobs were created by Renew through this program.

**Mr PISONI:** Is there a process in place for Renewal SA projects that are similar so that the ongoing lease is negotiated prior to the free rent or discounted rent period given? Is there a policy of not allowing businesses that are competing with like businesses that are paying full rent in the same vicinity to use discounted rent or free rent from the body?

**The Hon. S.C. MULLIGHAN:** I am advised that the short answer is yes. In principle, a determination is made that Renewal will only undertake what it deems to be commercial activities. If it is asked by the government to do something that is non-commercial, then it will demand a CSO for that activity.

But I also understand that there is a judgement call that is made by Renewal if it has landholdings that are vacant and untenanted whereby, if it is consistent with the objectives of Renewal to have those buildings tenanted, then they may offer cheap or, in some cases, even free rent to those businesses. As to whether there is a policy to make sure that, under that sort of arrangement, there cannot be the establishment of a new business that may offer the same goods or services that existing businesses in the area offer, I will have to seek some further advice.

I am advised that for the cheap or discounted rent arrangement that you mentioned, I think, when it has occurred in the past it has been Renew that has negotiated those particular arrangements with the landlords in question who own those properties. I do not think we have done that with our own holdings.

The exception is that down at Port Adelaide there have been tenancies that have been filled at discounted or free rent. The way in which we have done that is via Renew Adelaide where the grant funding was made available to Renew Adelaide, some of which has been dedicated for activation of Port Adelaide sites. That is how that has been managed. After 12 months, they must go to a commercial rent.

**Mr PISONI:** Who pays the outgoings—such as the council rates, electricity, water—for those who are on free rent arrangements?

**The Hon. S.C. MULLIGHAN:** My understanding is that the subsidy is for the actual rental payments, but the businesses that go into these premises are responsible for paying the outgoings.

**Mr PISONI:** Is that generally a personal guarantee? Is that an arrangement they have directly with the service providers, like SA Water or SA Power Networks?

**The Hon. S.C. MULLIGHAN:** Perhaps what might be best is if we seek some detail about how some of these arrangements have worked direct from Renew Adelaide, and I can provide that to the committee, rather than my trying to give generalisations about this.

**Mr PISONI:** Can I take you now to Budget Paper 3, chapter 4, page 69, land and other fixed assets. The value of government land assets is estimated to fall across the forward estimates period, from \$6.418 million as of the end of June 2017 to \$6.285 million. Is that the subject of sales, or is that the outcome of an asset valuation tender that was issued earlier in the year?

**The Hon. S.C. MULLIGHAN:** That is a good question. I will have to come back to you on that. These are land assets for the entire general government sector, rather than just for Renewal. As you can imagine, Crown land, for example, comes under the balance sheet of the environment department. DPTI has significant land holdings as well. Perhaps what I can do is treat that as an omnibus question and try to bring back some sort of reconciliation to the committee.

**Mr PISONI:** I refer you to page 78 of the same budget paper. I think in the last budget TAFE properties were transferred to Renewal SA. Are you able to advise what the income from TAFE to Renewal SA has been since that transaction occurred?

**The Hon. S.C. MULLIGHAN:** In 2017-18, it is \$53.8 million; in 2018-19, it is \$55.4 million; in 2019-20, it is \$57 million; and in 2020-21, it is \$58.7 million.

**Mr PISONI:** Are they market rates?

**The Hon. S.C. MULLIGHAN:** My understanding is yes.

**Mr PISONI:** How many square metres of TAFE property are dormant or not being used by TAFE?

**The Hon. S.C. MULLIGHAN:** Perhaps I can come back to you with a reconciliation of the sites and what they are being used for.

**Mr GRIFFITHS:** Can I get some clarification. There is a significant increase in the value of land held by Renewal SA.

**The Hon. S.C. MULLIGHAN:** Yes.

**Mr GRIFFITHS:** For the previous financial year, can you give me an end of year result for the value of it and what it is at 30 June 2017? I ask this question on the basis of the dividend payments that feature in future years. We discussed that earlier on in this session, where it goes from \$17 million down to the \$3 million range. I presume that Renewal SA has a charter of a return on investment based on—

**The Hon. S.C. MULLIGHAN:** Profit.

**Mr GRIFFITHS:** Yes, profit, but as a value of the land held. I presume you have forward works in place that would ensure that, as much as possible, you are getting that. With a significant reduction in the value of the profit or the dividend, even though values have gone up of the land held, is there a concern that the return is not actually being achieved?

**The Hon. S.C. MULLIGHAN:** It is more reflective that from year to year we estimate putting to market larger or smaller tranches of land. Rather than saying larger or smaller in terms of square metreage, larger or smaller values of tranches of land.

I think that in the 2016-17 financial year the dividend you refer to was relatively small and then it grows quite significantly. In 2016-17, I think the figure I read out before was \$58 million or

\$60 million of sales, and then that grows to \$80 million or \$90 million of sales. That sale revenue enables Renewal SA to generate a higher profit and then a high dividend gets paid.

In terms of the land value itself of Renewal SA's holdings, that would have increased at least by the amount of the additional assets that we received in the transfer of TAFE properties to our portfolio. Then there would be net of any consideration about increasing or decreasing values for particular bits of land that we own. Does that sort of break it up?

**Mr GRIFFITHS:** It does in a general sense, yes. Of the \$619 million of capital investment—I presume most of that was in land—that was in the 2016-17 period.

**The Hon. S.C. MULLIGHAN:** That represents the value of the TAFE properties.

**Mr GRIFFITHS:** Only the TAFE land?

**The Hon. S.C. MULLIGHAN:** Yes.

**Mr GRIFFITHS:** It is.

**The Hon. S.C. MULLIGHAN:** Yes, that is the \$619.6 million figure.

**Mr PISONI:** Has there been any consideration of any sales in the forward estimates of TAFE property?

**The Hon. S.C. MULLIGHAN:** Not within our portfolio of TAFE properties, no. As for whatever other properties TAFE owns, I am not privy to that.

**Mr PISONI:** Has the Datacom lease been finalised now for the Tea Tree Gully TAFE?

**The Hon. S.C. MULLIGHAN:** Can I come back to you on that; I am not sure we have that.

**Mr PISONI:** So we do not know if the building works can be started?

**The Hon. S.C. MULLIGHAN:** I think we actually have to chase down that detail from TAFE SA, so leave that with us and we will—

**Mr PISONI:** It is not with TAFE SA, I do not believe.

**The Hon. S.C. MULLIGHAN:** I am advised that the head lease is with TAFE SA and then they are able to sublease space within that building.

**Mr BELL:** I have a question on that same theme. Does DSD pay TAFE any money to then offset the rent that then gets paid back to Renewal SA?

**The Hon. S.C. MULLIGHAN:** We arrived at a market valuation for these properties, which is the figure the member for Goyder was referring to, that \$619.6 million. We have required a commercial rent to be paid on that each year, and they were the figures that I gave to the member for Unley before, the \$50-odd million a year. As to the extent that DSD, which pays that rent, requires budget supplementation from Treasury, I am not sure, but that may be the case. I think, if you still have those hearings to go, it might be worth pursuing that with them, but I do not have visibility of that.

**Mr PISONI:** Finishing up, minister, I have some questions on Affordable Homes in Budget Paper 3, page 83, land sales. How many homes were sold through Renewal SA's Affordable Homes in the 2016-17 financial year and what is the number of South Australians with mortgages currently residing in properties sold by Affordable Homes properties?

**The Hon. S.C. MULLIGHAN:** Was your question specifically related to the last financial year?

**Mr PISONI:** Yes.

**The Hon. S.C. MULLIGHAN:** I am told it is 157.

**Mr PISONI:** And the total number?

**The Hon. S.C. MULLIGHAN:** Is over 2,100.

**Mr PISONI:** How many of those homes are located on or belong to sites with land belonging to or sold through Renewal SA?

**The Hon. S.C. MULLIGHAN:** That is a good question. My understanding is that, at least for the last financial year, there were 28 in the St Clair development and 14 in Broadmeadows. Going back further over that 2,100, I am not sure whether we would have an understanding of that.

**Mr PISONI:** How much was spent on advertising in the 2016-17 year for Affordable Homes?

**The Hon. S.C. MULLIGHAN:** I am not sure we can break that down out of our general advertising expense.

**Mr PISONI:** Have there been any processes or discussions about the privatisation of Affordable Homes within the current financial year or over the forward estimates?

**The Hon. S.C. MULLIGHAN:** Many of the Affordable Homes properties, by their very nature, are private because they are sold within developments that Renewal SA either makes the land available for or joins with the private sector in. Quite often, these homes have been sold by developers in these developments direct to the—

**Mr PISONI:** But there are commissions paid to Renewal SA or Affordable Homes, are there not?

**The Hon. S.C. MULLIGHAN:** I am not sure whether commissions are paid, but I can take that on notice. It might just be that we have provided a lot of land on which that developer's development occurs and then they are able to sell the properties off. Under the affordable housing policy, 15 per cent of those properties must be priced at a particular threshold.

**Mr PISONI:** Can you perhaps get back to us with a figure on that question about how much has been received in commissions?

**The Hon. S.C. MULLIGHAN:** I will take that on notice. Do you have anything else omnibus-wise?

**The CHAIR:** The omnibus questions are in.

**Mr PISONI:** We did those.

**The Hon. S.C. MULLIGHAN:** You have done them all? You do not need to do anything separately?

**Mr PISONI:** You were having a nap earlier.

**The Hon. S.C. MULLIGHAN:** So that was for all?

**The CHAIR:** They are the same for both sections because you are the one minister. There being no further time for questions, I declare the examination of the Department of Planning, Transport and Infrastructure, administered items for the Department of Planning, Transport and Infrastructure and administered items for the Department of Treasury and Finance referred to committee B, and the Department of Treasury and Finance line is to be adjourned until Tuesday 1 August. I thank the minister and his advisers for their attendance and the members of the committee and the table staff for their assistance.

At 12:32 the committee adjourned to Friday 28 July 2017 at 09:00.