

**HOUSE OF ASSEMBLY**  
**Tuesday, 24 November 2020**  
**ESTIMATES COMMITTEE A**

**Chair:**

Mr P.A. Treloar

**Members:**

Hon. A. Koutsantonis

Hon. A. Piccolo

Mr F.J. Ellis

Ms P. Luethen

Mr A.S. Pederick

Ms D. Wortley

*The committee met at 09:00*

**The CHAIR:** Good morning and welcome to Estimates Committee A. I am sorry to be the bearer of bad news but, due to technical difficulties with Hansard, we are unable to record proceedings at the moment. As a result, I am going to suggest that there is a motion to suspend the committee until the ringing of the bells.

**Mr ELLIS:** I move:

That the committee be suspended until the ringing of the bells.

Motion carried.

*Sitting suspended from 09:02 to 10:00.*

*Estimates Vote*

**DEPARTMENT FOR INFRASTRUCTURE AND TRANSPORT, \$1,083,155,000**  
**ADMINISTERED ITEMS FOR THE DEPARTMENT FOR INFRASTRUCTURE AND**  
**TRANSPORT, \$4,728,000**

**Minister:**

Hon. C.L. Wingard, Minister for Infrastructure and Transport, Minister for Recreation, Sport and Racing.

**Departmental Advisers:**

Mr T. Braxton-Smith, Chief Executive, Department for Infrastructure and Transport.

Mr W. Buckerfield, Executive Director, Transport, Planning and Program Development, Department for Infrastructure and Transport.

Ms J. Formston, Executive Director, People and Corporate Services, Department for Infrastructure and Transport.

Ms S. Fueyo, Executive Director, North-South Corridor Program Delivery Office, Department for Infrastructure and Transport.

Mr J. Whelan, Executive Director, Transport Project Delivery, Department for Infrastructure and Transport.

Mr L. Pineda, Manager, Budgeting and Reporting, Department for Infrastructure and Transport.

**The CHAIR:** Welcome back, everybody, to the sitting of Estimates Committee A. To begin with, due to technical issues we are obviously delayed by exactly one hour. I will put to the committee and the minister that the entire day's program be pushed back one hour, which means that the session will go from 10.00 to 10.30, 10.30 to 11.30, and so it goes. It will mean that lunch is at 1.45. We were scheduled to finish at 3.15, which will take us to 4.15. Is everyone happy with that? It is the simplest way to deal with this, I think. Can I get general agreement?

**The Hon. C.L. WINGARD:** Yes.

**The Hon. A. KOUTSANTONIS:** Yes.

**The CHAIR:** So we have resolved to do that. The estimates committees are a relatively informal procedure and, as such, there is no need to stand to ask or answer questions. I understand the minister and the lead speaker for the opposition have agreed an approximate time for the consideration of proposed payments, which will facilitate a change of departmental advisers. Can the Attorney and lead speaker for the opposition confirm that the timetable for today's proceedings as previously distributed, apart from the change that we have just made, is accurate? Can we confirm that, please?

**The Hon. C.L. WINGARD:** Yes.

**The Hon. A. KOUTSANTONIS:** Yes.

**The CHAIR:** Changes to committee membership will be notified as they occur. We have already done that this morning. If the minister undertakes to supply information at a later date, it must be submitted to the Clerk Assistant via the answers to questions mailbox no later than Friday 5 February 2021.

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 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 not on the committee may also 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.

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, 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.

The committee's examinations will be broadcast in the same manner as sittings of the house are broadcast, through the IPTV system within Parliament House, via the webstream linked to the internet and the Parliament of South Australia video-on-demand broadcast system.

I will now proceed to open the following lines for examination. We have the portfolio of Infrastructure, Planning and Management and the minister appearing is the Minister for Infrastructure and Transport. I declare the proposed payments open for examination. I call on the minister to make a short statement if he wishes and introduce his advisers.

**The Hon. C.L. WINGARD:** Thank you, Chair. I notify that I will not be making an opening statement, other than to introduce the people I have alongside me from the Department for Infrastructure and Transport.

To my immediate left is Tony Braxton-Smith, the chief executive. Behind me on my far left is Jude Formston, Executive Director, People and Corporate Services. Behind me is Wayne Buckerfield, Transport, Planning and Program Development. In the third row is Luis Pineda,

Manager, Budgeting and Reporting. Behind him is Susana Fueyo, Executive Director, North-South Corridor Program Delivery Office. Directly behind me on the right in the third row is Jon Whelan, Executive Director, Transport Project Delivery.

**The CHAIR:** Thank you. Does the lead speaker for the opposition wish to make an opening statement?

**The Hon. A. KOUTSANTONIS:** No, thank you, sir.

**The CHAIR:** In that case, we are open for questions. Member for West Torrens.

**The Hon. A. KOUTSANTONIS:** I refer the minister to the Budget Statement, page 21, table 2.3, investing initiatives by agency. Across the forward estimates there is a list of expenditure. I have gone through the commonwealth budget, which is by far the largest revenue source for the state budget, and I refer you to Appendix B of the commonwealth Budget Statement where it says transport and communication, functions by state. In the financial year 2021-22, South Australia only receives 5.4 per cent of all national funding. Can you explain why?

**The Hon. C.L. WINGARD:** Can I get you to repeat the question. Are you referring to the commonwealth budget—

**The Hon. A. KOUTSANTONIS:** Yes.

**The Hon. C.L. WINGARD:** —or our state budget? Because we are here to talk about our state budget.

**The Hon. A. KOUTSANTONIS:** I understand you might not understand the concept, but the funding that you have in your 'initiatives by agency'—

**The Hon. C.L. WINGARD:** I do apologise. I understand you are sitting in the solitaire seat and you are very close, and I appreciate that, but can you speak into the microphone so I can hear?

**The Hon. A. KOUTSANTONIS:** I apologise, minister.

**The Hon. C.L. WINGARD:** Thank you. I am asking what page in the state budget?

**The Hon. A. KOUTSANTONIS:** Budget Statement, page 21.

**The Hon. C.L. WINGARD:** Budget Measures Statement?

**The Hon. A. KOUTSANTONIS:** No, Budget Statement, Budget Paper 3, the one that matters. In table 2.3, investing initiatives across the forward estimates, you have \$356 million, \$480 million, \$216 million and \$168 million. Going through the commonwealth budget papers, which fund a number of the initiatives you have there on a joint basis, South Australia not once across the forward estimates receives its per capita share of commonwealth funding. Can you explain why?

**The Hon. C.L. WINGARD:** I thank the member for his question and note again the question he is asking me is about the commonwealth budget. If he has questions on the commonwealth budget, he could refer those to the commonwealth. What I can inform the member is that in the recent commonwealth budget, which relates to our budget, we have received record investment. In fact, we are putting significant money into infrastructure in South Australia.

Over the next four years we are putting \$16.7 billion into our infrastructure pipeline, with \$6.9 billion of that going into transport infrastructure. In total, there is \$7.6 billion into transport infrastructure and public transport as well. That is \$7.6 billion out of the \$16.7 billion. That is the biggest pipeline of works over four years that has ever gone into South Australia's infrastructure spend, and more than any previous Labor government has ever put into South Australia—health infrastructure, \$1.7 billion; schools, \$1.3 billion; and water, \$2.2 billion. This is a significant spend.

From the transport infrastructure point of view, we have partnered with the federal government on a number of projects. Of course, we were left with a three-quarters of a billion dollar road maintenance backlog when we took over government and we have been doing a lot of work to make sure we upgrade our roads. We know our road toll, or the lives lost on our roads I should say, is not acceptable and we are doing everything we can to improve that.

We are over-represented in the regions as well, so a big amount of our investment is actually into the regions. We are putting some \$210 million into upgrading regional roads, some \$58 million into the sealing of metropolitan roads to make our roads safer and smoother. We want to make sure people can get to where they need to go as safely as possible and make sure they can get to where they need to go as quickly as possible. When it comes to our state budget, that investment is significant.

I stress again that, when we came into government, we were here to deliver more jobs, lower costs and better services, and this is doing that. Of the \$16.7 billion that we are investing in our infrastructure pipeline over the next four years, we will be creating some 19,000 jobs in the process, which I think is truly commendable. I thank the Treasurer for working so closely with us to make sure that we are getting the best outcomes for South Australians.

That record spend was \$12.9 billion before this most recent budget and the extra \$4 billion has just pushed that through the roof as far as investment in infrastructure here in South Australia is concerned. Again, it has been a pleasure working with the commonwealth government and we will continue to do that. If you have specific questions about the commonwealth budget, I suggest you raise those with the commonwealth.

**The Hon. A. KOUTSANTONIS:** Through you, Mr Chair, the \$6.7 billion figure quoted by the minister—

**The Hon. C.L. WINGARD:** \$16.7 billion.

**The Hon. A. KOUTSANTONIS:** You said the road component was \$6.7 billion.

**The Hon. C.L. WINGARD:** That is right, it is \$6.9 billion for the road component and \$7.6 billion if you include public transport.

**The Hon. A. KOUTSANTONIS:** How much of that is commonwealth grants? While we are waiting for the answer, I will just point out to the committee that, in the commonwealth budget, South Australia does not receive anything in almost all the tables in the commonwealth budget, which was funding most of the programs the minister just read out.

**The Hon. C.L. WINGARD:** Can you point out what line of the budget you are referring to?

**The Hon. A. KOUTSANTONIS:** Just hang on a second. For example, in the commonwealth government's Roads of Strategic Importance initiative, South Australia only achieves 3.5 per cent of the total spend over the next four years. In terms of our Roads to Recovery, of a total \$2 billion—

**The Hon. C.L. WINGARD:** Sorry, is this a question or a statement? I am just waiting to—

**The Hon. A. KOUTSANTONIS:** I am waiting for you to get an answer.

**The Hon. C.L. WINGARD:** No, you do not need to make a statement. You can just ask a question and I will answer it.

**The CHAIR:** Minister, you were seeking advice. The member for West Torrens has the call. He has almost finished informing the committee.

**The Hon. A. KOUTSANTONIS:** Yes, sir, I am. Most concerning for me, of course, is the government's claim of a special relationship with the commonwealth government. There is a discrete line in the commonwealth budget that funds states to develop infrastructure programs. Those infrastructure programs are often used to submit to the commonwealth government for funding. South Australia only received \$100,000 in comparison to the millions of dollars received by other states. I will wait for this answer.

**The CHAIR:** Thank you for pointing that out, member for West Torrens. We will go back to the minister for his response to your original question, which I might get you to repeat for my benefit.

**The Hon. A. KOUTSANTONIS:** Of the total \$6.9 billion in road funding, what component of that is commonwealth funded? I would have thought it a pretty routine question. Do you want to take it on notice?

**The Hon. C.L. WINGARD:** I am informed that because some of this extends beyond the forward estimates, I will take the finer detail on notice.

**The Hon. A. KOUTSANTONIS:** Sorry, did you just say the \$6.9 billion extends beyond the forward estimates?

**The Hon. C.L. WINGARD:** If I can—

**The CHAIR:** Member for West Torrens, you have asked the question. The minister is answering.

**The Hon. C.L. WINGARD:** Thank you, sir. As I said, because some of these projects extend beyond the forward estimates, I will take that finer detail on notice. What I would like to refer to here—again, I stress the point that if the member has any questions on the commonwealth budget, he should refer those to the commonwealth—is that, as far as these infrastructure projects are concerned, the partnership with the commonwealth has been fantastic and we will continue to work with them to deliver a bigger infrastructure spend than South Australia has ever seen before.

I refer back to that \$16 billion-plus figure that we are delivering as part of those projects. Again, it is a pleasure to work with the commonwealth on these. They are the Main South Road duplication stage 2, which is a fantastic project—we were looking at stage 1 and we now get to add stage 2 to that—the Victor Harbor Road safety upgrade, of course—

**The Hon. A. KOUTSANTONIS:** Point of order, sir.

**The Hon. C.L. WINGARD:** —and the Hahndorf interchange upgrade.

**The CHAIR:** Minister, there is a point of order.

**The Hon. A. KOUTSANTONIS:** I asked what the component of the \$6.9 billion that the minister quoted in his earlier remarks to the committee across the forward estimates is commonwealth funding. The minister is now reading out budget initiatives. If he does not have it, take it on notice and we will move on.

**The CHAIR:** The member for West Torrens would be well aware that the minister is able to answer questions in whatever way he or she sees fit. However, minister, I would remind you that we have just half an hour for this session, so if you could attend to the answer at hand and then we will move on.

**The Hon. C.L. WINGARD:** Thank you, Chair. Again, I am very excited to run through these projects that we are delivering, projects that the previous government failed to deliver and did not deliver for South Australia. I can go through those projects or just refer the member back to the fact that we are spending \$16.7 billion on infrastructure in South Australia over the next four years, which will create 19,000 jobs.

That is a massive windfall for South Australia, especially at a time when we are dealing with COVID. The whole state and everyone here would obviously be very aware of where we sit with that and what everyone has been doing to make sure that we keep South Australia working and that we keep jobs generated here in our state. I think that sort of infrastructure spend, in partnership with the commonwealth, should be applauded.

**The Hon. A. KOUTSANTONIS:** I refer the minister to Budget Paper 4, Volume 3, pages 149 to 151—

**The Hon. C.L. WINGARD:** Page 149, what line?

**The Hon. A. KOUTSANTONIS:** Budget Paper 4, Volume 3—it is your budget—Agency Statements. There are a number of projects that are delayed—

**The Hon. C.L. WINGARD:** Which page, what line?

**The Hon. A. KOUTSANTONIS:** Again, we are going to pages 149, 150, 151, 152 and 153. Across those pages you list a series of new and existing projects. With the forbearance of the committee, in those pages:

- the Dublin saleyards delivery project was delayed by three years;

- the Kroemer's Crossing has been delayed by two years;
- the Glen Osmond Road-Fullarton Road intersection upgrade has been delayed by one year;
- the Grand Junction Road-Hampstead Road project has been delayed by one year;
- the Main North Road, McIntyre and Kings roads project has been delayed by one year;
- the Main North Road and Nottage Terrace upgrade has been delayed by a year;
- the Torrens Road and Ovingham Road crossing has been delayed by two years;
- the Naracoorte roundabouts have been delayed by two years;
- the Adelaide Festival Centre precinct has been delayed by two years;
- the Adelaide Hills priority program has been delayed by two years;
- the Cape Jervis breakwater extensions have been delayed by a year;
- I understand the City South tramline upgrade has been delayed by 1½ years;
- the duplication of the Joy Baluch AM Bridge has been delayed by three years;
- the extension of the Tonsley line to Flinders Medical Centre completion has been delayed by two years;
- the Candy Road and South Road intersection has been delayed by a year;
- the Golden Grove Road upgrade has been delayed by a year;
- the Lobethal freight access project has been delayed by a year;
- the Main South Road duplication from Seaford to Aldinga has been delayed by year;
- the managed motorways on the South Eastern Freeway has been delayed by a year;
- the Mitcham Hills upgrade is delayed by a year;
- the north-east public transport park-and-ride project delayed by two years;
- of course the delivery of the Regency to Pym project delayed by two years;
- the Penola bypass has been delayed by a year;
- the Port Adelaide office accommodation fit-out that your agency is running is delayed by two years;
- the Port Road/West Lakes Boulevard/Cheltenham Parade project is delayed by a year;
- the Port Stanvac wharf and foreshore is delayed by two years;
- the Port Wakefield overpass, talked about by the member for Narungga quite passionately for his constituents, is delayed by two years;
- 10 new safety cameras are delayed by two years;
- the work on Thomas Foods International, after the terrible fire, has been delayed by another two years; and
- with the Victor Harbor Road duplication, we do not know if there is a delay or not because somehow it is not appearing in the budget papers.

Can the minister tell us why there are so many delays if, as he said, infrastructure spending is a priority?

**The Hon. C.L. WINGARD:** I am just informed that, in relation to those projects the member read out, he has some confusion with the completion of the project and the completion of the payment schedule. I am informed that in budget papers—and if someone had been involved more closely in

budget papers, maybe a former Treasurer, they would know the system of how this works—the dates that are put in there are not the completion of the projects.

A lot of the projects that he actually read out, I am told, are complete, but it is the completion of the payment schedule. This is, I am told, an operation of Treasury and it is the way they record this. I am told it is not new; it has happened for a long, long time. That is how they have done that. I am informed that some of the projects that were read out, such as Thomas Foods and Port Road, Cheltenham (I actually think I drove through that one the other day), are complete. The Paradise park-and-ride is finished, Kroemer's Crossing is finished, the Naracoorte Road roundabout project he talked about is complete and the Penola bypass is complete, and a number of other ones as well—

**The Hon. A. KOUTSANTONIS:** And the city tram upgrade is complete? No more works?

**The Hon. C.L. WINGARD:** That is what I am informed; yes, that is finished. That long list you read out—I do not want to say it is embarrassing but, again, the way it is written in the budget is not completion of project; it is completion of the payment schedule. Golden Grove stage 1 is almost finished. In fact, you would have seen in the budget that we are rolling over to Golden Grove stage 2. Can I say this is an outstanding project, and full credit to the member for King for her advocacy on this project to be delivering stage 1. Now she has actually pushed forward and helped deliver stage 2 for her community.

We have been able to roll that project on and keep that work going, so that has meant the project has been fast-tracked, generating jobs in her local community. We are building what matters for South Australia, in particular in her electorate. This is a really important piece of infrastructure and we have been able to roll that through. To clarify for the member for West Torrens, what he was depicting there was in fact, from what I am told from the Treasury point of view, incorrect.

Again, I would have thought he would have known that because the dates there are the completion of the payment schedule. I am just making sure you understand because you are sitting in the solitaire seat and I have noticed that you might start playing shortly. That is the completion of the payment schedule, not the completion of the project. I am told that it has been accounted for in that way for a long, long period of time. I imagine it would have been accounted for that way when you were Treasurer and treasurers before you. So that is where that is at.

**The Hon. A. KOUTSANTONIS:** Okay, so if we can go to—

**The Hon. C.L. WINGARD:** So is that an apology, or is that—

**The CHAIR:** Member for West Torrens, I will go one more question with you, and the member for Waite wishes to ask a question as well. You have the call, member for West Torrens.

**The Hon. A. KOUTSANTONIS:** If we can go to the Joy Baluch Bridge, is that a presentational issue or has work actually commenced and it will be delivered in June 2024? Your 2019-20 budget papers talk about the bridge being delivered by June 2021 and your current budget papers talk about it being delivered in June 2024? Will the duplicated bridge be open to the public before June 2024.

**The Hon. C.L. WINGARD:** The short answer is, yes, it will be completed before June 2024. This is an alliance project with the Port Wakefield overpass and the Joy Baluch Bridge. I am told that a lot of the underwater works have begun already on the Joy Baluch Bridge, so that is well underway. The alliance is a PW2PA Alliance. I was actually scheduled to be in Port Augusta on Monday, but for our pause, given the COVID scenario.

I was at Port Wakefield a couple of weeks ago. The names of the two young fellas I met on site escape me, but one was from Gawler and one was from the northern suburbs of Adelaide. I called past and popped in and said hello. A couple of young guys, who had big smiles on their faces, were very excited to be working on this project. They could see they had assured work. They had a really great project to be working on and they were rapt. They were starting to lay out the markers on the road and the barriers on the road that night to slow down traffic and make sure they could monitor the traffic as that work began.

There are two site offices, one in the north and one in the south. These guys were at the southern site office. To see the looks on their faces—one of them had been working literally for a day or two on this project and the other one for a week. To be delivering these projects that are delivering jobs for South Australia is really important.

**The CHAIR:** Minister, we have just three minutes to go and I did indicate earlier that the member for Waite wished to ask a question.

**Mr DULUK:** I refer to Budget Paper 4, Volume 3, page 170, highlights, dot point 1, 20-Year Transport Infrastructure Strategy. Minister, what work has been done on the Cross Road planning study? When will it be completed? When will it be released and what safety improvements at Claremont and Fullarton Road are going to be included in that safety study and planning study?

**The Hon. C.L. WINGARD:** I thank the member for the question and note his interest in the planning study works that we have done. As he has pointed out, we have invested \$10 million in planning studies and that is the most that has been invested in planning studies for as long as many of the people in the department can remember because we know how important it is to do this planning and get this right so we can then invest against the planning.

Sadly, when we came into government, none of this work had been done and we were left to pick up the ball and get moving with it, which we have done. We have attracted the investment, as I have talked about before, the \$16.7 billion in partnership with the federal government, but we are then delivering \$10 million worth of planning studies.

As far as the Cross Road corridor study is concerned, that will be looking at the whole of Cross Road. That work is ongoing. I cannot give any specifics on different sections at the minute. That work is happening. It will be completed by the middle of next year. We are also looking at Portrush Road, Brighton Road and a whole number of other elements through there. Once we have that planning work done, it makes it easier to invest against that planning study.

We are looking forward to receiving that work. As I said, unfortunately it has not been done in the past, and when we came into government the cupboard was bare, so to speak. But this will help us, again, deliver against our commitment of more jobs, lower costs and better services, and having these planning studies means that we can deliver those infrastructure projects against that.

**The CHAIR:** Having reached the newly agreed time of 10.30, I declare the examination of the proposed payments for the portfolio program of Infrastructure, Planning and Management complete. I advise members that the proposed payments for the Department for Infrastructure and Transport remain open for examination.

#### **Departmental Advisers:**

Mr T. Braxton-Smith, Chief Executive, Department for Infrastructure and Transport.

Ms A. Alford, Executive Director, South Australian Public Transport Authority, Department for Infrastructure and Transport.

Ms J. Formston, Executive Director, People and Corporate Services, Department for Infrastructure and Transport.

Mr L. Pineda, Manager, Budgeting and Reporting, Department for Infrastructure and Transport.

**The CHAIR:** We are dealing now with the Department for Infrastructure and Transport and administered items in the portfolio of public transport, otherwise known as SAPTA (South Australian Public Transport Authority). I advise members that the proposed payments for Infrastructure and Transport remain open, and I call on the minister to make a statement if he wishes and to introduce any change of advisers.

**The Hon. C.L. WINGARD:** Thank you, Chair. I will not be making a statement. Can I just briefly say that the names of the two gentlemen I met out at Port Wakefield were Tom and Dillon. I



apologise for not remembering their names. They are good young lads, and it was very great to see them out there working on that project.

Again, with me on my left is Tony Braxton-Smith, the chief executive. Behind him on my far left is, again, Jude Formston, and then behind me is Anne Alford, the Executive Director of SAPTA, and in the third row is, again, Luis Pineda.

**The CHAIR:** Does the lead speaker for the opposition wish to make a statement?

**The Hon. A. KOUTSANTONIS:** No. I refer the minister to page 155 of the Agency Statement, Budget Paper 4, Volume 3, under highlights. Is Mr Fergus Gammie joining us today?

**The Hon. C.L. WINGARD:** Is that the question?

**The Hon. A. KOUTSANTONIS:** Yes.

**The Hon. C.L. WINGARD:** No. I just read out the people who are here with us today.

**The Hon. A. KOUTSANTONIS:** Could you explain why Mr Fergus Gammie, who is the head of the transformation program of our rail program, is not here?

**The Hon. C.L. WINGARD:** I have outlined who is with us here today.

**The Hon. A. KOUTSANTONIS:** Could you explain to me why he is not here?

**The Hon. C.L. WINGARD:** Again, I refer the member to my previous answer.

**The Hon. A. KOUTSANTONIS:** Is he in charge of the tender process for the metropolitan bus and tram services and train network? No?

**The Hon. C.L. WINGARD:** No.

**The Hon. A. KOUTSANTONIS:** Who is?

**The Hon. C.L. WINGARD:** Who is what?

**The Hon. A. KOUTSANTONIS:** Who is managing the transition to the contracts for the Adelaide metropolitan train network?

**The Hon. C.L. WINGARD:** Sorry, you said bus and trams.

**The Hon. A. KOUTSANTONIS:** And trains, yes.

**The Hon. C.L. WINGARD:** Can you rephrase your question? You are a bit all over the shop.

**The Hon. A. KOUTSANTONIS:** Is Mr Gammie involved in the transition to the new contracts for the Adelaide metropolitan train network, bus network and tram services?

**The Hon. C.L. WINGARD:** I am informed that, as far as the transition from the current arrangements to the new arrangements is concerned, that is being led by the Chief Executive and the Executive Director of SAPTA.

**The Hon. A. KOUTSANTONIS:** Under the program, employee benefits and expenses, what is Mr Gammie's salary?

**The Hon. C.L. WINGARD:** Sorry, which page, which line?

**The Hon. A. KOUTSANTONIS:** Page 155, employee benefits and expenses. What is Mr Gammie's salary?

**The Hon. C.L. WINGARD:** He is not salaried staff.

**The Hon. A. KOUTSANTONIS:** How much has been paid to him by the department in the last financial year?

**The Hon. C.L. WINGARD:** I will take that question on notice.

**The Hon. A. KOUTSANTONIS:** Thank you very much. Who appointed Mr Gammie?

**The Hon. C.L. WINGARD:** I am informed it was a sole source procurement process negotiated by the procurement team leaders.

**The Hon. A. KOUTSANTONIS:** And that is Mr Braxton-Smith?

**The Hon. C.L. WINGARD:** The chief executive approved that appointment, yes.

**The Hon. A. KOUTSANTONIS:** Did Mr Braxton-Smith have a prior professional relationship with Mr Gammie?

**The CHAIR:** Member for West Torrens, I am going to remind you that the minister can answer these questions as he sees fit.

**The Hon. A. KOUTSANTONIS:** He is not answering them anyway, sir, so I am not in for any surprise.

**The CHAIR:** Whether somebody did or did not have a previous professional relationship is probably a tenuous link to the budget.

**The Hon. C.L. WINGARD:** Thank you, sir. At best, I am also informed that this line of questioning took place in the Budget and Finance Committee, and I think if he reads *Hansard* he can get all the answers he requires there.

**The Hon. A. KOUTSANTONIS:** Thank you for referring me to the Budget and Finance Committee transcripts, minister. That is very generous of you. Just to inform the committee, I understand Mr Gammie was appointed through no public process to head up the privatisation of our train system.

**The Hon. C.L. WINGARD:** Is this a question or a comment?

**The Hon. A. KOUTSANTONIS:** Yes, it is getting there. Mr Gammie, unfortunately, was forced to resign from his previous roles in New Zealand under a cloud, and there were some very scathing independent reports about his conduct in New Zealand. My question is this: have all the probity inquiries undertaken by the probity officers involved in the privatisation of our train network been completed? Have you sighted those reports? Have they been given to you?

**The Hon. C.L. WINGARD:** There was a lot of comment in there, and I am not sure if we are talking about Fergus Gammie anymore or if you have changed—

**The Hon. A. KOUTSANTONIS:** Well, Fergus Gammie is running this privatisation—

**The Hon. C.L. WINGARD:** Yes, I know. I just need—

**The Hon. A. KOUTSANTONIS:** —and there are a number of probity inquiries into the conduct of the tender.

**The CHAIR:** The question, member for West Torrens, was about probity.

**The Hon. A. KOUTSANTONIS:** So have you received them?

**The Hon. C.L. WINGARD:** Can I ask the member to clarify his question. He is just a bit all over the shop.

**The Hon. A. KOUTSANTONIS:** Have you received the reports from the probity officers about the conduct of the tender for our train services?

**The Hon. C.L. WINGARD:** I am informed that the probity adviser has advised the procurement committee. Under section 39(3) of the Passenger Transport Act, that then goes to the Auditor-General. That report is due to be tabled by 15 February, when it will be available to everyone. The Auditor-General has asked for quite a number of documents, thousands of pages, and they have all been supplied to ensure that probity can be assessed by the Auditor-General. That is the person put in place to do this. I think I have gone on the public record ensuring that anyone who has any issues should be raising those with the Auditor-General and/or anyone else.

That is the process: the probity adviser advised the procurement committee; under section 39(3) of the Passenger Transport Act, that goes to the Auditor-General; and that report will be handed down on 15 February for everyone to see. As I stress again, all the documentation and

anything that the Auditor-General has asked for—I am told there are hundreds of documents and thousands of pages—have gone to the Auditor-General to ensure it is all good to go.

**The Hon. A. KOUTSANTONIS:** On the same reference, SAPTA—

**The Hon. C.L. WINGARD:** Which one was that, sorry?

**The Hon. A. KOUTSANTONIS:** The same reference.

**The Hon. C.L. WINGARD:** Yes, which one?

**The Hon. A. KOUTSANTONIS:** The one I gave you previously.

**The Hon. C.L. WINGARD:** Which was that one?

**The Hon. A. KOUTSANTONIS:** I am trying to tell you. Okay, we will get there. On Budget Paper 4, Volume 3, page 155, establish and transition new contracts for the Adelaide metropolitan train network, during the tender process—

**The Hon. C.L. WINGARD:** Sorry, which line?

**The Hon. A. KOUTSANTONIS:** Targets 2020-21, the fourth dot point. Did Keolis Downer and TrainCo attempt to withdraw or inform the department they intended to withdraw from the tender process for the train network, and did the department encourage them to remain in the process?

**The Hon. C.L. WINGARD:** As I outlined in my previous answer, all matters to do with the procurement process are being assessed by the Auditor-General. As the member would be well aware, matters of the procurement process are confidential. But, as I stressed again in my previous answer, all the information that the Auditor-General has asked for and more, I am informed, has gone to him. He will make that report on 15 February. I stress again that every ounce of information is there for the Auditor-General, it will be examined in detail and I trust that the Auditor-General will give a very fulsome report on 15 February when it is tabled for everyone to see, as it should be.

**The Hon. A. KOUTSANTONIS:** On the same budget reference, can the minister assure the committee that the \$1 million loser fee that the Treasurer confirmed publicly existed is for the maintenance of intellectual property or the ownership of intellectual property that the department may have gained from any tenders or submissions given to it through the tender process?

**The Hon. C.L. WINGARD:** I am informed that there was a partial bid cost reimbursement of up to \$1 million for additional costs related to COVID, and that has to be an auditable record. You will know that during this time, of course, COVID hit the world, hit Australia, hit South Australia. Again, I think the department and the team did a really great job working with the people through this process to get their bids submitted if they so chose. A retention of IP to the state was part of this and also they had to submit a formal tender to be—

**The Hon. A. KOUTSANTONIS:** Eligible for it.

**The Hon. C.L. WINGARD:** That is exactly right: to be eligible. What I can say is that this is, I am informed, quite a common practice and that it has happened a number of times in previous contracts, and I am told it is used widely Australia over. I can refer the member to the \$3.3 million that was paid in the Torrens to Torrens project; the \$1.95 million paid in the Darlington project; and the \$1.1 million, I am informed, paid in the Torrens rail project.

It was a common practice used by the previous Labor government, as I just outlined, many times before and then in this case as well. Again, I think we all acknowledge that COVID has been a tough and difficult time across the world, the nation and South Australia, and these partial bid reimbursement costs, the additional costs related to COVID, have to show an auditable record.

**The Hon. A. KOUTSANTONIS:** On the same reference, was that payment for the bid process in place at the beginning of the process or was it introduced at the request of one of the participants?

**The Hon. C.L. WINGARD:** As I pointed out, this was brought about because of COVID and I have outlined the process there. I am informed that the decision was made and approved by the previous minister and government.

**The Hon. A. KOUTSANTONIS:** I cannot hold you to account because you were not the minister then, so I think that is a perfectly legitimate point, but I think what it does show us is the contradiction. The minister told us in his previous answer that this was common practice, and we have just been told that this payment was introduced because of COVID. The process for the tendering of the trains occurred before the pandemic, so this payment was introduced after the process began. If it was common practice, why was it not part of the process at the beginning?

**The Hon. C.L. WINGARD:** As I outlined, this did take place during the COVID pandemic, and all of those things will be put before the Auditor-General. I have gone through the papers and the figures and the Auditor-General will table his report on 15 February. We have provided all that detail. I do note, though, and stress the point again to this committee that, under previous governments, figures in the vicinity of \$3.3 million for the Torrens Road to Torrens River project, \$1.95 million for the Darlington upgrade and \$1.1 million for the Torrens rail junction project were paid.

Again, we were in different times. COVID was and is something that we have never seen before in our lifetime and I do not think in too many lifetimes of living people as we sit here now. Again, we are happy for all that detail and all that information to go to the Auditor-General, who is the person who will oversee that and report back to this parliament, as they should. We look forward to receiving that report on or before 15 February.

**The Hon. A. KOUTSANTONIS:** I refer to the same budget paper, the same budget reference. Again I say to the committee that the opposition is not holding the current minister to account for this issue; he cannot be. But I think that answer speaks volumes about the opaqueness of this process. The committee is informed that this is standard practice. I asked a very reasonable question: if it was standard practice, was this payment available before the process began? That is, did all the bidders involved in the process know this payment was available? And I cannot get an answer. Now I am being told it is because of COVID, which goes to the information the opposition has received from a whistleblower about the conduct of Mr Gammie and the entire procurement process.

**The CHAIR:** Your next question, member from West Torrens.

**The Hon. A. KOUTSANTONIS:** Yes, I am, sir. Did the department receive any advice from any of the participants that the information provided to them as part of the tender process was inadequate?

**The Hon. C.L. WINGARD:** The questions you are raising are really a matter for the Auditor-General. As I have stressed at length, all that information is with the Auditor-General, and the Auditor-General will make that discovery when he hands down his report on or before 15 February, as I have outlined. Can I also add—and I have made the point a number of times here—that, regarding the suggestion you are making that it is fine for the previous Labor government to have made those payments but you are raising questions around other contracts, that will all be sorted by the Auditor-General.

All the information has gone to the Auditor-General, and they will hand down their findings. I stress again: Torrens to Torrens, \$3.3 million; Darlington, \$1.95 million paid to unsuccessful proponents; and \$1.1 million in the Torrens rail junction project. So, we just need to probably be aware of that and await the Auditor-General's findings.

**The Hon. A. KOUTSANTONIS:** I will move on.

**The CHAIR:** The member for King has a question, member for West Torrens.

**Ms LUETHEN:** I refer to Budget Paper 5, page 88, the last table. My question is in relation to the Golden Grove park-and-ride. What further detail can be provided today about the time frames, when we expect this to be completed, and also where constituents will be able to park while the work is happening and the number of jobs created?

**The Hon. C.L. WINGARD:** I thank the member very much for that question. This is a really exciting project in her local community, one she has advocated for, so I can understand her interest in this. The current Golden Grove park-and-ride, I am told, has 170 parking spaces. The department

is working very hard at the minute to ensure that whilst this build goes on there will be a similar number of parks nearby. They are just negotiating with a couple of people in that vicinity as we speak.

This is another election commitment, of course, that you would be very fond of and have very dear to your heart for the people of the north-east and again another example of our government building what matters for the people of South Australia. We know that by improving public transport we are creating a scenario where we are delivering better services for the people of South Australia. As I said, we are generating jobs as well, so more jobs are coming for the people of South Australia.

What we are going to do here is more than double the number of car parks at this existing site to around 400, again improving that aspect to better services within the public transport and better O-Bahn services as well. I am informed this is going to start in 2021 and be completed in early 2022. This is really great news for the people of your community and you should be out there taking full credit.

I know you have advocated incredibly hard for this. This dovetails in beautifully with stage 2 of Golden Grove Road, which is a \$30 million project and which I know the people in your community will be very appreciative of. It is a community that has been overlooked for too long and, as we invest our \$16.7 billion into infrastructure in South Australia to generate those jobs that we know we need, this is a really important piece of infrastructure for the people of the north-east.

Again, I commend you for the great work you have done in advocating for this. As a government, we are really pleased to be getting on and delivering this. It is generating jobs for South Australians and delivering better services, which is what we all want to see.

**The Hon. A. KOUTSANTONIS:** Referring again to page 155 of the Agency Statements, Budget Paper 4, Volume 3, targets, fourth dot point, you told parliament previously that the Adelaide rail transformation program had the function or objective of securing the contract for the operation, maintenance and service delivery of the Adelaide metropolitan rail network, that the commercial and financial leads within that team were responsible for developing the public sector comparator for the bidders and that Ernst and Young were commissioned to do an external piece of work to validate the work of the public sector comparator.

You have told parliament that the cost of running our Adelaide train network per year, exclusive of corporate costs, in 2018-19 was \$125.9 million. The operating costs in relation to 2019-20, you have told parliament, are \$133.6 million. Yesterday, on the tenders website, the contract value went up online for eight years at just over \$1.3 billion for the contract of the train service. On my reckoning, the cost of operating our train service is now about \$30-plus million more expensive per year than it was in public hands; is that incorrect?

**The Hon. C.L. WINGARD:** Again, just to clarify, the EY report the member talks about states that the cost to operate the rail network in 2018-19 was \$125.9 million. That same report states that corporate and shared service costs are excluded from the \$125.9 million. Corporate costs with DIT are provided as a centralised function, so they need to be factored in as well.

DIT's corporate costs are spread across a number of department programs and the like. The corporate costs include things like driver training, IT costs, finance, procurement, human services and industrial relations, work health and safety, internal audit, accommodation costs for corporate staff and all those sorts of factors. It is not really comparing apples with apples. What we have been really clear on is that the cost of this over 12 years is \$2.14 billion or thereabouts and the savings will be \$118 million over that term of the contract.

Of course, this has been through the Treasury process. I am not sure if you have met the Treasurer, but he is a very thorough man who has looked at this incredibly closely along with his Treasury officers, who you should and would know well. They have, of course, given the sign-off on this, through the cabinet process. All of this, as I have stressed many times, will go to the Auditor-General and that will be reviewed there as well.

If your assertion is that it is going to cost more to run the train network with this outsourced model and that the Treasurer would be happy to spend more money than less money, I think you are potentially barking up the wrong tree. This modelling has been done. I put it to you that the savings are going to be \$118 million over the course of this contract.

I have stressed many times in this place that one of the great things about this is delivering better services for South Australia. That is what we are really focused on and that is what Keolis Downer have a history of doing. I have talked many times before about their running of the Gold Coast tram network up in Queensland. They were put in place to build and deliver that network under the Labor government, and they have won Australasian awards for the service they deliver. We have every confidence that we will be getting a better service to the people of South Australia. That is what grows patronage in public transport.

We have to look at our public transport patronage and understand that, from when the previous Labor government left office, 10 years prior there were more people using public transport than when Labor left office. Clearly, things they were doing were not working. We know that delivering better customer service will get more people onto public transport and grow patronage, and that is what we are really focused on. By delivering that better customer service and ensuring that people have a good experience on the train and on public transport across the board, we will get a better outcome for our public service patronage.

It probably gives me a point to pivot back to as we go through this process. You are probably well aware of the process. I am sure that when you outsourced the bus contracts on a number of occasions when you were in government—you potentially would have been, if my memory serves me correctly, in the cabinet at the time—you looked at what was value for money for the South Australian taxpayer and chose to sign those contracts.

You are well aware of how they work. You have signed a number of them; I am not sure if you were minister or not, and I stand to be corrected if you were not, but you may well have signed some of these contracts yourself, with the understanding that they will deliver better services for South Australians, will be run more efficiently and return that saving I have outlined. Again, I stress the point that the Auditor-General will be having a look at all of that, and we await the Auditor-General's Report on or before 15 February.

**The Hon. A. KOUTSANTONIS:** On the same reference, on the tenders website the government has released the total cost of \$1.374 billion for the contract, an execution date of 18 September 2020, a starting date of 31 January 2021 and a completion date of 4 February 2029. That is eight years; \$1.374 billion. You quote a figure of \$2.14 billion for the total cost, so the remaining four years is over \$800 million. Could you explain the escalation at the end?

**The Hon. C.L. WINGARD:** I was just seeking some clarification on some of the figures. I will take the question on notice, understanding that there are potentially some long-term maintenance and other costs that may not have been factored into that figure. However, I would like to go and check the figure you are saying and the technicalities around it; I am happy to do that. Again, I go back to the point that all this will be looked at by the Auditor-General. All the information has been given to him and we gleefully await his report.

I also want to go back to the point and drive home the better services we are going to be delivering through this, in partnership with the outsource provider Keolis Downer. Already, point 2, Flinders Link and the work we are doing there, there is \$141 million invested in extending that line and taking it up to Flinders hospital and Flinders University. That work is coming along very nicely.

That will provide an extra 12,000 trips, and when we talk about better services that is a great example of that. There will be an extra 12,000 trips for the people of the Tonsley and Clovelly Park areas, being able to go into the city and then up to Flinders as well, the university and the hospital. It gives that direct connectivity to the city as well as to the Tonsley Innovation Precinct. Of course, we are also providing services on weekends, which have never been provided before, and on weeknights into the late evening, close to midnight, as well.

We are very focused on delivering better services for the people of South Australia in partnership with Keolis Downer. We are very comfortable we will be able to do that and, again, return those savings of \$118 million.

**The Hon. A. KOUTSANTONIS:** I refer the minister again to the same budget reference: Budget Paper 4, Volume 3, page 155, program summary and employee benefits. Is the minister aware of a recent judgement by the Fair Work Commission that the application of redeployment,

retraining and redundancy provisions for the Rail Commissioner and rail operations employees will not have a time limit of 12 months?

**The Hon. C.L. WINGARD:** Sorry, can you repeat that question, please?

**The Hon. A. KOUTSANTONIS:** Are you aware, minister, of a recent judgement in the Fair Work Commission that the application of redeployment, retraining and redundancy provisions for Rail Commissioner and rail operations employees would not have a time limit of 12 months?

**The Hon. C.L. WINGARD:** The short answer is, yes, I have been made aware of it. The department is having a look at that and examining that matter. They will get back to me with some advice once they have examined that further.

**The Hon. A. KOUTSANTONIS:** On the same line, does that mean that if a suitable job is not found for a train driver and they do not go to Keolis Downer they could be getting paid for more than 12 months while not operating a function within the Public Service?

**The Hon. C.L. WINGARD:** As I outlined, that is being examined by the department as we speak.

**The Hon. A. KOUTSANTONIS:** Is it possible that the government will be offering redundancies to these employees after 12 months? That is not currently budgeted for within the budget papers.

**The Hon. C.L. WINGARD:** I am told that technically that is a question for the Treasurer, but we are very much focused on the retraining and redeployment to ensure that these people who want to keep working within the government system can do so. That is being worked through at the moment. The great news—and I go full circle back to our \$16.7 billion in infrastructure spend—is there is a lot of work out there for these people.

We are doing a number of projects, including the Ovingham project, the Hove crossing project and the Gawler electrification. You would remember that project fondly because it is one that the previous Labor government just sat on their hands with and did not deliver for the people of South Australia. We are getting on and we are doing that. There is a lot of work out there and we are working very closely with everyone to ensure they have that full employment and that they can be redeployed to these positions.

I mentioned the Flinders Link project as well. That is one we are extremely proud of. That is finishing up shortly. The Gawler electrification project is going on for a period of time. These are great opportunities as far as people being able to gain employment and work in this area, not to mention the roadworks that we are investing in. I have mentioned the \$268 million that is on top of the \$144 million stimulus money. Our investments in infrastructure—

**The Hon. A. KOUTSANTONIS:** Are we reopening the other lines, sir?

**The CHAIR:** Minister, I—

**The Hon. C.L. WINGARD:** Our investment in infrastructure is substantial, so there are plenty of job opportunities there for those people.

**The CHAIR:** Minister, the committee has been furnished with that already today.

**The Hon. A. KOUTSANTONIS:** I do not think the minister has quite grasped the consequences of this Fair Work decision. There were reports in the media yesterday that only half the required drivers who are currently in the employ of the state have joined Keolis Downer. This decision means that those drivers can stay with the government almost indefinitely without taking a job offer; is that incorrect?

**The CHAIR:** Member for West Torrens, your question—

**The Hon. A. KOUTSANTONIS:** Is that correct?

**The CHAIR:** It relates back to a media report from yesterday's—

**The Hon. A. KOUTSANTONIS:** No, the Fair Work decision, sir, is a judgement available on their website.

**The CHAIR:** Yes, I know, but you were quoting media reports. I am just highlighting that.

**The Hon. A. KOUTSANTONIS:** I do not think the minister has grasped the gravity of this Fair Work decision, sir. Mind you, who is surprised?

**The Hon. C.L. WINGARD:** I am informed that the department is taking advice on the decision, but I am also equally informed that the member for West Torrens may not be correct in his interpretation of the decision. The member for West Torrens has been wrong many times before and that would not stop him from just firing from the hip—we know that. It has been put to me that his interpretation of this decision is not correct, but again we are working through that and advice is being taken from the department, and we will continue to do that.

**The Hon. A. KOUTSANTONIS:** On the same budget line, what is the take-up of train drivers to Keolis Downer currently?

**The Hon. C.L. WINGARD:** I am informed that the expression of interest is still open until 27 November. The expression of interest is still open, so those negotiations are still going. I am informed from the company that they are going very, very well. People have been very, very receptive. This is a great opportunity for the people of South Australia. Keolis Downer is a really big company—

**The Hon. A. KOUTSANTONIS:** But they are not taking it up, minister. That is the problem.

**The Hon. C.L. WINGARD:** —and to be working with them means there is the opportunity for international expansion and interstate expansion. They are a company that is very much focused on people. I reiterate their customer service focus, which I think is absolutely outstanding. They are very keen to be working with all the train drivers, in particular, to have them come across. They are very comfortable that they will have the sufficient number of train drivers when it is required, but the expression of interest is going on until the 27<sup>th</sup>, so it is a moving feast. It is changing by the day. People are coming across all the time and we will know more on the 27<sup>th</sup>.

**The Hon. A. KOUTSANTONIS:** According to your own website, the execution date of the contract was 18 September. The starting date is 31 January. My initial question was: how many drivers right now, as of today—

**The Hon. C.L. WINGARD:** Those dates again, if you would?

**The Hon. A. KOUTSANTONIS:** The execution date for the contract was 18 September and the starting date of the contract is 31 January. As of today, how many drivers have joined with Keolis Downer? That is the question I asked initially.

**The Hon. C.L. WINGARD:** Sorry, I was just seeking clarification. Again, to my previous answer, the expression of interest is open until the 27<sup>th</sup>. Keolis Downer have had a number of meetings with interested drivers and there has been a really, really good uptake. It is a growing number and it is a fluid number. I do not have the exact figure on me right now. It will be determined by the 27<sup>th</sup>. However, I am informed, and the company is very confident, that they will have enough drivers in time to make this transition. It is an exciting opportunity, and I have spoken to a number—

**The Hon. A. KOUTSANTONIS:** What if they do not?

**The Hon. C.L. WINGARD:** —of drivers myself, and they are really excited by this prospect. I have every confidence that we will have enough drivers to take over and do this role, and the opportunities that are there for people to join with this company are immense.

They have a great history. I have mentioned their history up on the Gold Coast. They run the Melbourne Yarra trams as well. It is a company that has a really great customer service record, a really great delivery record here in South Australia. The Keolis arm is an international arm, and the Downer aspect is an Australian company that does an outstanding job. To be in with a company like this that is going to some hundreds and hundreds of employees—500 plus employees—here in South Australia is just generating jobs for South Australia, and again that is what we said we would do—

**The Hon. A. KOUTSANTONIS:** It is the same jobs.

**The Hon. C.L. WINGARD:** But they are jobs with a really reputable company.



**The Hon. A. KOUTSANTONIS:** And it is more expensive.

**The Hon. C.L. WINGARD:** It is more jobs, lower cost and better services, which is what we said when we came into government, and this is another example of delivering more jobs. Yes, they are with the Keolis Downer company, and that is a really great outcome. There is a great opportunity for people to get on board, and they are coming over daily. The expressions of interest, as I stress, finishes on the 27<sup>th</sup>, so we will wait for that time and move forward from there. Every advice I have from the company is that they are very confident they will have the right number of train drivers to deliver the service from 31 January, and we are excited by that.

**The Hon. A. KOUTSANTONIS:** I think it is telling that the minister will not tell us how many people have joined up, because if it was a number he was happy to tell the committee it would be a large number.

**The Hon. C.L. WINGARD:** To answer that question—

**The Hon. A. KOUTSANTONIS:** I have not finished asking my question. Show the committee the courtesy and let me finish my question. I think that shows a bit of disrespect for the committee, not telling us how many people have expressed an interest as of now to join Keolis Downer. You do not want to tell us. Is it possible, because of a Fair Work decision, that employees may keep their substantive positions within the department and work as private labour hire for Keolis Downer?

**The Hon. C.L. WINGARD:** Again, I said before that expressions of interest are open until the 27<sup>th</sup>, so I do not have that number. I am happy to take it on notice.

**The Hon. A. KOUTSANTONIS:** I heard Mr Braxton-Smith give you a number of expressions of interest. What was it?

**The Hon. C.L. WINGARD:** Please—I do not have that number as it stands.

**The Hon. A. KOUTSANTONIS:** But he just told you. I saw him tell you.

**The CHAIR:** Member for West Torrens, that is not—

**The Hon. A. KOUTSANTONIS:** This is ridiculous. Someone watching this committee would think that the minister knows what the number is and he will not tell us. It is childish.

**The CHAIR:** Well, he is indicating to the committee that he may take it on notice.

**The Hon. A. KOUTSANTONIS:** Well, he has not, sir.

**The CHAIR:** Well, yes, he did allude to that. That is up to the minister. He will respond to the question now.

**The Hon. A. KOUTSANTONIS:** Will there be enough drivers to operate the train system on 31 January?

**The Hon. C.L. WINGARD:** If you would listen for a minute—and I am sure you are not playing solitaire, even though you are sitting in the solitaire seat—I did answer the question. I said that it is fluid. The expressions of interest close on 27 November.

**The Hon. A. KOUTSANTONIS:** How many have expressed interest?

**The Hon. C.L. WINGARD:** Wait, wait, wait. Shh, shh, shh.

**The CHAIR:** Member for West Torrens, you have asked the question.

**The Hon. A. KOUTSANTONIS:** Why won't you answer it?

**The CHAIR:** The minister is answering.

**The Hon. C.L. WINGARD:** Thank you, sir. Again, expressions of interest close on the 27<sup>th</sup>. They are still working through that today as we speak.

**The Hon. A. KOUTSANTONIS:** Mr Braxton-Smith told you how many people had expressed an interest. Why will you not tell the committee?

**The CHAIR:** Member for West Torrens!

**The Hon. A. KOUTSANTONIS:** I heard him tell you.

**The CHAIR:** The member for West Torrens is called to order, and I am going to bring the committee's attention to standing order 141, and that is that the house can interfere to prevent quarrels between members.

**The Hon. C.L. WINGARD:** Thank you, sir. If the member will be kind enough to refrain so that I can finish the answer, I stress the point again: expressions of interest close on the 27<sup>th</sup>. It is moving by the day, so I do not have the exact number. I did say before, and I will repeat again, that I am happy to take it on notice and get back to the member.

To answer the other part of his question—because it was a four, five or six-part question with a whole diatribe in the middle—I have every confidence, and the company has informed me, too, that they have every confidence that they will have sufficient train drivers to be up and firing on 31 January.

**The Hon. A. KOUTSANTONIS:** The member for Waite has a question—good member.

**Mr DULUK:** I refer to Budget Paper 4, Volume 3, page 155, the automatic train protection (ATP) system on the Belair line. Minister, can you explain what was done in terms of the ATP on the Belair line? Was the target met?

**The Hon. C.L. WINGARD:** Sorry, could I ask you to repeat the question. The member for West Torrens was speaking.

**Mr DULUK:** I refer to page 155, and the second dot point under highlights for 2019-20:

Switched on the Automatic Train Protection (APT) system on the Belair line, improving safety for hills train passengers.

What does it mean by improving safety via the ATP? What was actually done? What was the target and how was it met, and how does replacing security guards with an ATP lead to a safer commute for residents in my electorate?

**The Hon. C.L. WINGARD:** I will begin the answer and then I will get a little bit more detail, because I do remember from my time in opposition about the ATP system which is, I am led to believe, the automatic train protection system. It is a sensory system, whereby you are aware of the train that is in front of you so that trains can actually run closer together in an ideal world. If we can run trains back to back, safety would be even further improved. In the old days, there were flags and whatever that would be waved to ensure that a train was clear ahead. So the ATP system works in that context, but I will get a little bit more detail from the staff.

**The Hon. A. KOUTSANTONIS:** On the same reference—

**The CHAIR:** I think the minister is seeking further advice to answer that question.

**The Hon. C.L. WINGARD:** You will be pleased to know that I was correct in my assessment of that answer. My recollection from my days as shadow minister was correct. The reason it stuck in my head is that it was a system the previous Labor government really dragged their heels on. Unfortunately, the Belair line was, I think, the last line that this was put in place. It does add to the safety for passengers and workers. We are glad to have completed that and have it in place now. Again, it was a bit of a blight on the previous government that they failed to deliver those safety mechanisms, despite the fact that they committed to it for such a long period of time.

That is what that means. It actually has nothing to do with safety on the trains in terms of safety officers or security officers. It is just about how the trains do not run into the back of each other and keeping that protection there within the system. So it is a great safety add-on to ensure that people who use our train lines are safely going forward.

We are really keen to work with Keolis Downer on adding extra safety elements and extra safety features to stations. We are really keen to work with them on that because of their extensive history across Australia and across the world. They have some really great innovations that they will be able to bring to the table there, so we have more to come in that space and we look forward to working with them on that.

**The Hon. A. KOUTSANTONIS:** I refer to the same budget reference. On Keolis Downer's experience in Australia, they do not run any heavy rail operations in Australia. What contingencies do you have in place if they are not accredited by the national rail regulator in time?

**The Hon. C.L. WINGARD:** Sorry, can you just—

**The Hon. A. KOUTSANTONIS:** Keolis Downer are not currently—

**The Hon. C.L. WINGARD:** I understand your question. Sorry, I was—

**The Hon. A. KOUTSANTONIS:** Keolis Downer are not currently accredited by the rail regulator to operate heavy rail; they operate no heavy rail in Australia. What contingencies do you have in place if they are not accredited in time to begin operations?

**The Hon. C.L. WINGARD:** Just for the member's update, I am informed that under the Rail Safety National Law, light and heavy do not have any material impact on what they do here. They are already accredited for three systems across Australia, so they do understand and have a very good understanding of how this all works. They have been working really closely with the national rail safety officer in that space. In fact, I have met with them a number of times and they are very confident of having the right accreditation, and so are we.

**The Hon. A. KOUTSANTONIS:** That was not my question. My question was: what contingencies do you have in place if they are not accredited?

**The Hon. C.L. WINGARD:** Again, I think I answered that by outlining the fact—

**The Hon. A. KOUTSANTONIS:** None?

**The Hon. C.L. WINGARD:** —that they have a great history in this space.

**The Hon. A. KOUTSANTONIS:** Sir, that was not my question. My question is not about their history. My question is: what contingencies do you have in place if they are not accredited?

**The CHAIR:** Member for West Torrens, I heard your question; I am sure the minister did as well.

**The Hon. A. KOUTSANTONIS:** Is there a contingency?

**The CHAIR:** As I have indicated a couple of times, any minister is able to answer as they see fit. The minister is seeking advice at the moment.

**The Hon. A. KOUTSANTONIS:** Does the contract allow you to continue operating the rail system? Excellent. Thank you. That was not so hard, was it?

**The Hon. C.L. WINGARD:** I can inform the member that there are alternative operating plans but, again, I do stress the point—and I think he is probably somewhat glossing over this—of the experience of a company like Keolis Downer—

**The Hon. A. KOUTSANTONIS:** Yes, they run trams, I know.

**The Hon. C.L. WINGARD:** —with three systems already accredited.

**The Hon. A. KOUTSANTONIS:** Trams. Yes, I know.

**The Hon. C.L. WINGARD:** Again, the member can talk over me and think he is being smart, but he just needs to listen for a second and understand that, under the Rail Safety National Law, light or heavy has no material difference. So whether they are accredited for light or heavy has no bearing; they are accredited to run three systems. They have great experience working with the Office of the National Rail Safety Regulator and working under the Rail Safety National Law, which is why we have every confidence that it will be achieved and we will be off and running on 31 January.

**The CHAIR:** I just remind members of the committee that, should they overhear advice given to the minister, they should not take that as the response or the reply. The response comes from the minister. Having reached the time of 11.30 under the new program, which has everything pushed back one hour, I declare the examination of the proposed programs for the portfolio program public transport complete.

**Departmental Advisers:**

Mr T. Braxton-Smith, Chief Executive, Department for Infrastructure and Transport.

Ms J. Formston, Executive Director, People and Corporate Services, Department for Infrastructure and Transport.

Ms E. Kokar, Executive Director, Road and Marine Services, Department for Infrastructure and Transport.

Mr L. Pineda, Manager, Budgeting and Reporting, Department for Infrastructure and Transport.

**The CHAIR:** The next portfolio to be examined, from 11.30 to 12.00, after which we will have a short break, is roads and marine. The minister appearing is the Minister for Infrastructure and Transport. I advise members that the proposed payments for the Department for Infrastructure and Transport remain open for examination. I call on the minister to make a short statement, if he wishes, and certainly introduce any new advisers he may have with him.

**The Hon. C.L. WINGARD:** I note that I will not be making any statement, other than to again reintroduce the people we have with us. To my left is Tony Braxton-Smith, the chief executive of the department; Jude Formston is with us again; behind me is Emma Kokar, the Executive Director of Road and Marine Services; and Luis Pineda is still in the back row.

**The CHAIR:** Does the lead speaker for the opposition wish to make a statement?

**The Hon. A. KOUTSANTONIS:** No, thank you, sir.

**The CHAIR:** If not, I invite questions.

**The Hon. A. KOUTSANTONIS:** I ask the minister to turn to page 159 of Budget Paper 4: Agency Statements, Volume 3, roads and marine. Under highlights 2019-20, the first dot point states, 'Opened a new Adelaide Service SA Centre.' I would assume that this is going to be later on under Service SA, but I want to ask a question: where is this new Service SA that you are talking about here? Is this the one in Mount Barker?

**The CHAIR:** Your question, member for West Torrens, for my benefit, is?

**The Hon. A. KOUTSANTONIS:** Where is it?

**The CHAIR:** Where is it in Mount Barker?

**The Hon. A. KOUTSANTONIS:** Yes, where is this new Adelaide Service SA centre? I assume it has either replaced the one in the city or it is another one in metropolitan Adelaide, and I do not know where, sir.

**The Hon. C.L. WINGARD:** To clarify, on the reference point that you made, this is the new service in Currie Street that opened, I am told, in February this year. In fact, I visited there most recently, and it is a lovely building. It is a far more modern building. It delivers some outstanding service with the computer terminals, obviously, that you can interface with.

It has a concierge at the entrance, which is of that newer age. I am not sure if you buy your own mobile phone or if someone does it for you, but I suppose you could liken it to a mobile phone store where the concierge comes to greet you. It has that sort of feel to it. It has traditional booths for payments. With COVID, everyone is moving to tap and go systems. Currie Street is a very modern facility and it replaces the one on North Terrace.

**The Hon. A. KOUTSANTONIS:** If I can take you to the same page, targets 2020-21, the fourth dot point states, 'Commence contract works for the design and construction of new ferry berthing structures at Cape Jervis and Penneshaw.' When was that scheduled to begin in last year's budget?

**The Hon. C.L. WINGARD:** I think you may be a bit confused, and I do not want to jump ahead. There was some money allocated for some repairs and then there is the new initiative, which is \$22 million to fix the Cape Jervis and Penneshaw wharves to support the ferry service. Upgrades will improve berthing facilities, making it safer for ferry passengers and providing a better experience for locals and tourists alike.

These upgrades, unfortunately, were ignored by the previous Labor administration, but we are getting on with fixing them. There were some remediation works that were in train, and in this budget we have outlined \$22 million to go toward fixing those two wharves. We look forward to delivering those projects for the people of the Fleurieu and Kangaroo Island to have better connectivity between Penneshaw and Cape Jervis. Being a former Kangaroo Island person myself, I know how important this connectivity is, and these upgrades will be greatly appreciated.

We are also investing in jetties, boat ramps, bridges and other such infrastructure as part of this budget, and we are very keen to make sure we are delivering for people in this area. The Penneshaw-Cape Jervis investment is a significant investment that we are very proud of—again, part of our \$16.7 billion infrastructure spend. It would be remiss of me not to mention more jobs, lower costs and better services.

**The Hon. A. KOUTSANTONIS:** Completed when?

**The Hon. C.L. WINGARD:** Are you talking about the existing one or the \$22 million for the—

**The Hon. A. KOUTSANTONIS:** 'Commence contract works for the design and construction of new ferry berthing structures,' when will that be completed?

**The Hon. C.L. WINGARD:** I will take that on notice.

**The Hon. A. KOUTSANTONIS:** The following dot point says, 'Transition to the new state-wide road maintenance contracts and deliver a range of stimulus funded'—

**The Hon. C.L. WINGARD:** Sorry, which page?

**The Hon. A. KOUTSANTONIS:** Same page, next dot point.

**The Hon. C.L. WINGARD:** Talk me through which page? I have just closed my book.

**The Hon. A. KOUTSANTONIS:** Page 159, roads and marine, Agency Statement.

**The Hon. C.L. WINGARD:** Thank you. It is not that hard.

**The Hon. A. KOUTSANTONIS:** The dot point beneath the Cape Jervis and Penneshaw improvements is 'Transition to new state-wide road maintenance contracts.' I understand this is where we had our own employees, our own FTEs, doing road maintenance and now DIT is going to a new statewide contract basis for road maintenance. What is the FTE reduction as a consequence of this new process?

**The Hon. C.L. WINGARD:** Just to clarify this—and it is a good point you raise—the way this was structured was that previously, under the former Labor government, part of the road maintenance was contracted out. I think it was approximately 60 per cent, I am informed, and when that expired we made a decision to go to a fully outsourced program. It was really taking what the Labor government had done, which they obviously deemed was a good thing to do for 60 per cent, and we deemed it was a good thing to do for the full contract, so that is what we have done. As far as the numbers are concerned, I am happy to take that on notice. I do note, though, in the point that you make, the following:

Transition to the new state-wide maintenance contracts and deliver a range of stimulus funded programs to improve race safety and maintenance conditions.

What we have been able to do with this program and project is that a lot of that stimulus money, which I have gone to some length to talk about, is important money and it is generating jobs, and the department has done a good job in this space. With that \$268 million and the stimulus money before that from the first stimulus, when COVID first hit, which is some \$145 million, we have been able to look at contracts that mean we can use those outsourced providers to deliver against that work. That

has meant we have generated jobs far quicker and got jobs out the door quicker and got people working quicker, which has been a real intent.

We have been very pleased to relay to the Treasurer that the stimulus money is delivering those projects far quicker. When we look right across the board—be it at Horrocks Highway, Barrier Highway, Stuart Highway, over on the West Coast as well, the Birdseye Highway—a number of those roads throughout the regions have needed that stimulus and needed that investment. I mentioned previously, and it probably notes pointing out again, that we were left with a \$750 million road maintenance backlog. The ability to get this investment, the \$16.7 billion that the state has never seen before, is really important, and then to be getting the work out the door is equally as important.

Through these contracts, a lot of that work has been able to be expedited and we have been able to get that work out the door so that it has kept people in jobs and it has kept people working at a time when COVID has hit right across the state, right across the world. Equally important is that a lot of these jobs are in the regions, which we know are important because our regional areas have been neglected, especially when it comes to road maintenance. Widening these roads makes our roads safer.

Also, what we are seeing, and we saw it last night, is that the feds are driving money into people holidaying at home. We want to see more people holidaying here in South Australia, especially in our regions, using our roads, so we want to make sure they are as safe as possible and of course reduce the number of lives lost on our roads. We are doing a lot of the catch-up work that was left by the previous government.

**The Hon. A. KOUTSANTONIS:** How many DIT FTEs will remain in original areas as a consequence of this reform?

**The Hon. C.L. WINGARD:** I am informed that this handover happened on 1 November, and DIT has maintained a regional presence and the contractors also have regional presence. I am also informed that throughout this process, and this is important, the Office of the Industry Advocate has played a part in this to make sure that this work continues to go to people in the regions. I know across the board in my involvement we have made sure that we have really listened to the people in the regions and made sure there are pathways and avenues for them to continue to get this work—

**The Hon. A. KOUTSANTONIS:** Point of order: standing order 98, debate, sir. I asked a very simple question: how many FTEs remain in the regions employed by DIT?

**The CHAIR:** There is a point of order. I will bring the minister back to his answer, please.

**The Hon. C.L. WINGARD:** Again I stress that DIT does maintain a regional presence.

**The Hon. A. KOUTSANTONIS:** How many?

**The Hon. C.L. WINGARD:** I am happy to take that on notice and come back with an answer.

**The Hon. A. KOUTSANTONIS:** Thank you very much.

**The Hon. C.L. WINGARD:** The regional contractors also have a very big presence there, so we have maintained a really big focus on what is required in the regions. I have gone through and outlined what we are investing in the regions and the increase in that investment actually means more work and more jobs in the regions. They have been very receptive to that and it keeps people living in their communities, working in their communities and generating income for people in those communities. I know regional people have been very appreciative of that increased investment hinged around that \$16.7 billion that we are investing in infrastructure here in South Australia.

**The Hon. A. KOUTSANTONIS:** On page 160 of the same Agency Statement under explanation of significant movements, it says there is an \$18.3 million increase in expenses between the 2020-21 budget and the 2019-20 actual. Down the bottom it says it is offset by savings of \$3.4 million in the reform process of road maintenance and Service SA. Of that \$3.4 million, how much did you save by outsourcing the remaining 40 per cent of the regional road maintenance contract?

**The Hon. C.L. WINGARD:** I will just have a look at that. But just to clarify the question, you are saying that when you outsourced the 60 per cent and if you made savings doing that—

**The Hon. A. KOUTSANTONIS:** You are a child.

**The Hon. C.L. WINGARD:** —that was bad. Is that what you are saying or not?

**The Hon. A. KOUTSANTONIS:** No. I am asking you a question. Of the \$3.4 million—

**The Hon. C.L. WINGARD:** You do not need to speak to me like that, either.

**The Hon. A. KOUTSANTONIS:** You are, you are a child.

**The Hon. C.L. WINGARD:** No, I am just getting clarification that when you outsourced 60 per cent it was okay.

**The Hon. A. KOUTSANTONIS:** People are watching you and you are behaving like a child. It was a simple question. I was not trying to have a go at you; I was trying to find out what it is and you behave like a child.

**The Hon. C.L. WINGARD:** I am just clarifying.

**The Hon. A. KOUTSANTONIS:** You are behaving like a child; grow up.

**The CHAIR:** Enough, minister and member for West Torrens.

**The Hon. A. KOUTSANTONIS:** For what, sir? I am sitting here quietly and he behaves like a fool.

**The CHAIR:** I will get to that, member for West Torrens. Do not argue with me.

**The Hon. A. KOUTSANTONIS:** You are a child.

**The CHAIR:** I bring the committee—the member for West Torrens and the minister in particular—back to standing order 141 and that is that the house does not permit quarrels.

**The Hon. A. KOUTSANTONIS:** No, sir.

**The CHAIR:** I know you are sitting very close together today but, all the same, I will not allow you to argue with each other.

**The Hon. C.L. WINGARD:** I think he really likes me, sir. He wanted to sit close.

**The CHAIR:** My recollection of the question was that it was around offsets; is that right, member for West Torrens?

**The Hon. A. KOUTSANTONIS:** Yes, sir. All I was simply asking was: of the \$3.4 million and the reformed costs associated, how much is about the road maintenance contract? That is all. I am not trying to bring down the government. I usually am, but not here. Okay, that is fine.

**The Hon. C.L. WINGARD:** I appreciate the question from the member and I will take it on notice because I do not think we have the ability to do that calculation right here, right now, because it is absorbed between the two aspects. I will have a look at that and take the question on notice and get back to the member.

**The Hon. A. KOUTSANTONIS:** I refer the minister to Budget Paper 3, page 5. The first dot point on page 5 is \$135 million over three years towards sealing the Strzelecki Track. The project is expected to cost \$180 million. I understand that the commonwealth government has invested \$100 million, the state government is investing \$35 million and there is a shortfall of \$45 million that will be raised by other means. Can I ask what those other means are? I know a toll operates in the Cooper Basin. Is it a point-to-point freight charge, is it a toll or is it industry contributions?

Can I also say, sir, that I congratulate the government on this initiative. I think it is an important initiative to seal the Strzelecki Track. There is state funding of \$35 million, commonwealth funding of \$100 million and there is a shortfall.

**The Hon. C.L. WINGARD:** I do agree with the member for West Torrens that this is an important project. I know it has been on the infrastructure agenda for a long period of time and was ignored by the previous government for a long period of time. This is about improving productivity. We were delighted when we were able to source some funding from the commonwealth to the tune of \$100 million. The state government came along and committed \$35 million as well.

As the dot point in the budget paper points out, it is expected to cost more and they are looking at other revenue sources. Before this project was put on the table, the government and the federal government as well, as far as I am aware, had been speaking with industry participants to determine how they might contribute to this important piece of infrastructure. That conversation is ongoing and we will continue to do that.

No method, if you like, has been landed on, but industry were really keen to work with us on this. We were in a position where, again, an important piece of infrastructure was ignored for decades and we wanted to get on with it. By getting the \$135 million, it gives us a chance to get moving on it and we can continue, as the budget paper points out, to work with industry and determine how they may partner with the remainder of this project.

This is one of those projects, if you speak to the member for Stuart in particular, that has been talked about for a really long period of time. The advantages this will bring to the agriculture industry, the mining industry and our connectivity through to the north-west of Queensland through that track when we do this work will be so important. To be getting on with the \$135 million worth of works, given that we have already started works further north and that has been very successful, from my understanding, is a really great windfall and a great kick forward. We thank the federal government for coming on board and partnering with us on this project—all part of our \$16.7 billion spend.

This is a very smart investment for the state and we will continue to work with industry. They are very open to those conversations and those discussions. They are very aware of where we sit with this, but, as you would understand, there would be no point in just sitting on our hands, not getting on with it and waiting until we work that out.

We are in a situation on a couple of fronts. One is that the feds are willing to invest and we are happy to partner with them. Given the COVID situation, we are looking to generate jobs at every turn. We want to deliver more jobs for South Australia and this is a project that will do that. It is in the regions, and I often say to people when they talk about the Strzelecki Track that not many people will see it. I know—

**The CHAIR:** Minister, we only have six minutes. I might ask you to bring your response to a close.

**The Hon. C.L. WINGARD:** I will, but I just think it is really important that we do not gloss over this. People in the city will not see it. In the member for West Torrens' electorate, they will probably never drive the Strzelecki Track, but it must be noted and pointed out that this is an important piece of infrastructure for South Australia, even though it is not one that is driven day to day by metropolitan South Australians.

**The Hon. A. KOUTSANTONIS:** Can the minister rule out a toll?

**The Hon. C.L. WINGARD:** What we are saying here is we are going to deal with the industry participants and listen to what they say and what they want to do.

**The Hon. A. KOUTSANTONIS:** I am not asking you that; I am asking you if you will rule out a toll.

**The Hon. C.L. WINGARD:** Again, to answer your question, we are going to deal with industry and we are going to talk to industry—

**The Hon. A. KOUTSANTONIS:** That is not what I asked you.

**The Hon. C.L. WINGARD:** If I can finish the answer, please—

**The Hon. A. KOUTSANTONIS:** Just rule out a toll.

**The CHAIR:** Member for West Torrens, you have asked your question. The minister is now answering.

**The Hon. C.L. WINGARD:** We are working with industry for them to determine how they would like to partner with us. We are going to have those conversations with industry and talk to industry. We have been all the way along. They have been keen to engage with us on this project. We are putting \$135 million on the table: \$100 million from the commonwealth and \$35 million from



the state government. I presume the trucking industry—which will, fundamentally, be using this road to increase productivity within South Australia—would be putting a number of options on the table, and we will be working through that with them, as is outlined in this budget paper.

We will do that, but we cannot sit on our hands and wait. We have the money there and we need to get on with this project. That is exactly what we are doing.

**The Hon. A. KOUTSANTONIS:** I am cognisant of the time. I ask the minister to turn to page 162 of Budget Paper 4, Volume 3, and the bridge health index.

**The Hon. C.L. WINGARD:** We are back to Budget Paper 4, Volume 3, and 162?

**The Hon. A. KOUTSANTONIS:** Yes, the bridge health index, at a projection of 72.

**The Hon. C.L. WINGARD:** Which point?

**The Hon. A. KOUTSANTONIS:** I have said 'bridge health index' three times now.

**The Hon. C.L. WINGARD:** I know, but which? The top one, got it, yes.

**The Hon. A. KOUTSANTONIS:** There is only one.

**The Hon. C.L. WINGARD:** Yes, there is a whole lot of points, so point me in the right direction.

**The Hon. A. KOUTSANTONIS:** How much funding, as a state government, have we seen from the commonwealth for bridge maintenance? There is a dedicated commonwealth fund for bridge maintenance and repair, and I wonder if the minister could tell the committee how much he has been able to garner through his special relationship with the commonwealth government for bridge maintenance. Of course, you could take it on notice.

**The Hon. C.L. WINGARD:** I thank the member that question and note that I will take that element on notice. However, I do draw his attention to some of the work we are doing on critical road bridge maintenance as part of the stimulus. We have put \$20 million towards that. In fact, I was in the member for Flinders' electorate, and Bratten Bridge—is that the one?

**The CHAIR:** Bratten Bridge, yes.

**The Hon. C.L. WINGARD:** That was a project we completed recently, working with the local council there, and the local community is very much appreciative of that. That was one of those really good projects that delivered the outcomes we were looking for. Working with the local council there, they did an outstanding job and I commend them for that.

This project, going forward—we announced this a little while ago, the \$20 million over three years to undertake works—is really important. We have a number of bridges here in South Australia that need this work, so that will go a long way towards doing that. At the same time we announced \$20 million for jetties and boat ramps as well: O'Sullivan's Beach was one, and there are a couple of jetties on the West Coast—

**The Hon. A. KOUTSANTONIS:** Are jetties part of the bridge health index?

**The Hon. C.L. WINGARD:** Not to my knowledge, no.

**The Hon. A. KOUTSANTONIS:** So why are you talking about jetties?

**The Hon. C.L. WINGARD:** I am just talking about the money we are investing, which is good. I know you would appreciate that one. I know it is in the regions and you might not care, but these are really important investments, and we just announced them at the same time. The bridge funding, the \$20 million there, and the \$20 million for jetties and boat ramps as well, were greatly appreciated. I know Matthew Abraham is very keen on that one.

**The CHAIR:** A final question, member for West Torrens, a quick question and a quick answer.

**The Hon. A. KOUTSANTONIS:** My final question is: can the minister give us an overview of what that number actually means? I understand that the explanation is that the higher the number

the better the health of the bridge is, the lower the number the worse. Is it a number out of 100? Is it a number out of 1,000? How is the number calculated?

I just point out to the committee that the Bridges Renewal Program in the commonwealth budget shows that, of a total \$90 million spent this financial year, the commonwealth government has allocated only \$3 million to South Australia while allocating \$40 million to New South Wales, \$17.7 million to Victoria, and \$19.1 million to Queensland. It does not get any better over the forward estimates.

**The CHAIR:** Thank you for that information, member for West Torrens. Minister, I am going to ask you for your response, please, and then we will break.

**The Hon. C.L. WINGARD:** Thank you, sir. I will take it on notice, noting that I am informed it is a highly technical way of calculation. We could be here until 5.30 and the member for West Torrens, with the greatest respect, still may not get it, I am told. That is no disrespect to him; it is just a very complex system. I will take it on notice and get some detail for you to be able to read and follow through. I am led to believe it is very, very complex. I do note again, when you compare city to city, the waterways in New South Wales are far different from the waterways here. We have garnered significant investment.

**The Hon. A. KOUTSANTONIS:** \$3 million?

**The Hon. C.L. WINGARD:** You told me off, Chair, but I do need to—

**The CHAIR:** No, I did not, minister.

**The Hon. C.L. WINGARD:** Sorry, you did not tell me off; you did stress the point that I had repeated this more than once, but I am at lengths to repeat it. Our focus is on our regional roads. Our regional roads have been left to deteriorate to a shocking state. As I said, we were left with three-quarters of a billion dollars of road maintenance backlog when we came into government. We make no apologies for focusing on delivering better roads right across South Australia and in our regions.

Again, in this budget, there is \$210 million for improving our roads in South Australia—to make them safer, to widen them and to put in road shoulders, audio tactile line markings and safety barriers where applicable. We are working with the federal government and they have been fantastic in their support on that. I think \$168 million of the money comes from them and \$42 million comes from us. So \$168 million from the federal government and \$42 million from our state government gives us \$210 million to invest in our regional roads, with \$58 million going into the metropolitan road network as well to improve those roads.

Getting better roads in our regions is so vitally important: (1) to overcome the neglect under years of a Labor government, and I think we all acknowledge that here in this place; and (2) we want to be attracting more people in our regions, especially as we go through COVID. The tourism opportunities there are immense and we want to make sure we have safe roads. Safe roads of course will help in reducing the number of lives lost on our roads. Sadly, our regions are over-represented in that road safety figure.

We will be focusing very much on regional roads and driving our dollar into that area. We acknowledge the commonwealth government's contribution to that and we are really keen to partner with them to deliver better outcomes.

**The CHAIR:** Thank you, minister. We have reached the allotted time and I declare the examination of the proposed payments for roads and marine complete.

*Sitting suspended from 12:02 to 12:15.*

**The CHAIR:** Welcome back to Estimates Committee A. We are waiting for the member for Narungga. He is here now, so that is excellent. It is right on 12.15pm. The next portfolio to be examined is Service SA. The minister appearing is the Minister for Infrastructure and Transport. I advise members that the proposed payments for the Department for Infrastructure and Transport remain open for examination. The minister, of course, can make an opening statement, if he would like to. There does not appear to be any change in your advisers, minister.

**The Hon. C.L. WINGARD:** There has been no change, sir, and I will make no statement. There are still the same good-looking people as there were just before the break.

**The CHAIR:** Indeed, the chamber is full of good-looking people today.

**The Hon. C.L. WINGARD:** That is right. Can I mention, too, the member for West Torrens' glasses. He looks very distinguished, I must say. I told him offline that all the cool kids are wearing glasses and he agreed with me, so that is good.

**The CHAIR:** I will take that as a comment, rather than a statement.

**The Hon. C.L. WINGARD:** It was meant that way.

**The CHAIR:** I invite any questions of the minister.

**The Hon. A. KOUTSANTONIS:** I refer you to Budget Paper 4, Volume 3, page 159, program 2. This is again Service SA. This is where Service SA is mentioned. I look for the patience of the committee, Chair. You have in there a quote saying 'reshaping the physical footprint' of Service SA. What does that mean?

**The Hon. C.L. WINGARD:** Sorry, which point was this?

**The Hon. A. KOUTSANTONIS:** It is targets 2020-21 at the first dot point. It states, 'reshaping the physical footprint' of Service SA. What does that mean?

**The Hon. C.L. WINGARD:** What I can say to answer this question is that we talked a little bit about Currie Street before the break and the improvement there with the new more modern approach, I suppose, to service delivery by Service SA. I would like to say that we are putting the service back into Service SA. I spoke before about Currie Street and how it has the concierge feel as well, so when you walk in, rather than just having a bank of booths and you take a ticket and wait to get called to a bank, there is a more interactive operation, if you like.

They have some self-help serve kiosks, if we can call them that, where the staff will help you do stuff online and give you assistance. You can use some of their kiosks as well, or their terminals, if you like, to do your work there or you can do the more traditional line-up and go to one of the counters. What we have seen from Currie Street is a really great improvement in the interaction from the public. We are looking to roll out that more contemporary look and feel across the board. Of course, Mount Barker is on the way and that will have that feel.

As we finish leases and upgrade other Service SA centres, we will be looking to add that contemporary, modern, open and airy feel. I must say that, having visited the Currie Street facility, it really does have that more modern feel to it. I think I mentioned before that it feels like when you go into those phone service centres—Telstra, Vodafone, Optus or whatever they might be. It has that real customer-interfacing service and I think that is what we have in Currie Street and that is what we are looking to roll out across all the Service SA centres.

**The Hon. A. KOUTSANTONIS:** I just want to ask a supplementary to that. Is it simply a reshaping of the existing footprint, or are you planning to downsize any of the stores?

**The Hon. C.L. WINGARD:** No. What we will be doing is that when the contracts come up we will be looking at that facility and how this new contemporary style will fit in that facility to make sure that we are delivering this new contemporary service. I think that the Currie Street operation is a little bit smaller than the King William Street station. There was the ability to move into that new one, and it has been really well received.

What we are really focused on here is delivering that better service and that better option so you can actually go in and have someone show you through how to do stuff online. A lot of the services are moving to online; we all know that it is an online world. This is just a great way to actually help facilitate that. Someone goes in, meets the concierge, and they can get someone to give them a hand and show them through it.

They may not come back and do that interaction again in a Service SA centre. They may opt to do it from home. They may have some questions about what they are doing at home but they just want to get clarification, so they can go in and get that service from the Service SA centre. So we

have this ability to work with them, as opposed to the old methodology with the terminal and the computer on the other side of the counter where you cannot see it because someone is doing that interaction for you.

With this new contemporary, more modern facility, people can have the choice about how they do it. As I said, they can go in, use a terminal themselves, and—bang, bang—knock something out in their lunch break, or in between picking up the kids from school, or whatever it might be. Also, they can go to someone at the terminal to help them through the service they are looking for, or they can again go to that traditional counter. It is about making these centres more contemporary and delivering a better service.

**The Hon. A. KOUTSANTONIS:** On that then, minister, why has the agency gone out to tender in Prospect and Modbury for smaller footprints and smaller premises?

**The Hon. C.L. WINGARD:** I appreciate the point. As I mentioned, as these leases or contracts are coming to an end—as with any contract, I would imagine—you would look at whether you would relocate, stay with the same contract, or stay with the same venue. However, because of this new contemporary establishment and setup that we have, again, we are looking for lighter, airier facilities, and there is less back of house.

Again, if you have been into Currie Street and had a look and compared it with King William Street, there is a very much different feel. We are looking at those opportunities as well. The potential to relocate around the corner, or in the same vicinity, like King William Street to Currie Street, means that you do not actually have to close the centre down for a while whilst you do the refit.

There might be the opportunity to move around the corner and do the refit there whilst that one is operating in the old format. You then freshen up the new one, do the new refit and deliver the service out of there. But there is no doubt with a lot of things—and we have seen it through COVID too—as far as the way in which different industries operate, this new contemporary service delivery model at the front end that has the concierge, and the counters as well, has a slightly different look and has a slightly different feel, I think, and a more amenable feel for people going in there and getting that service.

People are using the online facilities more, so they are going in and getting that help and that ability to be able to get that service from the concierge, as well as having the options to use the traditional counters, if that is what you want to call it. We are looking at all those options, and we will deliver the best outcomes, again, to deliver better service.

**The Hon. A. KOUTSANTONIS:** If there is going to be fewer back office staff, are there FTE reductions or savings as part of this transformation road map?

**The Hon. C.L. WINGARD:** As you would be aware, cabinet has I think made this public—that there are no savings tasks associated with—

**The Hon. A. KOUTSANTONIS:** Service SA.

**The Hon. C.L. WINGARD:** —Service SA, yes.

**The Hon. A. KOUTSANTONIS:** Where will the back office staff go?

**The Hon. C.L. WINGARD:** Just to be clear, with the new style, the new set-up, when I say 'back office staff' it actually brings people to the front of the office, concierge style. Instead of having people sitting at desks out the back, and that takes up X amount of space, for want of a better term, there is the opportunity for them to be floating out the front giving that service delivery and doing it in that more modern, new-age style if you like.

There is the flexibility within Service SA, and I have to commend the staff for this, to move around to where the demand is. Staff can potentially move from place to place, and that has never been more evident, and probably pertinent for this committee to note, that through COVID a lot of the Service SA staff, or some Service SA staff, went across and helped out with contact tracing and those types of things as well. I do truly commend them for the flexibility they have in their work and their ability to step up and help in very foreign times, as we have all experienced through COVID.

Staff have done a really great job there, and I take this opportunity to commend them for that wonderful work.

**The Hon. A. KOUTSANTONIS:** From what I understand, you have leases at Mitcham, Modbury and Prospect. Are you planning on moving any of those locations?

**The Hon. C.L. WINGARD:** I think we have made it clear that those service centres will be staying in those areas. Again, with the market call, if we can find a better location, a more suitable location that is around the corner for this new contemporary style, that will be considered at the time. If you refurb in the same spot, so to speak, there will be a close-down period, I imagine, when you take out the old and bring in the new, so to speak, as far as the infrastructure is concerned within the store; whereas, if there is somewhere around the corner that can do the job just as well, you can refurb that with the new contemporary style and then do a transfer over and it will not mean that you will lose any of those services. That is all being explored in the market sounding.

**Mr DULUK:** Minister, same budget paper, page 159, also in regard to Service SA. You are obviously talking about the road map. Can you guarantee that the new road map will not result in any shopfront services or staffing reduction at the Modbury, Prospect and, indeed, the Mitcham Service SA centres, even if they do happen to have lease renewals at other sites within those suburbs?

**The Hon. C.L. WINGARD:** Sorry, what was the last bit of that question again?

**Mr DULUK:** Even if there happens to be a renewal or a new lease taken up on a new site within those suburbs, can you guarantee that there will be no reduction in shopfront services and staffing as currently held at the Mitcham, Prospect and Modbury sites?

**The Hon. C.L. WINGARD:** Again, the full range of services. I think it has been made very public, and that is pivoting towards more online. As the demand changes, we will change with that to make sure people are getting the services they need and want. This new style that we have talked about, the contemporary style of service delivery, putting the service back into Service SA, as you will see when you go to Currie Street, enables that really good flexibility. I talked about that, as an extreme example, with staff going off and helping with COVID-19. But if a new centre was starting up—

**Mr DULUK:** So we may potentially see a reduction in staffing at those sites?

**The Hon. C.L. WINGARD:** No, what we are saying here is there is flexibility with staff around the corner. For example, when Mount Barker starts up there might be some Mitcham staff who could potentially go and help out Mount Barker while they get up and get running and whatever else, and it would flick around to the service delivery. Again, I stress the point, and I hope I have been clear on this, about back office staff coming out to the front.

The traditional way of working in a shop or a business or whatever where everyone has a desk, etc., is not the way forward. It is actually very much at the front now and it is the staff serving people as they come in the door in that concierge-type model. If you have not been in Currie Street, I highly recommend you go and have a look and check it out. It is a really good set-up and it is what we will be rolling out going forward.

**The Hon. A. KOUTSANTONIS:** Your answer prior to the member for Waite's question was that it would be inconvenient to upgrade a Service SA centre while one is operational, so you would do it around the corner. From that, am I to glean, without putting words in your mouth, that all three of the Service SA centres we have been talking about—Modbury, Prospect and Mitcham—will be moving location?

**The Hon. C.L. WINGARD:** No, that would be putting words in my mouth. What I said was that we are out having a look at what the options are. That is what I am informed. Like with King William Street around to Currie Street, if there is an opportunity to move around the corner, one of the advantages might be that you do not have that break in continuity as you transfer. As far as I am informed, the department is out to market having a look at what the options are and what might deliver the best service or best outcome for those communities, stressing the point that those centres will stay in their communities.

**The Hon. A. KOUTSANTONIS:** Again, I go back to my original point: the Mitcham Service SA is currently in a shopping centre, or it is close by, and obviously the businesses in and around that Service SA rely on the patronage from there, and it is the same with the Northpark Prospect shopping centre and the same again at Modbury on Reservoir Road. Are any of those locations changing?

**The Hon. C.L. WINGARD:** The short answer is that that will depend on the market sounding. Again, I fall back to the King William Street and Currie Street example, where around the corner a better site and a better location were found to deliver the new, modern facility. The market sounding is happening at the moment, and we are having a look to see what sites are available.

I think it needs to be pointed out, too, for businesses that use Service SA, that on average someone will use a Service SA facility once per year. It is not like you are a baker, you have to be supplied flour to bake bread daily and you have to go and get your flour from the same shop. It is not that connotation at all. What we want to do and what we have committed to doing is keeping those centres in and around that same area. If we can set up a better location for the new, modern facility then we will have a look at that, but that is being sounded out with the market as we speak.

**The Hon. A. KOUTSANTONIS:** Minister, it seems to me that what you are saying to us is that there will still be Service SA centres in the suburbs we are talking about but that potentially they will not be in the same location.

**The Hon. C.L. WINGARD:** Again, that is being worked through at the moment.

**The Hon. A. KOUTSANTONIS:** That means you are potentially going to—I do not want to put words in your mouth—close the Prospect Service SA and open another one with a different configuration somewhere different; is that right?

**The Hon. C.L. WINGARD:** I have said this a couple of times but I will be even clearer. I think the best way to explain it is that when we look at King William Street—and I presume you would have been into the King William Street operation when it was up and running; it has moved around the corner to Currie Street so you could probably throw a rock as far as that—the new set-up and the new modern way of operating fit incredibly well into that precinct and you have those services, as we have outlined, where you get that concierge interface and you can work with the customer service person at the terminal and work through whatever it is you are looking to transact and get advice on.

You can go and do it yourself, so you can go to your own terminal and do that, or you can go to the kiosks. If you do go and have a look at this setup, again I stress the point that it is a far better way to do business. It is the more modern way to provide service and I truly believe it is putting the service back into Service SA. We know more people are going online when they get services from Service SA and you do not need to be Einstein to work out that going forward more and more people will do more and more things online; it is just the world we live in. If you look at banking, it is exactly the same scenario.

Here with Service SA, we want to make sure we have an interface where people can work in those three contemporary elements, and the King William Street facility moving around the corner to Currie Street provides that contemporary operation. We are doing market sounding in those three areas looking at their facilities to make sure we can deliver that new modern outcome that has been so successful in Currie Street.

**The Hon. A. KOUTSANTONIS:** So Prospect Service SA is closing and a new one will take its place somewhere or thereabouts near Prospect. So the Northpark Shopping Centre one, we can confirm today, is going to close.

**The Hon. C.L. WINGARD:** No. I have made it really clear: there is market sounding and we are having a look at it. One of the options might be King William Street moving around to Currie Street or it might be replaced in the same location, but that will not be determined until we actually have—

**The Hon. A. KOUTSANTONIS:** You said in your previous answer that it cannot be in the same location because the refurb will cause a delay.

**The Hon. C.L. WINGARD:** No, that is not what I said. I said that might be one thing that is considered.

**The Hon. A. KOUTSANTONIS:** So generally when you are in lease negotiations, the tenants are assuming they are just simply negotiating a new lease. Is this new tender process basically for an entirely new service to transform Service SA according to the government's road map?

**The Hon. C.L. WINGARD:** Sorry, say that again.

**The Hon. A. KOUTSANTONIS:** I would have thought if you were the landlord at Northpark or the landlord at Mitcham or the landlord at Modbury, this process now means potentially they are about to lose a government tenant, and the tender process you opened is not so much a renegotiation of the lease: it is an intention that the government is potentially moving from that site; is that correct?

**The Hon. C.L. WINGARD:** To be clear, as I am informed, these tenancies have expired so it would only be right that you go to a market process to get the best value for dollar for taxpayers in this process, which is what I think you would expect a government to do. It is not about signing a sweetheart deal; it is about going to market, getting the best outcome for spending taxpayer dollars and finding the right solution for the South Australian taxpayer.

**The Hon. A. KOUTSANTONIS:** So the leases are not being renewed automatically; you are going out to tender?

**The Hon. C.L. WINGARD:** The leases have expired.

**The Hon. A. KOUTSANTONIS:** Sure, but they would have a right to renew clause in them. No?

**The Hon. C.L. WINGARD:** Again, this is an opportunity for the incumbents to put their best foot forward, and we expect them to do that. This is an opportunity for government to get value for money for taxpayers' spend. I think it is a normal course of business.

**The Hon. A. KOUTSANTONIS:** I refer you to Budget Paper 5, Budget Measures Statement, page 90, Mount Barker Service SA. The cost of establishing the Service SA in Mount Barker went from \$470,000 in 2018-19 and \$480,000 per annum thereafter, but in the 2020-21 budget you have allocated \$725,000 and it is indexed thereafter. The new road map, with the new footprint, the new open and airy format, is providing a more expensive fit-out and operational costs per annum compared with the old. Or have you changed it? Is it larger or is there something about the scope that has changed?

**The Hon. C.L. WINGARD:** To be clear, there was no previous Service SA centre in—

**The Hon. A. KOUTSANTONIS:** No, but beyond the allocated budget—

**The Hon. C.L. WINGARD:** Hang on. There was not previously a Service SA centre, so the previous government had ignored that, but we saw fit to put one in there, to service the people of that region. I am told that the initial figure was an estimated figure. Again, there was nothing to benchmark it on. There had never been one there before. The previous government had not done that. The estimation was made. They then went to market to assess what it would need and what it would take, looking at the right footprint to again deliver this new contemporary style, to make sure that we are giving the right service to the people of that region. That was really very much a key focus.

In going to market, it was determined that the estimate that was made in the beginning was not correct, and the market determined that that was the actual cost to deliver that service into the Mount Barker region. The cost is outlined there, and we look forward to delivering it for the people of Mount Barker. As I have stressed, they have never had this sort of service in their local community before, but we have committed to delivering it.

**The Hon. A. KOUTSANTONIS:** Your budget in 2018-19 allocated \$470,000 per annum to the Service SA in Mount Barker and now it is \$725 million. That money was not allocated in a Labor budget; it was allocated in your budget. I did not say that there was a Mount Barker Service SA open. I said that you had allocated this money in your budgets. That has now increased per annum. Why?

**The Hon. C.L. WINGARD:** Again, just to go back to the point, I will seek further clarification. You are right: there was never a Service SA centre in Mount Barker but we have committed to putting one there. Just to be clear, the estimated figure was put in the budget: 'This is what we are doing; this is what we are going to deliver.' It was estimated at \$470,000, then we went to market to assess the cost. It was determined that it was more expensive than that, and the new figures are outlined here in this budget, bearing in mind we wanted to deliver the right facility and the right centre for that region to make sure they had that contemporary feel. I will triple check to see if there is any more information I can give you, but that is how it has been explained to me.

**The Hon. A. KOUTSANTONIS:** Sir, for each department and agency reporting—

**The CHAIR:** Sorry; I am happy to wait for the minister, and I will give you time, member for West Torrens.

**The Hon. A. KOUTSANTONIS:** I do not want to take time away from the others.

**The CHAIR:** Minister, if you could respond quickly, please.

**The Hon. C.L. WINGARD:** I can, yes. Just to elaborate on that, that figure you talked about, the \$470,000 I think you said it was, was a Treasury estimate for a smaller format. On doing the work and the assessment, it was deemed that a larger format was needed; henceforth, the slightly greater expense to deliver, again, what that community needs. So it is delivering the Service SA centre that Mount Barker needs. The initial Treasury estimate was lower. It was determined that this is actually what is needed, and that is why the costing is slightly higher—again, to deliver that contemporary feel and that contemporary output for Mount Barker. We look forward to delivering that for them very soon.

**The CHAIR:** Please be assured, committee members, that I will not run any section of the committee short of time. Member for West Torrens.

**The Hon. A. KOUTSANTONIS:** I read the following omnibus questions into *Hansard*:

1. For each department and agency reporting to the minister:

- What is the actual FTE count at 30 June 2020 and the projected actual FTE count for each year of the forward estimates?
- What is the total employment cost for each year of the forward estimates?
- What is the notional FTE job reduction target that has been agreed with Treasury for each year of the forward estimates?
- Does the agency or department expect to meet the target in each year of the forward estimates?
- How many TVSPs are estimated to be required to meet FTE reductions over the forward estimates?

2. For each department and agency reporting to the minister:

- How much is budgeted to be spent on goods and services for 2020-21, and for each of the years of the forward estimates period?
- The top ten providers of goods and services by value to each agency reporting to the minister for 2019-20; and
- A description of the goods and/or services provided by each of these top ten providers, and the cost to the agency for these goods and/or services.
- The value of the goods and services that was supplied to the agency by South Australian suppliers.

3. Between 1 July 2019 and 30 June 2020, will the minister list the job title and total employment cost of each position with a total estimated cost of \$100,000 or more which has either (1) been abolished and (2) which has been created?



4. Will the minister provide a detailed breakdown of expenditure on consultants and contractors above \$10,000 between 1 July 2019 and 30 June 2020 for all departments and agencies reporting to the minister, listing:

- the name of the consultant, contractor or service supplier;
- cost;
- work undertaken;
- reason for engaging the contractor; and
- method of appointment?

5. For each department and agency for which the minister has responsibility:

- How many FTEs were employed to provide communication and promotion activities in 2019-20 and what was their employment expense?
- How many FTEs are budgeted to provide communication and promotion activities in 2020-21, 2021-22, 2022-23 and 2023-24 and what is their estimated employment expense?
- The total cost of government-paid advertising, including campaigns, across all mediums in 2019-20 and budgeted cost for 2020-21.

6. For each department and agency reporting to the minister, please provide a full itemised breakdown of attraction and retention allowances as well as non-salary benefits paid to public servants and contracts between 1 July 2019 and 30 June 2020.

7. What is the title and total employment cost of each individual staff member in the minister's office as at 30 June 2020, including all departmental employees seconded to ministerial offices?

8. For each department and agency reporting to the minister, could you detail:

- (a) How much was spent on targeted voluntary separation packages in 2019-20?
- (b) What department funded these TVSPs? (except for DTF estimates)
- (c) What number of TVSPs were funded?
- (d) What is the budget for targeted voluntary separation packages for financial years included in the forward estimates (by year), and how are these packages funded?
- (e) What is the breakdown per agency/branch of targeted voluntary separation packages for financial years included in the forward estimates (by year) by FTEs?

9. For each department and agency reporting to the minister, how many executive terminations have occurred since 1 July 2019 and what is the value of executive termination payments made?

10. For each department and agency reporting to the minister, what new executive appointments have been made since 1 July 2019, and what is the annual salary, and total employment cost for each position?

11. For each department and agency reporting to the minister, how many employees have been declared excess, how long has each employee been declared excess, and what is the salary of each excess employee?

12. In the 2019-20 financial year, for all departments and agencies reporting to the minister, what underspending on operating programs (1) was and (2) was not approved by cabinet for carryover expenditure in 2020-21?

13. In the 2019-20 financial year, for all departments and agencies reporting to the minister, what underspending on investing or capital projects or programs (1) was and (2) was not approved by cabinet for carryover expenditure in 2020-21? How much was sought and how much was approved?

14. For each grant program or fund the minister is responsible for please provide the following information for 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 financial years:

- (a) Name of the program or fund;
- (b) The purpose of the program or fund;
- (c) Balance of the grant program or fund;
- (d) Budgeted (or actual) expenditure from the program or fund;
- (e) Budgeted (or actual) payments into the program or fund;
- (f) Carryovers into or from the program or fund; and
- (g) Details, including the value and beneficiary, of any commitments already made to be funded from the program or fund.

15. For the period of 1 July 2019 to 30 June 2020, provide a breakdown of all grants paid by the department/agency that report to the minister, including when the payment was made to the recipient, and when the grant agreement was signed by both parties.

16. For each year of the forward estimates, please provide the name and budgeted expenditure across the 2020-21, 2021-22, 2022-23 and 2023-24 financial years for each individual investing expenditure project administered by or on behalf of all departments and agencies reporting to the minister.

17. For each year of the forward estimates, please provide the name and budget for each individual program administered by or on behalf of all departments and agencies reporting to the minister.

18. For each department and agency reporting to the minister, what is the total cost of machinery of government changes since 1 July 2019 and please provide a breakdown of those costs?

19. For each department and agency reporting to the minister, what new sections of your department or agency have been established since 1 July 2019 and what is their purpose?

20. For each department and agency reporting to the minister:

- What savings targets have been set for each year of the forward estimates?
- What measures are you implementing to meet your savings target?
- What is the estimated FTE impact of these measures?

**The CHAIR:** There being no further questions, I declare the examination of the Service SA portfolio to be complete.

#### **Membership:**

Ms Hildyard substituted for Hon. A. Koutsantonis.

#### **Departmental Advisers:**

Ms K. Taylor, Chief Executive, Office for Recreation, Sport and Racing.

Mr T. Nicholas, Director, Corporate Strategy and Investment, Office for Recreation, Sport and Racing.

**The CHAIR:** The next portfolio open for examination is the Office for Recreation, Sport and Racing. The minister appearing is the Minister for Recreation, Sport and Racing. I advise members that the proposed payments for the Department for Infrastructure and Transport remain open for examination. I welcome the member for Reynell as the shadow minister and invite the minister to make a short statement, if he needs to, and introduce his advisers.

**The Hon. C.L. WINGARD:** Thank you, sir. I have no statement other than to introduce, on my immediate left, Kylie Taylor, the Chief Executive of the Office for Recreation, Sport and Racing and, in the second row, Tim Nicholas, Director, Corporate Strategy and Investment.

**The CHAIR:** Does the shadow minister want to make a statement?

**Ms HILDYARD:** No, thank you.

**The CHAIR:** In that case, I will ask for questions.

**Ms HILDYARD:** I refer to Budget Paper 4, Volume 3, page 173 and also to Budget Paper 5, page 95. How many staff does the Office for Recreation, Sport and Racing currently have?

**The Hon. C.L. WINGARD:** On page 173, which line are you referring to?

**Ms HILDYARD:** To the employee benefit expenses.

**The Hon. C.L. WINGARD:** Where is that, sorry?

**Ms HILDYARD:** Are we going to do this again?

**The Hon. C.L. WINGARD:** This is how it works.

**The CHAIR:** Page 173—

**Ms HILDYARD:** The lines are not numbered, but I can point you to it. There is only one line that is titled 'Employee benefit expenses'.

**The CHAIR:** I am clarifying that it is page 173, it is the table and it is the top line in the expenses table.

**The Hon. C.L. WINGARD:** Your question is around those numbers there?

**Ms HILDYARD:** How many staff does the Office for Recreation, Sport and Racing currently employ?

**The Hon. C.L. WINGARD:** When the budget papers were written, there were 79.8 staff in the Office for Rec and Sport and the budget forecast is for 82.5 in 2020-21.

**Ms HILDYARD:** In reference to exactly the same line item, can you explain the increase in employee benefits over the past financial year, and what proportion of those can be attributed to severance or redundancy payments?

**The Hon. C.L. WINGARD:** Just to ensure we get the number absolutely right, I will take that on notice and get back to you on that one.

**Ms HILDYARD:** Again, referring to the same two reference points, of the 20 positions slated to go over the forward estimates, specifically what jobs are to be axed?

**The Hon. C.L. WINGARD:** Sorry; whereabouts are you—

**Ms HILDYARD:** Budget Paper 5, page 95.

**The Hon. C.L. WINGARD:** I am told, and as the budget papers point out, the number is five as far as full-time equivalents are concerned. That is just attrition; as people leave they are not replaced.

**Ms HILDYARD:** So the \$1 million saving projected is just based on whether or not people leave?

**The Hon. C.L. WINGARD:** Just to clarify it, because of the drive towards the Game On initiative, as opposed to spilling positions and then redeploying people, as people are leaving either

those five positions are not replaced and/or as people come in they are filling into roles that marry around the Game On plan and program.

**Ms HILDYARD:** As a supplementary, how then have you projected that \$1 million will be saved from staffing given, from your previous answer, it seems you are just banking on people leaving?

**The Hon. C.L. WINGARD:** To reiterate the point, those five will equate to half of the savings target and the other half will be absorbed amongst programs that are already in place. So half will be through a reduction in staff numbers and the other half will be absorbed through those grants programs, noting that we have made a significant investment into sport. That is where our key focus has been.

We are reprofiling and reshaping what the Office for Rec and Sport is delivering—the point I made earlier—to that Game On program to make sure we are growing people's physical activity and physical presence. We want to get people moving more and we want to be delivering programs that deliver against that, which is why we invested in this budget \$204 million into sporting infrastructure. This is a real key to growing grassroots sports in particular. Of course, \$35 million is going towards grassroots sports. We had that footy/cricket/netball program, which you would be aware of, which was highly successful—

*Ms Hildyard interjecting:*

**The Hon. C.L. WINGARD:** No, what I am explaining is where we are reprofiling—

**Ms HILDYARD:** This has nothing to do with my question.

**The Hon. C.L. WINGARD:** You asked where the money is coming from and I am saying we have done the reprofiling. We have put \$204 million in this budget into—again, across Game On, we looked at the three elements that we wanted to deliver against. Grassroots is really important and that is why we have that \$35 million going in there, and of course includes the \$10 million into the regional fund as well for those state-level facilities.

We have already identified a number of key projects, including the \$45 million going into Hindmarsh and the \$44 million into Memorial Drive. These facilities have been left to run down for far too long. Thebarton will fundamentally be the home of women's AFL, which is a real key, so we have invested in that as well—\$5 million into an \$18 million project there to make that AFL standard and AFL-ready.

**Ms HILDYARD:** Mr Chair, point of order.

**The CHAIR:** There is a point of order, minister. Yes, member for Reynell?

**Ms HILDYARD:** None of this information has anything to do with the question about a reduction in staffing that is referred to on page 95 of Budget Paper 5—nothing.

**The Hon. C.L. WINGARD:** With respect, sir, the question was around the profiling of the funding, and what I have explained—

**Ms HILDYARD:** No, it was about a reduction in staffing.

**The CHAIR:** I am going to rule on this point of order. This question really was about where the savings would come from—

**Ms HILDYARD:** The staffing cuts is what I—

**The CHAIR:** —and I note that on page 95, it says that the savings will be delivered 'through a reduction in staffing within the organisation, and other operational efficiencies'. The minister has alluded to those. He is, I agree, digressing somewhat into funding into existing programs so I would ask the minister to wrap that answer up please.

**The Hon. C.L. WINGARD:** Thank you, sir, and I will happily do that because these are the operational efficiencies that we are delivering. We are actually reprofiling some of that money and we are putting in \$204 million in this budget. We had 10 carried over—

**Ms HILDYARD:** Point of order, Mr Chair.

**The Hon. C.L. WINGARD:** No, you asked the question about where the funding—

**Ms HILDYARD:** Point of order, Mr Chair.

**The CHAIR:** There is a point of order. Member for Reynell.

**Ms HILDYARD:** Mr Chair, as I understand it, your ruling just said that the minister is digressing somewhat, and he returned to exactly the same language about which you determined he was digressing

**The CHAIR:** I do uphold that point of order on this occasion. I will ask the minister to complete his answer but I will also remind the member for Reynell that in this situation, when ministers are asked questions, it is within their rights to answer those questions however they see fit. As frustrating as that might sound, that is the reality. Minister, finish your answer on this one, please.

**The Hon. C.L. WINGARD:** Thank you, sir. Again, just to clarify and to wrap up my answer on this, those savings targets that have been met there—again, it is five staff; we appreciate that—are through natural attrition, so people who have left will not be replaced. What we have done, apart from the operating expenses there, is inject \$204 million in this budget. So \$1 million goes out and \$204 million goes in.

I understand the member for Reynell does not want to hear us talk about that because we are actually investing in sport like never before and really fixing up a lot of the facilities that the previous government neglected for so long. We are happy and proud to do that, and I am sure the member for Reynell will appreciate that and find that is a really good investment of taxpayer money.

**Ms HILDYARD:** Minister, can you guarantee, in terms of any funding saved through the reduction in staffing referred to on page 95 of Budget Paper 5, that none of those savings will be directed to the use of external contractors and consultants?

**The Hon. C.L. WINGARD:** I thank the member for the question—

**Ms HILDYARD:** It is a yes or no question.

**The Hon. C.L. WINGARD:** We just need to have a look back at the whole sport budget and what is being invested here. Whilst you rightly point out, and as is outlined in the budget papers and has been since the day the budget was handed down, the efficiencies that are being returned, on one hand you could argue that \$1 million is coming out; on the other hand, \$204 million is going in. It is really a bit of a moot point when we are investing that \$204 million, and I have outlined—

**Ms HILDYARD:** Point of order, Chair.

**The CHAIR:** There is another point of order.

**Ms HILDYARD:** My question was very specific about the use of external contractors and consultants.

**The CHAIR:** Yes, I understand that and, as I indicated earlier, the minister—any minister—is able to answer the question as they see fit. I see the minister taking advice at the moment and hope that he would come back to the substance of the question on receiving that advice. The other thing ministers can do, of course, is to take questions on notice.

**The Hon. A. PICCOLO:** Or just simply answer the question to him.

**The CHAIR:** Sorry, member for Light?

**The Hon. A. PICCOLO:** Or simply just answer the question. That would be novel.

**The CHAIR:** Member for Light, you have been in this situation before as a minister.

**The Hon. A. PICCOLO:** I did answer the questions.

**The CHAIR:** I am sure you did your best.

**The Hon. C.L. WINGARD:** Again, I think we really need to be clear on how much is being invested in sport in this budget and hope that we have that support from those opposite. If the

member for Reynell is talking about using external bodies, we do that; where we can have someone like Sport SA deliver programs more efficiently, we will continue to do that. If she is suggesting that we should not be doing that and should not be using bodies like that, I am happy to hear her thoughts and inputs, but if she is asking about external contractors Sport SA is one such that we use.

I think they do some essentials for coaching children programs, some child safe officer programs and complaint handling, and they have a member protection information officer. Those are some of the things done by external providers, and where they can do that efficiently and effectively we will continue to use those people.

**Ms HILDYARD:** I refer to Budget Paper 4, Volume 3, page 173, supplies and services. Exactly how much was spent in the financial year on external contractors and consultants?

**The Hon. C.L. WINGARD:** The finer detail I will take on notice but, to give the member an understanding, Sport SA is one of those groups that she talks about as far as a service level agreement is concerned. By way of example, we have a service level agreement with Sport SA to deliver those things I outlined before, and that is, I am told, to the tune of \$183,000 between 2019 and 2023. They are some of the service level agreements we have. That is just one of them. If there are others, I will endeavour to get that information and get it back to the member.

**Ms HILDYARD:** I refer to Budget Paper 4, Volume 3, page 173, specifically dot point 4 in relation to the Grants Review. Why did you recall a message sent to sport and recreation clubs, leagues and associations earlier today about the status of the Grants Review?

**The Hon. C.L. WINGARD:** Sorry, which line again are you talking about?

**Ms HILDYARD:** You heard which line.

**The Hon. C.L. WINGARD:** No, sorry, I am just asking again. Which line are you referring to?

**Ms HILDYARD:** I refer to Budget Paper 4, Volume 3, page 173 in relation to the Grants Review. It is a dot point.

**The CHAIR:** The fourth dot point under highlights.

**The Hon. C.L. WINGARD:** What was your question?

**Ms HILDYARD:** Why did you recall a message sent to—

**The Hon. C.L. WINGARD:** Recall a message?

**Ms HILDYARD:** Why did you recall an email sent to sport and recreation clubs, leagues and associations earlier today about the status of the Grants Review?

**The Hon. C.L. WINGARD:** I am told that the initial email had an error, so it was amended and re-sent.

**Ms HILDYARD:** Referring to exactly the same place in the budget, why is the Grants Review a year overdue?

**The Hon. C.L. WINGARD:** We did a great body of work when we came into government and worked really closely with the sector. Can I say that the sector has been absolutely outstanding. We did three bodies of work, and we engaged with the sector all the way along. The first body of work was the infrastructure plan, and we were really keen to deliver that. That had never been done for the decade or more prior. As far as I could recall, there had never been a state sport infrastructure plan put in place.

All the projects that were happening were ad hoc, willy-nilly with no plan or structure to what was going on in the sector. We very much agreed that we should be doing that, so a big body of work went in to that. We did that in combination at the same time with our Game On report, which looked at what a sport looked like, how we wanted it to be, how we wanted to develop South Australia from a sporting point of view and how we can engage other elements and arms of other departments to work with us.

Sometimes when you look at sport infrastructure or sporting investment on its own it does not stack up when you are working with the disability sector, when you are working with the aged sector, or when you are working with the education sector, or whatever it might be. We can get a far better bang for our buck, so we did the three bodies of work, and the third one of those was the Grants Review.

We released the State Sport and Recreation Infrastructure Plan only a few months ago. That was delayed slightly, too, because of COVID, which really has put an impost on a lot of things that we are doing. Game On was released before that. COVID did slow down our release of that plan. Again, it was a great piece of work by the Office of Rec and Sport and also by the sector itself to make sure that this plan had flexibility and fluidity in it.

That is what we are delivering against now when we talk about the investments in Memorial Drive, the investments in Hindmarsh and Thebarton, and also the State Sports Park, of course, and \$24 million going into the development out there, which will be for the betterment of football, delivering better facilities that have, again, been neglected for so long, and also \$12 million into netball at Mile End, formerly known as Priceline Stadium.

**Ms HILDYARD:** Point of order, Mr Chairman: the minister's own website states that the Grants Review would be provided in December 2019, pre COVID, after about a year of work, which he has spoken about. My question very clearly is: why is it a year overdue? It is not about the funding for netball facilities or Hindmarsh Stadium. The question is: why is it a year overdue, according to his own promise to deliver it at a particular time?

**The CHAIR:** My recollection of the minister's answer is that he addressed that in the first part of his response.

*Ms Hildyard interjecting:*

**The CHAIR:** The member for Reynell is disagreeing. Perhaps the minister would like to summarise.

**The Hon. C.L. WINGARD:** I will, sir, and I thank you very much. I was giving that fulsome answer on the fact that we did three bodies of work in consultation with industry at the time, which was the Game On report, again looking at what we were going to support, how we could work with other agencies to actually get a better bang for our buck for the significant investment we are making.

The \$204 million in this budget is money that sport has never seen before. Also, the State Sport and Recreation Infrastructure Plan is about having a plan around what we deliver against, and then we did the work on the Grants Review. COVID has meant that we have had to have a relook at that. We have actually implemented some of this work, but what the Grants Review showed us was real quality feedback to say that the way in which the grants were structured previously were—and I stress again—a little bit all over the shop.

What we did was to put this money in the budget, the \$35 million towards our grassroots program on the back of the success of the grassroots cricket and netball program and that \$35 million includes the \$10 million for the regional fund. Then there is the Community Sporting and Recreation Facilities Fund. So what we did, on the advice of the work in the Grants Review, we put this money out and they said, 'We want fundamentally a one-stop shop, just one place we can go to.'

What happened before was people would apply for this grant, miss out, go and do another application for this grant and then do another application for the next grant. We said, 'Come through one channel, one portal, put your application in and we will work with you and funnel you into that program.' That was some of the work that came out of the Grants Review, so we have been implementing some of this work along the way. Another thing we found was that with Active Club—a really great initiative and, again, this was fed through from the Grants Review—some of the money would go towards facilities and some would go towards programs, and it was confusing people who were not sure which one they were applying for or what it was going towards.

Again, with COVID, we wanted to reboot that. We put \$2.5 million or thereabouts into Active Club, and we put it into the reboot round. So clubs right across the state could apply for between \$1,000 and \$3,000 to reinject into their clubs because we know through COVID they had

had a lot of costs, and a lot of hidden costs. Again, something that came from that Grants Review was that this was a better way to deliver these projects.

We said to all the clubs out there, 'We know you are doing it tough. You had to buy hand sanitiser cones and really change the way you do your business because of COVID.' We wanted to make sure they had some money there that could help develop that or, if they had taken money out of another program to fund their COVID restructure, if you like, they could get money to backfill that. We went to the entire community, asked all members to contact their clubs and, again, as feedback from that Grants Review, this was a really great outcome.

So every club that applied received some funding, depending on their membership base and their numbers, of between \$1,000 and \$3,000, and we think that has been well received by the clubs and sports out there. The winter sports are in hiatus now, getting prepared for next year. Who knows what is going to happen, but we want to be as prepared as possible. Summer sports are happening now. That was some of the feedback from the Grants Review—

**The CHAIR:** Minister, that is a very fulsome answer. I am very reluctant to ask you to wrap that response up because I was enjoying hearing all about the Grants Review, but we are down to within half an hour. I will call for further questions.

**Ms HILDYARD:** Given the minister's fulsome answer about the benefits of the Grants Review, and given that it sets out in the budget papers that the Grants Review was a highlight of 2019-20, why has the Grants Review not been made public, published or provided to any sport, recreation, associations, clubs, leagues whatsoever?

**The Hon. C.L. WINGARD:** I thank the member for the question. As I did outline in that fulsome answer, elements of that Grants Review have been implemented through the state's Sport and Recreation Infrastructure Plan, which is delivering on that \$204 million—

**The Hon. A. PICCOLO:** Point of order: relevance. The question was quite clear, and I think the minister should actually turn his mind to answer the question asked.

**The CHAIR:** Well, the minister is referring the member for Reynell to his previous answers. It was fulsome—

**The Hon. A. PICCOLO:** The question was quite clear. Maybe you got bored with the previous answer, Mr Chairman.

**The CHAIR:** No, I did not say that; I said I was enjoying it. Whether or not the minister covered that particular question previously, he is referring the member for Reynell to his previous answer. He is also seeking advice at the moment.

**Ms HILDYARD:** Why is it secret? If there is so much to say about it, why is it not made public?

**The Hon. C.L. WINGARD:** Sorry, can I get the question clarified again? Is there another question or is it the same question?

**The CHAIR:** Member for Reynell, you will repeat your question for the minister.

**Ms HILDYARD:** I have already asked my question.

**The Hon. C.L. WINGARD:** What is the question, sorry? Can I ask you to repeat the question?

**Ms HILDYARD:** Given the fulsome answer that you have provided, given in the budget papers it speaks about the Grants Review as a highlight that was undertaken during 2019-20, why has the Grants Review not been made public at all? Why do no sport, recreation, associations, clubs, leagues have no information about it?

**The Hon. C.L. WINGARD:** To clarify—and I want to make sure this point is not missed—the work has been done and we have implemented that work within the other bodies of work. So three bodies were done all at the same time. We have released Game On first, then the state sports infrastructure plan, and elements of the Grants Review fed into that structure of the money that we



have outlined that we are contributing to sport, the \$204 million. What we did say—and this is where COVID came into play—

**Ms HILDYARD:** It was pre COVID.

**The Hon. C.L. WINGARD:** —back in early March—

**Ms HILDYARD:** Your website says December 2019 it would be completed and published.

**The CHAIR:** Member for Reynell, you have asked your question. We will listen to the minister's answer.

**The Hon. C.L. WINGARD:** Thank you, sir. I was trying to explain to the member for Reynell. Back in March, when we met with and spoke with all of the sports and the sporting bodies, we said that we will keep the grants in place. There was a lot of uncertainty around in the sector, and we said that we will keep the grants in place as they are, so they kept that assurity. So all the grants were in place through to the end of this financial year.

They were given that information very early to make sure that they knew, if they had a commitment. In fact, the Office for Recreation and Sport has done an amazing job working with them, because some of these sporting organisations, because of COVID, have come back and said, 'We actually can't deliver on every element of the grants that we have, but we need that funding to keep going.' The office has done a great job working with them to ensure that they can keep that funding and they can keep working to deliver on the outcomes we are looking for.

We wanted to give that assurity. We did, so all that money went out at the appropriate time and process, and that is all the money to the end of the financial year. Bear in mind that we are in November now and the end of the financial year is in June next year, so all that money has been allocated. Because we made that commitment, we are then working on the Grants Review and we have used elements of that into those other projects and programs I have talked about, which is our state sports infrastructure plan, which is built around the \$204 million we are investing in sports, and around Game On. We are doing that work.

We have gone out to the community as early as this morning, I think, talking through what the process will be going forward. The grants as they are will stay in place. What would happen normally, under the regime as it stands, is that applicants will be putting their grants in place now for notification I think in March/April. They would get notification in March/April. We have let them know that they will get notification in that same time frame that they always did, and we will be going out to them on that shortly.

The time frames will still be the same, they will get notified in the same time and we will keep working with them on that Grants Review. COVID has played a role in this. I need to be really—

**Ms HILDYARD:** Point of order.

**The CHAIR:** Thank you, minister. Next question.

**Ms HILDYARD:** Thank you. Has the review been completed? I do not want to hear again about the grants and when they are allocated and notified, because that has been spoken about multiple times. What I would like to have answered is: has the review been completed and, if so, will it be published today?

**The Hon. C.L. WINGARD:** The Grants Review has been finalised—I have made it really clear. It has implemented a number of the works that we have already done.

**Ms HILDYARD:** So publish it then.

**The Hon. C.L. WINGARD:** I can go back over that. It will be published in due course.

**Ms HILDYARD:** When will it be published?

**The Hon. C.L. WINGARD:** In due course.

**Ms HILDYARD:** Can the minister guarantee that the peak bodies—Sport SA, Inclusive Sport SA and Recreation SA—will receive ongoing funding at the same level as they do now as a result of the Grants Review?

**The Hon. C.L. WINGARD:** I do want to make the point with the funding arrangements as we have them that no-one is guaranteed any funding. Funding is delivered against outcomes for the community; people do not just get funding.

**Ms HILDYARD:** That is probably the most honest thing that we have had. Sorry, I did not realise my microphone was on.

**The CHAIR:** Member for Reynell, I am going to ask you to withdraw that.

**Ms HILDYARD:** I withdraw.

**The Hon. A. PICCOLO:** Probably the closest thing to the question asked.

**The CHAIR:** I missed that.

**The Hon. A. PICCOLO:** I just said it is probably the closest thing to the question asked—the response.

**The CHAIR:** Just to remain consistent, I might ask you to withdraw that too, please. It was an interjection. I did not hear it, but you have repeated it so I am going to ask you to withdraw it.

**The Hon. A. PICCOLO:** On what basis?

**The CHAIR:** No, please just withdraw it and we will get on with it.

**The Hon. A. PICCOLO:** I withdraw it, sir. There you go.

**The CHAIR:** Thank you.

**The Hon. C.L. WINGARD:** Again, to clarify, no-one is guaranteed grant funding. We ask people who are funded to deliver outcomes for the community. Again, we have made it really clear that our focus is on Game On and we want people to deliver against those objectives we have. We do not just fund people for the sake of funding; there are actually outcomes that we measure against.

**Ms HILDYARD:** What financial support or other support did the Office for Recreation, Sport and Racing provide to Recreation SA to stop it from making the very difficult decision to close its doors?

**The Hon. C.L. WINGARD:** Firstly, I am informed that Recreation SA did not come to us and ask us for money. In fact, they surveyed their members and Recreation SA declared that their mission had come to an end and had decided to commence the process to wind up the organisation. They went to their members and fundamentally asked them, 'Would you be impacted if we did not exist?' and fundamentally the answer was no. Recreation SA said they were solvent and had a financially viable balance sheet, so it was not a financial-led decision. What I assume is they determined as a member-based organisation that they were not delivering value for money for their members, and they wrote to them accordingly.

I go back again to the point I made to the member for Reynell earlier that as a government we are not here to fund people for the sake of funding them; we want outcomes and we make no apology for that. We want to get outcomes from the funding we give, driven around Game On and the body of work we have done there to make sure that taxpayer money is benefiting South Australians.

A small example is when we ran the grassroots football, netball and cricket program, we invested \$15 million of taxpayers' money over two years and delivered more than \$60 million worth of projects and outcomes for South Australia. I think that is a really good investment and a good example of investing \$15 million, partnering with local government and sports and their having a say in the process as well. Turning \$15 million into nearly \$60 million of outputs is exceptionally good. Again, I go back to the member and say that as far as Recreation SA is concerned they did not come to us. They surveyed their members and that was their finding of their own accord.

**Ms HILDYARD:** Supplementary to that answer: the minister has said on a number of occasions, including in his last answer, that about \$60 million has been leveraged from the government's \$15 million investment in the Grassroots Football, Cricket and Netball Facility Program. Can the minister provide a detailed breakdown of exactly where that \$60 million came from and

whether any of that purported \$60 million came from the Morrison government's now proved rigged Community Sport Infrastructure Grant Program?

**The Hon. C.L. WINGARD:** I am happy to take the detail of that on notice. Across the board, this was a partnership arrangement, and this is why it has worked so well. We had everyone having skin in the game. We had councils, the federal government, clubs and the state government all coming together, working with the state's sporting organisations to deliver really great outcomes.

**Ms HILDYARD:** Under the program, does a club have to secure a co-contribution payment or commitment before they can apply?

**The Hon. C.L. WINGARD:** Yes, I am informed that in their application they have to do that or add in-kind support.

**Ms HILDYARD:** Can you guarantee that that has been the case for every successful project?

**The Hon. C.L. WINGARD:** From the information I have received, to the best of my understanding, yes.

**Ms HILDYARD:** Can you provide a list of the construction companies that have built facilities under the program, including how many each company built?

**The Hon. C.L. WINGARD:** Just to be clear, we actually do not procure; we provide a grant, and then it is the grantee's position to procure. By way of example, if it is a council piece of infrastructure and council receives a grant, they will then do the procurement. We are not involved in that process; it is for council to do.

**Ms HILDYARD:** How many of the 47 successful bids in the program had their facilities built by Ausco?

**The Hon. C.L. WINGARD:** I just have to clarify, as you may not have heard my previous answer, and that was that we do not procure. We give a grant to the organisation and they will go and procure. That would be a matter for the council or whoever has received a grant. They would then go and do the procurement. We are not involved in the procurement. That is a matter for council or whoever is the grantee.

**Ms HILDYARD:** I understand that but, given that you and other ministers and the Premier have been in multiple photographs with building contractors, how many have been built by Ausco?

**The Hon. C.L. WINGARD:** Again, I will just have to clarify one more time because—

**Ms HILDYARD:** Because?

**The Hon. C.L. WINGARD:** Because I have said the answer twice and I will say it a third time: we allocate the money as a grant to the grant recipient.

**Ms HILDYARD:** I understand.

**The Hon. C.L. WINGARD:** They then go and procure, so they will determine who the builder is. I just need—

**Ms HILDYARD:** I understand. That is not my question.

**The Hon. C.L. WINGARD:** They then determine who is going to do the building for them. It has nothing to do with the Office for Rec and Sport; it has nothing to do with me.

**Ms HILDYARD:** So are you saying the Office for Rec and Sport and the minister have no idea which companies have built the facilities that you have funded? Is that what you are saying?

**The CHAIR:** Member for Reynell, you have asked your question and reiterated it. The minister is now answering it. We will hear his answer.

**The Hon. C.L. WINGARD:** Thank you, Chair. Again, we give the money to the grantee. The grantee then goes and does the procurement. We have no say in who does the procurement and who they get to build it. They manage that side of it, and they have to report back through the office

as they meet certain criteria along the way. To use a simple example, if it goes to council and council are procuring that, they will then determine who they get to come and build that.

**Ms HILDYARD:** I do not need the mansplaining.

**The CHAIR:** Member for Reynell—

**Ms HILDYARD:** Sorry, I do not need the mansplaining.

**The CHAIR:** I beg your pardon?

**Ms HILDYARD:** I do not need the over-explaining. I understand what he said. It is not my question.

**The CHAIR:** Member for Reynell, you have to realise that I am not sure if this is usual practice but, certainly, my microphone is always on. Your microphone is on the whole time, so every word you utter as an interjection is captured, and I do not think that is a good thing and I would like it to cease, please.

**The Hon. C.L. WINGARD:** Again, just to be really clear, we give the money to the grantee. The grantee then delivers the project. Which contractor they choose, who they choose to do the building is a matter for them, to get the best value for money to deliver the project that they want. We have no say over which contractor they use and how they go about doing the build. They just have the requirements they have to meet for us, which is delivering the project as it is outlined in the grant application and they do that procurement. As a government, we do not say, 'It's this contract or that contract.' That is done by the grantee. I cannot be any clearer than that.

**Ms HILDYARD:** I refer to Budget Paper 4, Volume 3, page 173, the second paragraph in relation to the provision of strategic policy advice on matters relating to the South Australian racing industry. Does this include providing strategic policy advice to the minister regarding the harness racing industry?

**The Hon. C.L. WINGARD:** To the point, yes, the strategic policy advice comes across all the racing codes, so that would be harness, thoroughbreds and greyhounds as well.

**Ms HILDYARD:** Has the agency therefore provided any advice to you on the issues affecting Globe Derby Park and the South Australian Harness Racing Club?

**The Hon. C.L. WINGARD:** Yes, I have been advised there, but again, just to be clear to the member, understanding that it is only strategic advice. The industry was corporatised a number of years ago, so they run of their own accord as far as the Harness Racing Club. They are a club and their issues are with Harness Racing SA, therefore it becomes a Consumer and Business Services issue and that is the manner in which they have to deal with it, unless it is a private legal matter and then they will have to deal with any issues they have through the courts.

**Ms HILDYARD:** When did you become aware the South Australian Harness Racing Club was pursuing a \$3.5 million loan from a Queensland developer?

**The Hon. C.L. WINGARD:** I cannot give you the exact date, but again I go back to the point that this is a private matter for private entities. It is a matter for them.

**Ms HILDYARD:** Has the agency raised any concerns with you about the management of harness racing in South Australia?

**The Hon. C.L. WINGARD:** Yes, the agency gives me advice all the time. As I said, between the Harness Racing Club and Harness Racing SA, it is matter for them. We have given money to the racing industry and as a matter of course have a very close eye on the delivery of those projects and it is why we have asked each of the codes to do a governance review to ensure that they have the adequate governance in place.

**Ms HILDYARD:** Has the government been approached at any point by the South Australian Harness Racing Club for financial assistance?

**The Hon. C.L. WINGARD:** As far as I am aware, that has not come through the Office for Recreation, Sport and Racing. Bearing in mind they are a club, they may have gone through other arms of government, but they have not come through the Office for Recreation, Sport and Racing.

**Ms HILDYARD:** What have you as the minister done when ongoing reports about financial management, probity and potential insolvent trading at Globe Derby have been brought to your attention?

**The Hon. C.L. WINGARD:** Again, you are talking about a club. Anyone who has raised those issues with me we have repeatedly told that they need to deal with that through Consumer and Business Services. They are the people who deal with solvency issues, as you are outlining. This is a club, not an arm of the Office for Recreation, Sport and Racing.

**Ms HILDYARD:** Have you had any meetings with the peak body Harness Racing South Australia and/or the South Australian Harness Racing Club in the past year?

**The Hon. C.L. WINGARD:** Yes, I have met with Harness Racing SA as the overarching body that we deal with but I do not meet with each and every club, be it a badminton club, a squash club, a tennis club or a harness racing club. I have met with Harness Racing SA and the office has been working with them through all their processes.

**Ms HILDYARD:** During that meeting, did the issue about claims and counterclaims about moneys owed between the two entities arise?

**The Hon. C.L. WINGARD:** Not to my recollection but, again, to stress the point that I have made a number of times, just to make sure I am clear, that is not an issue for us. If it was raised, they would be directed to take that up with CBS. Consumer and Business Services, where that issue needs to be sent.

**Ms HILDYARD:** I refer to Budget Paper 4, Volume 3, page 173, relating to the dot point about the Grassroots Football, Cricket and Netball Facility Program. Was the Brighton Oval redevelopment funded under that program?

**The Hon. C.L. WINGARD:** I am 99 per cent sure that it was not; it was an election commitment. I will come back to you if that is not correct. It is a really great program and a really great facility. The council invested considerably in that as well as the state government. These were facilities that were left to go to rack and ruin.

I think I have said in this place before that those change rooms in the end were so disgusting that I would not urinate in them. I do not mean to be offensive; I am just stating the fact that they were some of the most disgusting facilities that anyone would ever set foot in. They were left to deteriorate so badly.

That sporting precinct is a really good example of what we have outlined in our budget as far as our regional and districts facilities are concerned. That is a really great grant program whereby sports can come together and have three, four or five sports all in the one location to potentially have state championships, country championships and these sorts of things. I know that Brighton and the Holdfast council, who facilitated this, are looking at doing it on the precinct.

For anyone who is looking at facilities like that, I think the program we have through the regional and districts fund is one they really should be contacting the Office for Recreation, Sport and Racing about and putting an application in for. We know facilities like this are much needed out there. I could run through the whole list and I know you would be keen. Hackham, in your area, is one—

**Ms HILDYARD:** Point of order: the question was simply whether that redevelopment had been funded under the program. He answered by saying he is 99 per cent sure it was not, so I can move on to the next question.

**The CHAIR:** The minister has answered. Thank you for the point of order, member for Reynell; I think it was really about relevance more than anything.

**The Hon. C.L. WINGARD:** I was just finishing, Chair, by talking about the Hackham Community Club and how we have invested in them, but if the member does not want to hear about that I understand that.

**The CHAIR:** We have five minutes to go.

**Ms HILDYARD:** Actually, I think I have eight; it was 12:53.

**The CHAIR:** Let us see how we go on that.

**Ms HILDYARD:** Exactly where, then, is the state government's \$2 million contribution to the Brighton Oval redevelopment listed in the budget?

**The Hon. C.L. WINGARD:** As I outlined, that was an election commitment. I would have to go back and check, or you might like to go back and check because it would be online. It would be either the 2017-18 budget or the 2018-19 budget because it was committed back then. It could be the 2017-18 budget that was handed down—you would have to check those papers—or 2018-19, but it was certainly outlined in those papers.

**Ms HILDYARD:** Did you sign off on that state government contribution?

**The Hon. C.L. WINGARD:** I am a 99.9 per cent sure that was signed off by the Treasurer.

**Ms HILDYARD:** Was the commonwealth's contribution of \$5 million funded through the Morrison government's now infamous community sport infrastructure program?

**The Hon. C.L. WINGARD:** We are here to talk about the state budget. That is a matter for the commonwealth; you would have to look at the commonwealth budget for that. What I know is that our commitment at the state election was to improve the change room facilities. Council partnered with us on that project and have delivered a really outstanding project.

Like I said, with the growth of women's football and women's cricket at that club, as far as the footy club is concerned, and the growth of women's rugby and lacrosse—which is already very much a men's and women's sport; I think the culture within lacrosse is probably one of the best of any sport I have seen as far as bringing families, and men and women, together—they very much needed that asset in that facility.

We invested very much in the change rooms, and I made that really clear when we made that election commitment. I am really proud of that election commitment, and I am really proud that the council doubled-down, invested and made sure that precinct is exceptional. The federal government actually saw the vision and what we were doing here, which really spills over to our Game On and our state sports infrastructure plan and all the work we are doing there, and I commend the federal government for investing in that program.

**Ms HILDYARD:** Point of order, Chair: the question was simply about which commonwealth funding program the \$5 million has gone to.

**The Hon. C.L. WINGARD:** Sorry, Chair, I just pointed out to the member that this is not an assessment of the commonwealth budget: it is the state budget.

**Ms HILDYARD:** When was the minister's office or department first made aware that the commonwealth was making that contribution to this project in your electorate?

**The Hon. C.L. WINGARD:** Again, I go back to the point—I thought it was clear, but I will just be 100 per cent clear—that we made this commitment at the state election and we partnered with council. We gave the grant to council; in fact, I think the photo popped up on my Facebook just the other day of the Premier making that presentation to all those sporting clubs.

The point is that we gave the grant to the local council and, as I outlined before, we gave the grant to the local council to commit against the project. They then actually deliver that. They then secure funding from the federal government. So it does not come through the state government. To be clear, the state government funded the program to council, and then the question you asked was: did the federal government engage the state government—

**Ms HILDYARD:** That was not the question I asked.

**The Hon. C.L. WINGARD:** Can you rephrase the question then, please?

**Ms HILDYARD:** No, I will move on.

**The CHAIR:** The minister was outlining the process.

**Ms HILDYARD:** Moving on to Budget Paper 5, part 2, page 8, what is the total amount of funding expended from the Community and Jobs Support Fund in support of sport and recreation?

**The Hon. C.L. WINGARD:** Sorry, can you repeat that? Budget Paper 5?

**Ms HILDYARD:** On Budget Paper 5, part 2, page 8 in relation to the Community and Jobs Support Fund, what is the total amount of funding expended from the Community and Jobs Support Fund in support of sport and recreation?

**The Hon. C.L. WINGARD:** That would be a question for the Treasurer; that sits under the Treasurer's portfolio.

**Ms HILDYARD:** How much of the small business grants rounds 1 and 2 referred to on page 9 was provided to sport and recreation?

**The Hon. C.L. WINGARD:** That sits with the Treasurer's portfolio. That is a question for him.

**Ms HILDYARD:** Why did the government state that between \$40 million and \$50 million of the available Community and Jobs Support Fund would be expended on sport and recreation?

**The Hon. C.L. WINGARD:** Sorry, can I have that question again, please?

**Ms HILDYARD:** Why did the government state that between \$40 million and \$50 million of the available Community and Jobs Support Fund would be expended on sport and recreation?

**The CHAIR:** Member for Reynell, could you just clarify for me as Chair where that quote has come from?

**Ms HILDYARD:** On Budget Paper 5, part 2, page 8, my questions go to the Community and Jobs Support Fund. The budget outlines part of that was for sport and recreation, so I am trying to get to what was actually expended on sport and recreation in that fund.

**The CHAIR:** Got it; thank you.

**The Hon. C.L. WINGARD:** For clarification, I do not know where that statement was made, and again it would be a question for Treasury.

**Ms HILDYARD:** You wrote it.

**The Hon. C.L. WINGARD:** Sorry, were you saying something?

**The CHAIR:** Minister, can you continue. We are nearly there.

**Ms HILDYARD:** I am just saying it is in writing.

**The CHAIR:** Member for Reynell—

**Ms HILDYARD:** It is in writing from your government.

**The CHAIR:** Member for Reynell, you have asked your question.

**The Hon. C.L. WINGARD:** The member for Reynell is saying it is in writing. I am just saying to her that I do not know where it is in writing.

**The CHAIR:** Minister and member for Reynell, can you listen to me please. It is not for you two to be chatting away. I quoted earlier in the session the standing order. Standing order 141 provides, 'The house interferes to prevent quarrels between members that may arise.' Standing order 142 states:

While a Member is speaking, no other Member may make a noise or disturbance or converse aloud or speak so as to interrupt the Member...

We will keep that in mind. We have one minute.

**The Hon. C.L. WINGARD:** Can I just clarify; there was a claim that something had been stated or said. I do not recall that I have said it. I am not sure if the member was claiming I had said it, but—

**Ms HILDYARD:** It is your government.

**The Hon. C.L. WINGARD:** Yes, and I am asking where this was said because I am not—

**Ms HILDYARD:** It is your government that said it.

**The CHAIR:** Member for Reynell!

**Ms HILDYARD:** He just asked me a question, sorry.

**The CHAIR:** The questions come through the—

**The Hon. C.L. WINGARD:** And I am just asking—

**Ms HILDYARD:** I will ask the questions then.

**The CHAIR:** The questions come through the Chair to the minister and, if the minister responds, it is not for you to respond again, member for Reynell. That is not how it works. The very last question, member for Reynell.

**Ms HILDYARD:** What percentage of the total funding provided to sport, recreation and racing through the Community and Jobs Support Fund was provided to Adelaide Oval?

**The Hon. C.L. WINGARD:** Again, to reiterate the point, this is a question for the Treasurer. He was in charge of distributing those funds.

**The CHAIR:** Given that we have reached the allotted time—and I thank the committee for their patience during this morning—we are now going to have a 50-minute lunch break and be back at 3.15. There being no further questions, I declare the examination of the proposed payments for the Office for Recreation, Sport and Racing complete. The proposed payments for the Department for Infrastructure and Transport will be further considered on Thursday 26 November.

*Sitting suspended from 13:54 to 14:45.*

## **DEPARTMENT FOR ENERGY AND MINING, \$134,125,000**

### **Membership:**

Hon. A. Koutsantonis substituted for Ms Hildyard.

### **Minister:**

Hon. D.C. van Holst Pellekaan, Minister for Energy and Mining.

### **Departmental Advisers:**

Dr P. Heithersay, Chief Executive, Department for Energy and Mining.

Mr V. Duffy, Executive Director, Energy and Technical Regulation, Department for Energy and Mining.

Ms A. Blood, Executive Director, Mineral Resources, Department for Energy and Mining.

Mr N. Smith, Executive Director, Growth State and Low Carbon Transition, Department for Energy and Mining.

Mr N. Panagopoulos, Deputy Executive Director, Energy Resources, Department for Energy and Mining.



Mr S. Oster, Director, Growth State and Low Carbon Transition, Department for Energy and Mining.

Mr B. Adams, Manager, Financial Services, Department for Energy and Mining.

**The CHAIR:** Welcome back to Estimates Committee A. I advise the committee that the member for Reynell has been replaced on the committee by the member for West Torrens. The portfolio to be examined this afternoon is the Department for Energy and Mining. The minister appearing is the Minister for Energy and Mining. I declare the proposed payments open for examination. I call on the minister to make a statement, if he wishes, and certainly introduce his advisers.

**The Hon. D.C. VAN HOLST PELLEKAAN:** I will make a very short statement but, first of all, let me introduce Mr Ben Adams, Manager, Financial Services, on my left, and over my left shoulder, CE Dr Paul Heithersay. Next to him is Vince Duffy, Executive Director, Energy and Technical Regulation. Behind him is Ms Alexandra Blood, Executive Director, Mineral Resources, and beside her is Mr Nick Smith, Executive Director, Growth State and Low Carbon Transition. Behind him is Mr Nick Panagopoulos, Deputy Executive Director, Energy Resources, and next to him is Mr Scott Oster, Director, Growth State and Low Carbon Transition.

Chair, I would like to put a few short comments on the record. This has been a very tough year, as we all know. There is no need to go over that, but I have to say that our Department for Energy and Mining and the industry participants with whom we engage have done an absolutely extraordinary job through this calendar year. Industry has pulled together in energy and mining in a way that it never has before.

It has always been a competitive world where competitors do still try to work in a sensible fashion together. I would like to acknowledge SACOME and their efforts in coordinating industry, particularly with regard to drive-in drive-out workers within South Australia and across state borders. Certainly, AMEC and APIA and others have worked very hard on that.

I will not go on any longer, other than to say that people have lifted in a way that they have never lifted before. Cooperation has been absolutely outstanding and that has, perhaps to the surprise of some observers, also contributed to the fact that we have had record sales income in energy and mining over the last financial year and record royalties coming into our state as well.

Let me say that I have not arranged any government questions. If any member has a burning issue that he or she wishes to ask, of course, so be it, but as far as I am concerned I am happy to hand over to the shadow minister.

**The CHAIR:** Member for West Torrens, do you have a statement you would like to make?

**The Hon. A. KOUTSANTONIS:** No, sir, other than to say that the minister is blessed with the best department in government. He is very lucky to have it. If I can refer the minister to Agency Statement, Budget Paper 4, Volume 2, page 116, sub-program 1.3, highlights 2019-20, the fourth dot point on the page is the continued support and implementation of the 10-year Targeted Lead Abatement Program with a focus on contaminated land clean-up and management of legacy lead within Port Pirie. Can I just confirm that the minister is the lead on the TLAP program?

**The Hon. D.C. VAN HOLST PELLEKAAN:** That is correct.

**The Hon. A. KOUTSANTONIS:** Is the minister aware of reports published by the government yesterday that record levels of lead are being found in children in Port Pirie, the highest since testing began.

**The Hon. D.C. VAN HOLST PELLEKAAN:** Chair, I can share a piece of information from the Department for Health and Wellbeing, which published its third-quarter analysis of Port Pirie children's blood lead levels, which shows blood lead levels measured have plateaued. Director of Scientific Services, Dr David Simon, said the report provides detailed analyses of the blood lead levels of Port Pirie children aged up to five years of age. I quote:

There has been an improvement observed in some blood lead indicators—for instance the reduction in the number of children with high blood lead levels equal to and above 20 micrograms per decilitre...has continued, Dr Simon said.

Dr Simon also said:

However, the improvements or deteriorations in all other reported measures were slight—indicating that blood lead trends have generally stalled over the past 12 months.

There is more of that, which I am sure the shadow minister can find if he does not have it right in front of him, but just let me add that this is a very serious issue. There is no level of lead in blood above what health experts say is acceptable that is acceptable to our government.

The previous government worked incredibly hard to try to address this issue as we are continuing to work incredibly hard to address this issue. We have had an independent review done on behalf of the government into the Targeted Lead Abatement Program (TLAP), which is still being worked through in a very serious fashion. It has not been released yet.

Certainly, not all of that report will be released because some of it may well be deemed confidential. A lot of it, or perhaps most of it, will be released in the not too distant future. This is a problem that has been in Port Pirie and the surrounding district for over 150 years now in many ways, and certainly in the last few decades successive governments have tried incredibly hard to deal with this. I say again that the last government did exactly that, and we are doing exactly that.

I am sure that, regardless, whoever is in government is going to do the very best they can for the people of Port Pirie and the surrounding region. The advice from Health that the lead in blood levels has plateaued, perhaps on the one hand is welcome but it is actually not good enough: we need the lead in the blood of young children in Port Pirie to decrease.

**The Hon. A. KOUTSANTONIS:** Minister, you referenced a review, which is being conducted I understand at the halfway point of the 10-year program. I think that is right. I have a few questions I would like to ask you about this. I am happy for you to take them on notice if you do not have the answers with you, or you could ask your advisers who are here.

When did this review commence? Did you consult on the terms of reference for the review? Who was involved in the consultation over this review? Was the local mayor consulted? Was the local state member of parliament or the federal member of parliament consulted? Was anyone from the community consulted, and have you received a draft report? I will start with those questions, and we will see how we go from there.

**The Hon. D.C. VAN HOLST PELLEKAAN:** I might seek a bit of detailed information in a minute and, as you said, perhaps take some of that on notice. I do not remember the exact date when it started, but essentially it has been through this calendar year. The report was undertaken by Mr Lew Owens, somebody who I think everybody in this place is familiar and comfortable with.

How the terms of reference were developed, I will take on notice. With regard to consultation, I do not have specific answers to each of those categories of potential person or organisation other than to say that it is my understanding that most, if not all, were consulted. It was certainly the government's intention when commissioning the independent report that there be very wide consultation with the local community particularly. I know that happened. Whether every, single person that you have just mentioned was consulted, I will take that on notice, but certainly this was meant to be a 'no stone unturned' and 'give us fearless and frank advice' independent report.

**The Hon. A. KOUTSANTONIS:** Have you received it?

**The Hon. D.C. VAN HOLST PELLEKAAN:** Yes. In fact, I have received the final report.

**The Hon. A. KOUTSANTONIS:** You have received the final report?

**The Hon. D.C. VAN HOLST PELLEKAAN:** Yes.

**The Hon. A. KOUTSANTONIS:** Could you inform the committee whether you will be making that public?

**The Hon. D.C. VAN HOLST PELLEKAAN:** As I mentioned in my first answer on this topic, it will be soon.

**The Hon. A. KOUTSANTONIS:** Will you be tabling it in parliament, or will you be just releasing it on a website? Can you give us a time frame? Is it one month, is it this year, is it next year?

**The Hon. D.C. VAN HOLST PELLEKAAN:** No. The answer is the same as it was before. In fact, I am quite sure there will be some things in that report that should be kept confidential; so, the majority, if possible, but whatever is fair and reasonable to be made public will be made public, and it will be done very soon, but this is not something that we want to rush. We are not dawdling, but this is very serious business.

**The Hon. A. KOUTSANTONIS:** Yes, it is.

**The Hon. D.C. VAN HOLST PELLEKAAN:** We are doing our very best to get this information out as quickly as we can. But perhaps even more important is the response, the actions that would be taken in response to this report. It is something I have discussed with the member for Frome on quite a few occasions, so he is as informed as I can possibly make him on this topic. I take this very seriously, I accept that he takes it very seriously and I am sure that everybody in government and in opposition takes this issue very seriously.

**The Hon. G.G. BROCK:** Minister, you indicated that the review has started, and I know we have had some discussion on this, but I need to clarify something. The original terms of reference were for a review to be done halfway through the 10-year term. You indicated that that has been going on for six years now, and your indication was that the review started this year, which is over six years in the making. You indicated you have the final report. As the local member, I have had no involvement in the draft that was sent out; I have not seen it, nor has the local mayor. Can you give an indication whether the local mayor and the local member will be involved before the final report is published?

**The Hon. D.C. VAN HOLST PELLEKAAN:** My response to the member for Frome is identical to the response I gave him when he asked me exactly this question in private. This is a serious issue. There is no difference in my answer to this question in private or here in estimates in front of this committee and with Hansard recording it. The report, or what of it is appropriate to be made public, will be made public soon—the sooner the better, from my perspective—but no sooner than a very appropriate government, Nyrstar and TLAP response is determined.

With regard to when the local member, who is interested in this and whom I certainly respect, and when the mayor, who is interested in this and whom I also certainly respect, would get to see it and could say they see it early, again my answer is exactly the same as I gave face to face to the member for Frome in private, and that was that I would try to make sure that he received a copy of what was going to be made public in advance of it being made public.

**The Hon. G.G. BROCK:** Minister, you indicated that parts of the report may not be made public because of confidentiality. From the terms of reference of the original TLAP, I am confused as to what could be confidential. I am led to believe that TLAP is separate to the environmental health services, which have the names of people and young children who have lead in blood issues, so can you explain to me and to this committee why any parts of the TLAP review should be kept confidential?

**The Hon. D.C. VAN HOLST PELLEKAAN:** I can explain very clearly by giving an example. As I mentioned, this was deliberately a broadly consulted, essentially a warts and all type request from the government to Mr Lew Owens. We wanted his frank and fearless advice. In the report he, I am sure faithfully, reports some of the information that was provided to him. That information has not been censored. That information has not been distilled or cleaned up in any way, and Mr Owens has done an outstanding job of providing this information to the government the very best that he possibly could.

I am sure that the member for Frome and the member for West Torrens, both having been former ministers, would understand that there are some times when it is very appropriate not to release every detail that is in a report, hypothetically, if a person has shared a personal view in consultation, provided some statements to the independent reviewer which, if they were released publicly, might get that person into a little bit of hot water.

That is not to say that the person's opinion is not valid; it is what it is. We are all aware of situations where it would not be appropriate to make every detail that is in the report public because doing so might get the person who shared an opinion into some difficulty in a legal capacity, if not in a social or a community capacity. It might be for a range of other reasons that it may not be appropriate to release the report in full. But, as I have said, it is my intention that we will release as much as is appropriate as soon as is appropriate.

**The CHAIR:** Just for the sake of the committee, I assume, member for Frome, you were referencing the same budget line: the bottom dot point on page 116.

**The Hon. A. KOUTSANTONIS:** On the same budget reference, without wishing to start a quarrel in the committee—

**The CHAIR:** Indeed. A rather obscure standing order refers to that, member for West Torrens.

**The Hon. A. KOUTSANTONIS:** You know how averse I am to quarrels in parliament. Minister, I have to say that I am not satisfied with that last answer, and I will give you my reasons. The reason we have parliament and independent reports and the tabling of provisions of parliamentary reports in this place is to apply privilege to those documents so people can speak freely to government without fear of retribution.

The fact that a government minister would sit in this chamber and say that people who have spoken fearlessly and frankly to the government may fear that they may have some sort of legal jeopardy because they have spoken to the government betrays that we have privilege in this house for a reason. The reason the government conducts inquiries and tables them in this place is to afford those people privilege, so I dismiss that completely out of hand. It is not a criticism of you; I am just simply stating and reasserting the privileges that we all enjoy in this place. That is point 1.

Point 2 is that Mr Lew Owens, as credentialed as he is, is not a medical expert. He is a business expert. He was an independent regulator in the past. He has run massive utilities. He is very, very skilled at business. We are talking about a health outcome that, for whatever reason, including in my time, has been assigned to the Minister for Energy. Perhaps it would have been better assigned to the Minister for Health, and there are criticisms on both sides for that. Perhaps it might have been better to have done that when we were in office as well.

My point here is that thus far you have given this committee no justifiable reason for not releasing that report in full, other than not identifying individual private medical advice of individuals. Any other advice given to that committee or that review can be published without fear of legal retribution or jeopardy because we are parliament. So I will again ask you: will you give the committee a commitment that you will table this document in the parliament, protecting everyone who has given that review their frank and fearless opinions, to protect them from any legal jeopardy? Of course, every member would support private medical information being redacted but, other than that, I can see no reason why that report should not be made public in full.

**The Hon. D.C. VAN HOLST PELLEKAAN:** It might be that the member for West Torrens can see no reason that it should not be provided in full because he has not seen the report. He can have his opinion. He is welcome to his opinion. His opinion, as just expressed, certainly is different from the number of reports that were not released publicly, and many of them not even partially released, when the member for West Torrens was a minister in the previous government. Many reports were treated exactly the same way. I am not suggesting that was irresponsible. I am suggesting that it is irresponsible to think that I should do things differently from the way he did things.

This information was not provided to the government. This information, by the people who were consulted with, was provided directly to Mr Owens. This is absolutely no different from parliamentary standing committees that take evidence from private people, and very often some of that evidence is not made public, not tabled in parliament and not provided under parliamentary privilege, as the member suggests should be the case. It is quite normal practice.

There is nothing about what needs to be done to try to address the lead and blood levels that will be not made public. I have given a reason why I think it would be sensible to keep some

information, but I assure the committee that the information that is actually relevant to trying to make sure that we have less lead in the blood of young children in Port Pirie will be made public.

**The Hon. A. KOUTSANTONIS:** I refer to the same budget line again. If I could ask you respectfully, do you think you are conflicted in this because you are a candidate for the seat that encompasses Port Pirie?

**The Hon. D.C. VAN HOLST PELLEKAAN:** I am not sure what budget line that addresses but let me be really plain.

**The Hon. A. KOUTSANTONIS:** I am not trying to offend you; I am just asking—

**The Hon. D.C. VAN HOLST PELLEKAAN:** I am not sure that is true. Let me be really plain: (1) technically I am not a candidate for the seat of Port Pirie, and (2) this is work that has been going on in a very sensible, very genuine way under the previous government and under the current government. I am a member of parliament who currently represents people who live extremely close to Port Pirie, who would be considered to be in the catchment area for these risks.

As you allude to, it might well be that I become a candidate for this seat, so let me just finish by saying that if you suggest for a second—for a millisecond—that the way I would deal with this issue as a minister would be affected in any way by my proximity to Port Pirie, as a person living in Wilmington or any other proximity, then you would direct exactly the same thing to the current member for Frome. I do not accept that that is true. I do not accept that that is relevant to me or to the current member for Frome, but if you want to suggest anything along those lines, that would be absolutely disgraceful.

**The Hon. A. KOUTSANTONIS:** The member for Frome does not have access to this report.

**The Hon. D.C. VAN HOLST PELLEKAAN:** Your suggestion was that dealing with this issue might be impacted in some way. It is just not true. I do not accept that you are not trying to start a quarrel, I do not accept that you are asking that question respectfully, and I do not accept any of the premise that is to do with those most recent remarks by you.

**The Hon. A. KOUTSANTONIS:** I think that is a bigger reflection on you than me.

**The CHAIR:** Sorry, member for West Torrens, I missed that.

**The Hon. A. KOUTSANTONIS:** It is a reflection on him, not me, sir.

**The CHAIR:** On who?

**The Hon. A. KOUTSANTONIS:** The minister. His statement is a reflection on him, not me. Are you going to ask me to withdraw it, are you?

**The CHAIR:** No, I am not.

**The Hon. A. KOUTSANTONIS:** Good. If we can move on, who is currently on the TLAP Committee?

**The Hon. D.C. VAN HOLST PELLEKAAN:** I do not have that specific information with me but I am happy to take that question on notice.

**The Hon. A. KOUTSANTONIS:** I understand that Nyrstar makes a contribution of \$3.5 million per year to that committee. Is that accurate?

**The Hon. D.C. VAN HOLST PELLEKAAN:** Yes, I am advised that that is accurate. I am also advised that it is not anywhere in the Department for Energy and Mining's budget papers. Understanding that you are asking about TLAP contributions, the only budget connection to Energy and Mining is Associate Professor Rob Thomas, who participates.

**The Hon. A. KOUTSANTONIS:** Excellent. An excellent individual. So the 10-year Targeted Lead Abatement Program, administered out of your office, does not in any way oversee how any of that money is spent; is that right?

**The Hon. D.C. VAN HOLST PELLEKAAN:** Is that a question or a statement?

**The Hon. A. KOUTSANTONIS:** I am asking. Again, I will take you back to page 116, which states, 'Continued to support the implementation of the 10-year Targeted Lead Abatement Program.' I understand that Nyrstar makes a contribution to that program of \$3.5 million per year. I understand that the council makes an allocation to that program as well, as does the state government. What I want to know is: do you have any oversight of how that money is spent or is that done by Health?

**The Hon. D.C. VAN HOLST PELLEKAAN:** Nobody in the Department for Energy and Mining or I have any oversight of how that is spent.

**The Hon. A. KOUTSANTONIS:** Given your support of the implementation of the 10-year Targeted Lead Abatement Program, at any stage has that \$3.5 million from Nyrstar gone unspent? Do you have a line of sight to that or is that another minister?

**The Hon. D.C. VAN HOLST PELLEKAAN:** I am advised that we get to see the budget. We get to see whether it is spent or not, but we have no influence on whether it is spent or not.

**The Hon. A. KOUTSANTONIS:** Who decides how that money is spent?

**The Hon. D.C. VAN HOLST PELLEKAAN:** The Nyrstar TLAP money?

**The Hon. A. KOUTSANTONIS:** Yes.

**The Hon. D.C. VAN HOLST PELLEKAAN:** The TLAP Committee does.

**The Hon. A. KOUTSANTONIS:** Is there a government representative on that committee?

**The Hon. D.C. VAN HOLST PELLEKAAN:** Yes.

**The Hon. A. KOUTSANTONIS:** He is your delegate on that committee?

**The Hon. D.C. VAN HOLST PELLEKAAN:** Correct. You might have appointed him.

**The Hon. A. KOUTSANTONIS:** I might have. He is very, very talented. Is he your delegate?

**The Hon. D.C. VAN HOLST PELLEKAAN:** Yes.

**The Hon. A. KOUTSANTONIS:** If I am to take this correctly, you get to appoint a delegate to this committee; you see the budget every year. What happens to unspent money from Nyrstar? Is it carried over or is it returned to Nyrstar?

**The Hon. D.C. VAN HOLST PELLEKAAN:** As I suspect the member for West Torrens knows—and as I know that the member for Frome knows because he has asked me about this in previous situations, and my answer is the same in private as it is in estimates—yes, the unspent money is returned to the company.

**The Hon. A. KOUTSANTONIS:** Again, despite your reservations, I am not trying to make a criticism of you. Nyrstar are represented on this committee as well, aren't they?

**The Hon. D.C. VAN HOLST PELLEKAAN:** Yes.

**The Hon. A. KOUTSANTONIS:** Your representative, a council representative, and who else?

**The Hon. D.C. VAN HOLST PELLEKAAN:** This is the same question that I said I would take on notice before.

**The Hon. A. KOUTSANTONIS:** Sorry, I apologise. Given the lead level results that were published yesterday by the Department for Health—

**The Hon. D.C. VAN HOLST PELLEKAAN:** The plateauing of lead levels?

**The Hon. A. KOUTSANTONIS:** Well, no. To be fair, minister, the media reports on the ABC in Port Pirie say:

SA Health data shows lead levels in Port Pirie two-year-olds are the highest recorded since the South Australian regional city's current testing regime began in 2011.

Is that inaccurate?

**The Hon. D.C. VAN HOLST PELLEKAAN:** Then it would be important for the Department for Health and Wellbeing and the ABC to get their heads together to determine why there is a difference in the information that has been put out by the two.

**The Hon. A. KOUTSANTONIS:** My point, though, is that if Nyrstar is required to make this \$3½ million payment, and if they do not make it, if they do not spend it, they get it back, how do we compel Nyrstar to spend that \$3½ million on lead abatement measures if the committee decides not to spend it and they simply get it back? Over a 10-year period, they are contributing \$3.5 million per year. If it is not spent they get it back. I think that is probably an unfortunate situation that may be leading to some poor outcomes, and I just wonder whether or not you think it can be remedied in any way.

**The Hon. D.C. VAN HOLST PELLEKAAN:** Well, that is the question that I suggest you would be far better positioned to answer than me because the make-up of the committee, this system of putting money in per year but not rolling it over, was actually put in place under the previous government. You may or may not have been involved in actually setting up this TLAP Committee but, either way, the way it works now was something that you and your cabinet colleagues were very involved in.

It might be that the member for Frome, as one of your cabinet colleagues over a period of time, has been involved in it or had an opportunity to look at it over time. You are in a far better place to answer the question about why it is so because you were there when it was made so. With regard to what we are doing now, we are looking very seriously at how we try to improve what we inherited from you, as a former minister, and from the member for Frome, as a former minister, in the previous government.

We are doing the very best we can with what we inherited. We are looking to make changes. I have no doubt the previous government did its very best in this work. We are doing our very best and we will improve in this work. We are dealing with the way the committee works, the way the committee is structured, including how the money is rolled over or not rolled over, which we inherited from the cabinet that you and the member for Frome were both members of.

**The Hon. G.G. BROCK:** Can I—

**The CHAIR:** Do you have a question, member for Frome?

**The Hon. G.G. BROCK:** No, I want to get a clarification here, Mr Chairman. As the local member and as a cabinet minister, whenever anything came up regarding my electorate, I have a conflict of interest, and I made that conflict interest and declaration at all discussions about anything to do with my electorate.

**The Hon. A. KOUTSANTONIS:** Can the money that Nyrstar contribute to TLAP be spent on capital within Nyrstar itself? That is, can the committee that oversees the management of this budget, including your delegate, take that money and rather than spending it on lead abatement or lead clean-up in the city or other measures, for example, use it for capital improvements on the plant itself?

**The Hon. D.C. VAN HOLST PELLEKAAN:** Let me take that on notice, but let me say very clearly that the way they can spend the money now is identical to the way they could spend the money under the previous government.

**The Hon. A. KOUTSANTONIS:** But it is a committee that meets and makes regular announcements, and the delegate now is under your instruction rather than mine. The reason I say that is that if your delegate on this committee—

**The Hon. D.C. VAN HOLST PELLEKAAN:** Rob Thomas.

**The Hon. A. KOUTSANTONIS:** —is making decisions, are they decisions that require approval from an executive director or higher, or is he completely independent on that committee?

**The Hon. D.C. VAN HOLST PELLEKAAN:** I do not believe that is the case. I will check in just a minute. My understanding is that this committee has a life of its own and it has a responsibility of its own. I am not aware of anybody in the previous government or the current government

interfering with those decisions, other than, as I have said, we are looking to improve the way this committee works. Let me just check.

I am advised that the TLAP Committee up until about a year and a half ago reported to an executive committee that my CE was on, but they reported that the executive committee in no way influenced the decisions of the TLAP Committee.

**The Hon. A. KOUTSANTONIS:** So the TLAP Committee reports to your CE, but the CE does not exert any influence over them?

**The Hon. D.C. VAN HOLST PELLEKAAN:** That used to be the case, and now the reporting does not happen and the CE still does not exert any influence over them.

**The Hon. A. KOUTSANTONIS:** Since becoming minister, have you written to the commonwealth government at any stage seeking extra funds or written any memos or made any requests through a COAG process or the new intergovernment agency process to have commonwealth funds added to the TLAP process to help lead abatement and clean-up in Port Pirie?

**The Hon. D.C. VAN HOLST PELLEKAAN:** That is the type of consideration that will come out of the full and thorough assessment of the independent report we have received.

**The Hon. A. KOUTSANTONIS:** So that is, no, you have not?

**The Hon. D.C. VAN HOLST PELLEKAAN:** Not previously.

**The Hon. A. KOUTSANTONIS:** Are there any current or previous Nyrstar employees on the TLAP Committee?

**The Hon. D.C. VAN HOLST PELLEKAAN:** I am advised no.

**The Hon. A. KOUTSANTONIS:** When the financial contributions are made to the committee, is the department responsible for the contribution or does that come out of SA Health?

**The Hon. D.C. VAN HOLST PELLEKAAN:** SA Health.

**The Hon. A. KOUTSANTONIS:** Does SA Health have a representative on the committee?

**The Hon. D.C. VAN HOLST PELLEKAAN:** Yes, they do, the local—I might not get this term quite right—regional director or regional manager for Health.

**The Hon. A. KOUTSANTONIS:** So there are two government officials on that committee?

**The Hon. D.C. VAN HOLST PELLEKAAN:** Yes, correct.

**The Hon. G.G. BROCK:** On the same budget line, minister (and we have had this discussion before, but I need to ask the question here), and the issue with the communication of the hotspots that are happening and identified through the Environmental Health Centre—which is separate from the TLAP funding—are any funds being expended or transferred from TLAP to the Environmental Health Centre, which manages the counselling and the testing of children's blood lead levels in Port Pirie? Are there any funds from TLAP itself, which is the Nyrstar contribution, being transferred on an annual basis to the Environmental Health Centre?

**The Hon. D.C. VAN HOLST PELLEKAAN:** Member for Frome, I do not think so and my CE does not think so, but we will take that on notice for you just to be absolutely sure.

**The Hon. A. KOUTSANTONIS:** If I can refer the minister to Budget Paper 4, Volume 2, page 109, you detail the support package of reforms to construct an interconnector called Project EnergyConnect to New South Wales. I have asked you in previous estimates committees if there is a \$200 million contingency held by the Treasurer for that interconnector. Is that still the case today?

**The Hon. D.C. VAN HOLST PELLEKAAN:** You have asked me a similar question in two previous years, and it is a fair question. I have answered in previous years that it is in the Treasurer's contingency. I have told you in both the last two years that there is not a specific \$200 million contingency. It is part of a much larger Treasurer's contingency at the Treasurer's discretion; in fact, we have been drawing on that.



**The Hon. A. KOUTSANTONIS:** When you say you have been drawing on that \$200 million contingency, is that for the advance works you announced recently, the \$13 million?

**The Hon. D.C. VAN HOLST PELLEKAAN:** And others.

**The Hon. A. KOUTSANTONIS:** Do government press releases and media reports say that those advance works are on top of a \$200 million contingency or as part of that \$200 million interconnector fund that was announced in 2018?

**The Hon. D.C. VAN HOLST PELLEKAAN:** I would have to take that on notice. I do not recall any recent press releases referring to a \$200 million contingency. It might well be the case, but the reality is that what really counts is we have said all along that there is money available to support this project if it would be sensible to do so, and we are doing exactly that.

**The Hon. A. KOUTSANTONIS:** The Premier and you put out a press release on 8 October, when you said that this was an SA to New South Wales interconnector to deliver even bigger savings for SA households and businesses. You say here, and I quote, that 'households are set to save \$100 per year on their electricity bills' as a consequence of the interconnector; is that accurate?

**The Hon. D.C. VAN HOLST PELLEKAAN:** That is the most accurate information that I have available.

**The Hon. A. KOUTSANTONIS:** Is that a wholesale number or a retail number?

**The Hon. D.C. VAN HOLST PELLEKAAN:** Wholesale or retail?

**The Hon. A. KOUTSANTONIS:** Is that a wholesale electricity saving or a retail one?

**The Hon. D.C. VAN HOLST PELLEKAAN:** Residential.

**The Hon. A. KOUTSANTONIS:** So it is retail?

**The Hon. D.C. VAN HOLST PELLEKAAN:** Yes.

**The Hon. A. KOUTSANTONIS:** Are you aware that in a report to the AER by ElectraNet they state that these savings are wholesale?

**The Hon. D.C. VAN HOLST PELLEKAAN:** No, I am not aware of that, but let me just make it very clear that the number is an average per year residential household saving.

**The Hon. A. KOUTSANTONIS:** How about we leave that for a moment and I will come back to it in a minute. Just so we are clear, your advice to the committee and the parliament is that that number is a residential retail saving per year on a household as a consequence of the interconnector?

**The Hon. D.C. VAN HOLST PELLEKAAN:** That is the advice I have received, so it is my advice to the committee.

**The Hon. A. KOUTSANTONIS:** Can I ask who gave you that advice?

**The Hon. D.C. VAN HOLST PELLEKAAN:** It came from the ElectraNet report.

**The Hon. A. KOUTSANTONIS:** The ElectraNet report that was given to the AER as part of their submission?

**The Hon. D.C. VAN HOLST PELLEKAAN:** And other places.

**The Hon. A. KOUTSANTONIS:** In Budget Paper 4, Volume 2, you have some discussion about the rollout of your new regulations regarding solar panels. I am just wondering if, at any stage in the consultation process with these regulations, a moratorium on the installation of new solar panels was flagged with solar panel retailers.

**The CHAIR:** Member for West Torrens, can you just direct me to the line?

**The Hon. A. KOUTSANTONIS:** Yes, I can. Sorry, I am just getting used to using glasses for the first time in my life. Every time I take them off, my eyes go blurry. It is on page 108:

The department's role is to deliver the government's commitment to reduce energy costs, improve energy reliability and secure energy supplies as part of an orderly transition to lower emissions generation.

Is that good enough?

**The CHAIR:** And you are going to talk about solar panels?

**The Hon. A. KOUTSANTONIS:** Well, his new regulations. I am just asking: at any stage did your agency say that, as an alternative to these regulations, a moratorium on the installation of solar panels was an option'?

**The Hon. D.C. VAN HOLST PELLEKAAN:** It depends on what you mean by, 'Did we ever say it?' Certainly, as many options as possible were considered. The 'do nothing' option was considered, but that was unacceptable, and a moratorium option was considered, but that was unacceptable. We considered a range of options, and we landed where we landed. It was one of the things that was an option, that was considered, but almost immediately removed from the table because it was not something we were going to do.

**The Hon. A. KOUTSANTONIS:** Some retailers have approached the opposition and said that during the consultation process they were told that if they did not accept these regulations then the other option was always going to be a moratorium. That never occurred? Obviously you were not there, you would not know, but do you think that is an appropriate way to deal with stakeholders?

**The Hon. D.C. VAN HOLST PELLEKAAN:** I will not automatically accept what someone said to someone said to someone, that you are now repeating. I will say that we engaged incredibly deeply with individual companies, with representative bodies, with householders, with suppliers, with manufacturers, with a wide range of people, and, of course, with SAPN and AEMO and others.

The advice to implement this measure actually came from AEMO to government very soon after the last election. We actually went to AEMO and said, 'We've been looking at this looming net negative demand problem coming under the previous government for a very long time. We are not prepared to sit on our hands, like they did. We need some advice, please.'

AEMO came back to us with some advice, which included that under the most rapid scenario we could see net negative demand—or, in fact, even unacceptably low levels of net demand—on the grid, after netting off all the electricity that goes in and all the electricity that goes out, as soon as spring this year. That was their early scenario. Their mid-range scenario was later.

We—in fact, I—took a decision to say that we were not prepared to risk it, we were not prepared to do what the previous government did and ignore expert advice and we were not prepared to just pretend these risks were not real. These risks are real, so if AEMO tells us that this could happen in spring this year, then we will do what is necessary to make sure that it does not happen in spring this year.

We had a lot of discussion through the consultation process—some of it was smooth, some of it was not smooth—but there were certainly no threats or anything like that at any stage. I do not doubt that some of my representatives would have made very clear the whole range of options that were available. Essentially, they were the range of options AEMO put to the government. AEMO said, 'Here are our options,' and I am sure government representatives would have canvassed all those options that AEMO put forward.

We never intended—in fact, we deliberately excluded—the 'do nothing' option. We deliberately excluded the moratorium on future solar installations option. Where we landed was that as rapidly as possible, certainly by spring this year, we would make sure that all new solar rooftop residential installations from that point onward were installed with the capacity to turn them off, which is what we did. Essentially, what 'turn them off' means is make sure that they cannot feed into the grid, if absolutely necessary.

This was made abundantly clear at the time, and it remains the case that this is an absolutely last resort option. When we are faced with unacceptably low net demand on the grid we, through SAPN and others, can turn off wind farms, can turn off solar farms, we can curtail them. We can do the same with gas generators.

There is one chunk of aggregated generation in this state, approximately 1.5 gigawatts accumulatively, which actually could not be managed. Hundreds of thousands of rooftop solar installations needed to be addressed. We will never use—and I use that broad 'we' again—this option unless it is absolutely necessary to avoid a blackout. It applies to only new installations from that point in time onwards, or existing installations over time, as they might have retrofits or something like that that would give them some sort of an upgrade.

We will do as we have always done and as the previous government did: curtail other generators first, but if absolutely necessary, then we will need to use this tool. What is interesting is that while this is not something that anybody wanted to do, including the government, the industry and AEMO—nobody really wanted to do that and there were concerns about what this action might have upon the installation industry—installations of new rooftop solar across South Australia have not slowed down at all.

There are agents providing this mandatory service to new installations charging zero fees. There are installers out there who have not increased the cost of new solar installation at all, even though it includes this new equipment. We have done this as sensibly as we possibly can. We have done this as responsibly as we possibly can. We looked at all of the options and we landed on the option that we thought we needed to do and in fact was recommended to us by AEMO.

**The Hon. A. KOUTSANTONIS:** Thank you, minister. You said there that agents are offering their services free of charge through some installation arrangements. These are the agents that control the inverters that allow you to curtail dispatch into the grid; is that correct?

**The Hon. D.C. VAN HOLST PELLEKAAN:** There is a system that essentially everybody must be signed up with an agent and that agent then engages with SAPN. There are agents out there who are offering to do that at no cost.

**The Hon. A. KOUTSANTONIS:** For free? Are there other agents who are offering this service for a fee?

**The Hon. D.C. VAN HOLST PELLEKAAN:** I would have to take that on notice.

**The Hon. A. KOUTSANTONIS:** What is the average fee per year? Do you know that?

**The Hon. D.C. VAN HOLST PELLEKAAN:** I would have to take that on notice. But again this is something that is a tool that is not expected to be used, not wanted to be used. In fact, as some of our other energy policies roll out and are implemented—the interconnector with New South Wales; grid-scale storage projects; as more and more household batteries roll out; as demand management rolls out and as these things all roll out, the things we are already doing and we have started doing but we still have more work to do—the likelihood of needing to use this tool diminishes very significantly over time. There was a point in time at which it was deemed and recommended to government by AEMO that it was necessary to put that in place, and that is what we have done.

**The Hon. A. KOUTSANTONIS:** Have you received any advice on the agency, the technical regulator or any other service provider that the process of inhibiting the dispatch into the grid through this new regulation that you have introduced will make people who have batteries installed in their homes unable to work during that period when they are not dispatching in? Is that accurate, or is that not true?

**The Hon. D.C. VAN HOLST PELLEKAAN:** That is a first and early phase. Where we are heading in fairly quick time is that only the dispatch, the feed-in into the grid, will be curtailed. Today, it is more than that, but we are working very quickly and very rapidly to get to that stage where the batteries can still work—the solar can still put power into the batteries, the batteries can still put power into the home—but it was not possible to have that capacity available in the very short time frame that we had.

Let me say again that this will only be used if absolutely necessary to avoid a blackout. The default position is not, 'Everything would be working okay if SAPN didn't use this tool for the new installations.' The default position is actually having a blackout. For a household, if this tool is ever

used, then it will be used in preference to having a blackout. If we had not done this, then by definition, there would have been a blackout.

To come back to the main point of your question, we are working very hard to get that capacity installed as quickly as possible for all of these new installations so that it is only the feed-in that is curtailed and no other part of the system's serviceability.

**The Hon. A. KOUTSANTONIS:** When were you told that your regulatory changes would impact home batteries as well—before you proposed the regulation or after?

**The Hon. D.C. VAN HOLST PELLEKAAN:** I would have to take that on notice and check it.

**The Hon. A. KOUTSANTONIS:** When you proposed this regulation, were you advised by the agency that the regulations would have an impact on home battery use?

**The Hon. D.C. VAN HOLST PELLEKAAN:** Let me take that on notice and check it. It is the same question, same answer.

**The Hon. A. KOUTSANTONIS:** I have been told by industry groups that you were not informed by the agency. I do not know if this is accurate or not, so I am just going to put it to you and you can do what you like with it. I was told that you and your Chief of Staff were informed by industry groups that the consequences of your publicly announced changes were that batteries would be redundant in a blackout where these changes are implemented and that it was subsequent to the regulations being put out for consultation.

**The Hon. D.C. VAN HOLST PELLEKAAN:** Batteries would be redundant in a blackout? This is actually about avoiding blackouts.

**The Hon. A. KOUTSANTONIS:** I understand, but, from your previous answer, you conceded that these changes impact home batteries as well from operating; that is, if someone puts solar panels on their house and a battery, these changes, if implemented, would mean that that householder could not access their battery if there is a blackout or for some other reason; is that correct or is that incorrect?

**The Hon. D.C. VAN HOLST PELLEKAAN:** I think you are mixing up the key point here, which is that this tool will only be used to avoid a blackout. It is nothing to do with whether the battery works or not during a blackout. It is to do with using this tool to avoid a blackout, which would otherwise be caused by net negative demand. Your question, which you have now asked three times, was: when was I informed? For the third time, the answer is the same: I will take that on notice and find out.

But it is important that I restate that this is something that only affects new installations, so everything about these new regulations is made perfectly clear to people getting new installations. Everything about this is known at the point in time when a person decides if he or she wants to get a new installation with these new regulations attached.

**The Hon. A. KOUTSANTONIS:** What will your other changes that you have announced now to this system do to batteries? You have just said that you will be coming back with some other changes to change the impact on batteries; what are they?

**The Hon. D.C. VAN HOLST PELLEKAAN:** I will take that on notice, but let me say again that one of the key things we are doing is making sure that, if this tool is used to curtail feed-in back into the grid, we want batteries to still be able to work, so the solar on the house can still charge the battery, the battery can still charge the house and it could still potentially be part of a virtual power plant. That is very much part of the intention, part of the deliverable, of this set of regulations, but it was not possible to get it done in September, when we needed to have the tool available.

**The Hon. A. KOUTSANTONIS:** So we are clear—and I hate to labour this, as I know it is frustrating you—right now, when you use this intervention, you render a battery unable to be charged by the home's solar panels and the battery unable to be used by the householder; is that correct?

**The Hon. D.C. VAN HOLST PELLEKAAN:** I cannot add anything else to my previous answers.

**The Hon. A. KOUTSANTONIS:** I have to say that I do not understand why you cannot just be clear with the committee on this.

**The Hon. D.C. VAN HOLST PELLEKAAN:** I have already been clear.

**The Hon. A. KOUTSANTONIS:** It seems to me that you do not want to have to say it because it is an unintended consequence because you may have rushed these regulatory changes. It seems to me that people in South Australia will be horrified to know that you are using a very, very blunt tool to stop the problems with net negative demand by also taking out batteries. The whole idea was to stop feed-in to the grid, but now you have gone further than that and intervened with people's home batteries. Now with those home batteries, you need further supplemental changes and I am not sure at whose cost that would be. Is it a regulatory change, or is it a mechanical change, or is it simply a direction that you can issue? I do not understand.

**The Hon. D.C. VAN HOLST PELLEKAAN:** Chair, it is true that the member for West Torrens does not understand. This information might have come very recently to the member for West Torrens, but there has been no secret about this. This is how it works. There is a range of changes to be made so that all homes—those with solar, those without solar—can be better protected from blackouts.

There were some things that we could do in September to put that protection in place, which we did. There were some other things which we could not do at that point in time which we still will do. This is evolving, but certainly the absolutely incorrect suggestion by the member for West Torrens that people would be horrified to find this out is clearly inaccurate because this applies only to new installations and it applies only to new installations after that point in time. When somebody is considering whether or not they want to have a new installation, they are provided with all this information.

**The Hon. A. KOUTSANTONIS:** By whom?

**The Hon. D.C. VAN HOLST PELLEKAAN:** By their installer.

**The Hon. A. KOUTSANTONIS:** So a household in Port Augusta wants to put on solar panels and a battery. They will be informed by the installer that new government regulations mean that the minister can, through advice from either AEMO or some other external body, at a time of net negative demand curtail their dispatch into the grid and stop the use of their battery?

**The Hon. D.C. VAN HOLST PELLEKAAN:** There is nothing I can add to my previous answer, other than to say that if the installer does not provide all the information that is available then that installer, or potential installer or salesperson, is not doing his or her job properly.

**The Hon. A. KOUTSANTONIS:** Minister, I put it to you that you have not been up front. You have not told people that this impacts batteries. You have been caught unawares and now you are scrambling to try to fix this. The evidence I provide is your answer to this committee—by saying that you were in a rush, you had to get this done and now you are going to come back with further changes. I think that speaks volumes for this process.

**The Hon. D.C. VAN HOLST PELLEKAAN:** Well, this is the same speech, again—

**The Hon. A. KOUTSANTONIS:** I know you do not like it.

**The Hon. D.C. VAN HOLST PELLEKAAN:** —and it is incorrect, absolutely incorrect, so let me just say again: there is a suite of changes that AEMO recommended that we make. We looked at that entire suite of changes. We intend to deliver more than we have been able to do already. It is not something that was unknown. There were some things that we needed to do by September. We have done those things by September.

We have done those things to protect the people of South Australia, to protect those who have solar panels, those who have solar panels and batteries and those who have neither. This is about actually protecting people trying to improve the protection to avoid blackouts. We have done this at AEMO's advice. AEMO said very clearly, 'If you do not do this by spring this year, by spring 2020, then you risk South Australians having blackouts because of not doing it.'

We took that advice. We decided that it was good advice. We decided that we would be different from the previous government. We decided that we would not ignore AEMO's advice, as the previous government did many times over the last decade or so. We decided that we would take that advice. We decided that we would implement as much of that advice as we could by spring this year, and the things that could not be implemented by spring this year would be implemented as soon as possible thereafter.

**The Hon. A. KOUTSANTONIS:** I am going to ask you one last question on this, minister, and hopefully you will give me an answer. Can you assure the committee that anyone who has an inverter governed by these new regulations—newly installed solar panels, a newly installed battery, a newly installed inverter with an agent—that if there is a time of net negative demand and you curtail their dispatch into the grid they will have access to their home battery?

**The Hon. D.C. VAN HOLST PELLEKAAN:** There is nothing I can add to my previous answer.

**The Hon. A. KOUTSANTONIS:** It is either a yes or no answer.

**The Hon. D.C. VAN HOLST PELLEKAAN:** There is nothing I can add to my previous answer.

**The Hon. A. KOUTSANTONIS:** Why won't you say yes or no? You look silly.

**The CHAIR:** Member for West Torrens, you have asked and the minister has answered both on a number of occasions, so we will move onto the next budget line. The minister wishes to speak?

**The Hon. D.C. VAN HOLST PELLEKAAN:** The member for West Torrens can share his own opinions as loudly as he likes; it does not make them true.

**The Hon. A. KOUTSANTONIS:** On page 120 of the same budget paper, under highlights the budget paper states:

Continued the roll out of the Home Battery Scheme, supporting the installation of home battery systems on thousands of South Australian homes and paving the way for virtual power plants to enter the market.

How much of the \$100 million Home Battery Scheme has been expended to date?

**The Hon. D.C. VAN HOLST PELLEKAAN:** The operating expenditure for the 2020-21 budget period is \$30,403,000, for 2019-20 it is \$44,933,000—and that was the actual. The 2018-19 actual was \$7,070,000.

**The Hon. A. KOUTSANTONIS:** So you spent \$40 million of it?

**The Hon. D.C. VAN HOLST PELLEKAAN:** I am advised just over \$50 million: the seven and the 44 combined.

**The Hon. A. KOUTSANTONIS:** How many batteries have been installed?

**The Hon. D.C. VAN HOLST PELLEKAAN:** I am getting you the installed and committed figures. As at 31 October, 11,600 installations plus 1,700 committed and awaiting installation.

**The Hon. A. KOUTSANTONIS:** So, 11,600; is that right?

**The Hon. D.C. VAN HOLST PELLEKAAN:** Yes.

**The Hon. A. KOUTSANTONIS:** And 1,700 of the 40,000?

**The Hon. D.C. VAN HOLST PELLEKAAN:** Yes.

**The Hon. A. KOUTSANTONIS:** When do you estimate you will reach your target of 40,000?

**The Hon. D.C. VAN HOLST PELLEKAAN:** Within the four-year period.

**The Hon. A. KOUTSANTONIS:** Within the four-year period. So you are two years in and you have done a quarter?

**The Hon. D.C. VAN HOLST PELLEKAAN:** Yes.

**The Hon. A. KOUTSANTONIS:** How much of the—

**The Hon. D.C. VAN HOLST PELLEKAAN:** Sorry, I need to correct that. We have done significantly more than a quarter.

**The CHAIR:** It is about 45 per cent by my quick maths.

**The Hon. A. KOUTSANTONIS:** Sorry, I thought you said you had a 40,000 target for batteries?

**The Hon. D.C. VAN HOLST PELLEKAAN:** Forty thousand is how many we will do.

**The Hon. A. KOUTSANTONIS:** Yes, and you have done—

**The Hon. D.C. VAN HOLST PELLEKAAN:** We have done 13,300 out of 40,000.

**The Hon. A. KOUTSANTONIS:** Of the Clean Energy Finance Corporation loan facility, how much has been accessed by South Australia? Do you monitor that? Are you given any data on that? No? That is not part of your scheme?

**The Hon. D.C. VAN HOLST PELLEKAAN:** There was \$100 million from Clean Energy Finance Corporation put to a company called RateSetter, now called Plenti, I believe, and that was in fact a very important part of the scheme. We thank the federal government for their contribution. So, \$100 million initially, it is now \$118 million, as you might know. We have put even more money into this very good scheme.

That money was there so that people could get loans for the balance of the purchase price of the battery and also loans for the installation of new solar if they wanted to. You could actually get new solar and a new battery with no money up front, so you get your subsidy for the battery plus your loan for the balance of the purchase price, plus the solar installation. The management of that money, the assessment of the creditworthiness of people—all of those sorts of things—are completely at arm's length from government. We do not oversee it, we do not manage it.

We give people information that they need so that they can go and get that support if it is right for them. The reason we wanted to do that was that we know that in many cases people can borrow that money—so no money up front for the complete package of solar and battery—and actually pay off the loan out of their savings from their electricity bills. It is a very positive thing that we would not have been able to do without the CEFC's support. But, again, the management of that \$100 million is completely at arm's length from government.

**The Hon. A. KOUTSANTONIS:** The amount that an individual can access from the \$100 million state government fund has decreased; is that correct?

**The Hon. D.C. VAN HOLST PELLEKAAN:** We knew that one of the positive benefits of this scheme would be that it would bring down the cost of batteries, and it has certainly done that very significantly. From memory—and I could take some advice on this—the cost of batteries has come down in excess of \$2,000 a unit or thereabouts.

We said up front, very publicly and very clearly to everybody who was interested in this program, that we would give more generous subsidies up front and then we would reduce the subsidies that were available to people over time as the cost of the batteries came down. We have done exactly that. We are very focused on not only the subsidy but the leftover purchase price for consumers.

We are doing exactly what we said we would do at the start, and anybody who has looked at this closely would know—in fact, it was articulated very clearly—that the subsidies that we offered to begin with would not be there throughout the entire program, so that is exactly what we have done.

**The Hon. A. KOUTSANTONIS:** Do AlphaESS Australia manufacture batteries in South Australia?

**The Hon. D.C. VAN HOLST PELLEKAAN:** I am advised yes. In fact, that advice is entirely consistent with my memory of what we put together. Another one of the very positive things that we wanted to put together was to bring manufacturers into the state, so we have brought into South Australia, in the southern suburbs, AlphaESS and, in the northern suburbs, Sonnen. They both

started out assembling. The plan was always that they would start out assembling and they would move on towards manufacturing. I do not know off the top of my head exactly what stage in that transition AlphaESS is at down at Lonsdale. I have visited their plant. I have just been advised that they are manufacturing.

**The Hon. A. KOUTSANTONIS:** What about Eguana Tech? Do they manufacture in South Australia as well?

**The Hon. D.C. VAN HOLST PELLEKAAN:** Yes. I have just been advised two things. Number one is that Eguana is assembling. Also, the advice that I was just given, which was that AlphaESS are manufacturing, is not accurate. They are actually assembling also, still on the way towards manufacturing. Sonnen, on the old Holden site at Elizabeth, has already transitioned to the manufacturing phase. So two are assembling and one is manufacturing, and the two assembling ones are moving towards manufacturing.

**The Hon. A. KOUTSANTONIS:** When will they begin to manufacture?

**The Hon. D.C. VAN HOLST PELLEKAAN:** I will take that on notice.

**The Hon. A. KOUTSANTONIS:** On page 121, your budget states an ambition to deliver an Electric Vehicle Action Plan. Is the government's new charging regime on electric vehicles part of that action plan or is that something separate?

**The Hon. D.C. VAN HOLST PELLEKAAN:** The action plan is largely developed but not completed. We have \$18.3 million in the budget, which is the largest amount of effort ever put to this in the state's history. Approximately \$13 million of that is to go towards establishing, in partnership with industry, a charging network across the state. It will be the case that most people will be able to charge at home, whether they live in country or regional areas, but for people who want to use electric vehicles travelling—and I do not mean just to and from work around the metro area but travelling across the countryside—they will need fast chargers; they will deserve fast chargers. There is \$13 million to partner with industry to establish that fast charging network.

There is \$3 million approximately to develop the really smart charging, as opposed to the fast charging, so that you get that integration between the home and the electric vehicle. Just like the Home Battery Scheme, this is an extraordinarily positive—powerful, in fact—development. We know from experience overseas that when more and more electric vehicles are in the market the cost of electricity for all other consumers will start to decrease, because you have more electricity being used, so the cost of that electricity is averaged out across the poles and wires cost so that the average of that reduces. It will also help smooth out some of the peakiness of demand.

We have all seen the models that show people charging at the shopping centre or at the office car park during the day, then driving their car home and charging their home from their car in the evening. There are massive benefits there. Getting back to the action plan and what is in the budget, there are two key inhibitors, both of them real but one of them real perhaps almost as a concern rather than anything more real: one is the cost of electric vehicles and one is fear about range anxiety and the ability to travel far enough.

It is already known that most people could travel more than far enough with existing ranges on electric vehicles but we want to make it absolutely clear that people can travel anywhere in the state. From the Far West Coast all the way to the furthest point in the South-East of South Australia and up to the Northern Territory border, we want to have a fast charging network so that people can travel where they want to.

Another key component of our electric vehicle action plan is that we are also using our \$80 million per year expense by Fleet SA on the government's fleet to transition towards electric vehicles. This will essentially use our buying power so that every vehicle that is turned over must be considered for replacement from petrol and diesel to an electric vehicle. It will not be the case that in every instance it will be right to do that. There might be a four-wheel drive or a large vehicle in the fisheries department that tows a heavy boat, and today there may not be an electric vehicle that is quite right for it.

But for your standard passenger car or your small SUV there are cars already which will be perfectly fit for purpose, and when doing the sums to look at the purchase price of the vehicle, if you



look at the fact that petrol is not being paid for and if you look at all of the other costs along the way—every single cost along the way—there are already vehicles that would prove to be cheaper to transition to. Our Electric Vehicle Action Plan is addressing all of these things, and I look forward to being able to release it in full as soon as possible.

**The Hon. A. KOUTSANTONIS:** I will ask you to take on notice then, if the electric vehicle taxation regime will be part of that action plan, which is what I asked you. The other question I have as a consequence of your answer is: will people who are using these new charging stations that you are building be charged a fee or will it be free?

**The Hon. D.C. VAN HOLST PELLEKAAN:** The question you raised, I did not hear, so I am happy to address it.

**The Hon. A. KOUTSANTONIS:** If you did not hear it, what were you answering?

**The Hon. D.C. VAN HOLST PELLEKAAN:** I was telling you all about the imminent release of our action plan. That is what you were asking about. I heard 90 per cent of your question, but I did not hear the last couple of words.

**The CHAIR:** And good information for the committee to have. The current question before the minister is: will the charging stations be free?

**The Hon. D.C. VAN HOLST PELLEKAAN:** Correct. It might well be that the member for West Torrens' mouth moved away from the microphone right at the end of the question. The question asked, which I am happy to address, with regard to the road user charge is that it will not be part of the action plan.

**The Hon. A. KOUTSANTONIS:** Thank you.

**The Hon. D.C. VAN HOLST PELLEKAAN:** It is part of the budget, so it will come to parliament as has already been made very clear. The member for West Torrens and all of his colleagues will have the opportunity to assess what comes to parliament with regard to an electric vehicle road user fee and decide whether they support it or they do not support it.

**The Hon. A. KOUTSANTONIS:** We oppose it.

**The Hon. D.C. VAN HOLST PELLEKAAN:** There is no lack of opportunity—

**The Hon. A. KOUTSANTONIS:** I am going to take great joy in opposing it.

**The Hon. D.C. VAN HOLST PELLEKAAN:** —for the member for West Torrens to address it when it is there. Of course, if he does that, he will be flying in the face of some of his colleagues interstate who hold a very different position from his.

**The Hon. A. KOUTSANTONIS:** Okay. My question was: will you be charging a fee for using these new charging stations the government is investing in?

**The Hon. D.C. VAN HOLST PELLEKAAN:** I expect that that will be the case.

**The Hon. A. KOUTSANTONIS:** Can you give us a range, a cost?

**The Hon. D.C. VAN HOLST PELLEKAAN:** No, that is still to be determined. We have \$13 million on the table to partner with industry. We know that there are not enough electric vehicles out in the market at the moment to warrant any private investor developing a significant charging network. We are wide open to whether we partner with one or one group of investors for the whole state's network or whether it is charger by charger by charger. We are happy to look at whatever the options are. We do accept that it will take some support from government to get this charging network established. Of course, what the return on that investment would be is going to be very much part of the package that gets put together.

There are places now where an electric vehicle can be charged for nix; there are places now where it costs. It would be completely impossible to ascertain what the range would be in exactly the same way as it would not be possible to model in advance the cheapest petrol at the bottom of the cycle in Adelaide compared with the most expensive in the most remote part of South Australia the top of the cycle.

**The Hon. A. KOUTSANTONIS:** I am just going to ask a few mining questions now, if I could, Mr Chairman. I refer the minister to Budget Paper 3, page 111, Budget Measures Statement, energy and mining. It states:

The Department for Energy and Mining is dedicated to delivering the Government of South Australia's priorities in the mineral resources and energy sectors.

One of the dot points is:

- the future development of the recently approved Rex Minerals' Hillside copper-gold project on Yorke Peninsula

Minister, do you believe that this mine can coexist with farming on Yorke Peninsula and do you support its development?

**The Hon. D.C. VAN HOLST PELLEKAAN:** I have made it very clear in front of the member for West Torrens and in front of everybody in this room that I have a strong belief that mining and the resources sector and the farming and agricultural sector can coincide. I have also made it very clear—not every single place, not every single project, not every single mine, not every single part of the state. It is very much looking at the specific project for the specific place. I am a very optimistic person: I believe it can be done. I believe it should be done.

Our two most important and longest standing industries in South Australia are the two that contribute the most to our economy and, in many other ways, to the social and community fabric in South Australia. It is not a matter of one or the other. It is a matter of wherever possible, wherever sensible, trying to find a way they can coexist. With regard to this specific project, that is still very much under investigation.

**The Hon. A. KOUTSANTONIS:** So it is not approved?

**The Hon. D.C. VAN HOLST PELLEKAAN:** The member for West Torrens understands that Rex's PEPR has been approved, but that does not mean that the mine can proceed. Rex still has a long way to go to prove that is the right project in the right place. Certainly the PEPR that was submitted to the government, the last version of the PEPR, is satisfactory with regard to that specifically, but that does not give the project or the company the opportunity to automatically proceed. There are a lot of other things that need to be done before it could be said whether or not this project should go ahead.

**The Hon. A. KOUTSANTONIS:** Good, because your budget papers say, and I quote:

Important mineral and energy resource projects that will contribute to economic growth in regional South Australia include...

- the future development of the recently approved Rex Minerals' Hillside copper-gold project on Yorke Peninsula

It sounds to me like a big endorsement from the state government.

**The Hon. D.C. VAN HOLST PELLEKAAN:** It is certainly an endorsement from the Minister for Energy and Mining, without any doubt but, as I said, there is work still to be done to determine whether this project can go ahead. There is a lot to do beyond the PEPR being approved and, in fact, the member for West Torrens would understand this extremely well, having been a previous minister responsible for mining and resources. He knows, he knows very well, that there is a big difference between approving a PEPR and giving the proponent the right to move ahead with the project.

Certainly from my perspective, we will do everything that we possibly can. My department knows that it will do everything it possibly can to complete this investigation responsibly and thoroughly, with the interest of all affected parties well and truly in mind.

**The Hon. A. KOUTSANTONIS:** I refer to page 116 of Budget Paper 4, Agency Statement, Volume 2, sub-program 1.3, highlights 2019-20, dot point 1. The government included in its highlights of 2019-20, last financial year, the major development declaration of a copper, gold, uranium and silver Olympic Dam upgrade of \$3.5 billion. That was dumped by BHP. They spent the money somewhere else. I think they spent the money in Canada or some other jurisdiction. They took it out of South Australia and moved it elsewhere. Why is that included as a highlight?

**The Hon. D.C. VAN HOLST PELLEKAAN:** The member for West Torrens knows very well that the project was not 'dumped'. The project needs to find another pathway. BHP have made it very clear that the BFX, as it is called, the brownfield expansion, that they hoped to pursue is not the right pathway. They made it very clear—

**The Hon. A. KOUTSANTONIS:** It is not my question. My question is: why is it a highlight in the budget papers?

**The Hon. D.C. VAN HOLST PELLEKAAN:** They have made it very clear that they still intend to pursue this project another way. They still intend to put resources into this. It is not as the member suggests—

**The Hon. A. KOUTSANTONIS:** So it is a highlight?

**The Hon. D.C. VAN HOLST PELLEKAAN:** —that the money got sent somewhere else. They are still working incredibly hard on this project. The fact that they want to do that is certainly very relevant. In regard to that being included in the budget, I have no doubt that at the time that it was all put together it was accurate. BHP were given major project status and they retained major project status in the government's eyes and on paper. The Minister for Planning is very involved in this and the Minister for Environment and Water is very involved in this. Our collegial cabinet government still considers this to be a tremendous opportunity for South Australia and will continue to work closely with BHP to make sure that it can be done and happen responsibly.

**The Hon. A. KOUTSANTONIS:** Eventually. You are not going to tell me why you put it in as a highlight? If I can move on because I will not get an answer to that, on page 114 of the same budget papers, one of your budget objectives is to lower domestic gas prices. What is the government's long-term gas price forecast and have you taken into account the commonwealth government's very generous gas incentives that they are offering and the state's own gas incentives? Can you give us a long-range forecast for the gas price?

**The Hon. D.C. VAN HOLST PELLEKAAN:** I am happy to take that on notice.

**The Hon. A. KOUTSANTONIS:** You do not have one?

**The Hon. D.C. VAN HOLST PELLEKAAN:** I do not have that information here with me at the moment.

**The Hon. A. KOUTSANTONIS:** If I can return to the interconnector, the budget reference is page 120, the clean energy transition, and you talk about the interconnector. ElectraNet's submission to the Australian Energy Regulator justifies the need for an interconnector based on the long-term gas price being at \$12 a gigajoule. Do you agree that that is a long-term forecast for gas prices in South Australia?

**The Hon. D.C. VAN HOLST PELLEKAAN:** As I said to you before, I will take it on notice to bring back what our long-term forecasts are.

**The Hon. A. KOUTSANTONIS:** I think ElectraNet has demonstrated a lack of capacity to forecast its own costs accurately. It is not a reflection on the government; this is its work. The latest evidence of that is a blowout of 60 per cent for the cost of building the interconnector. When you first proposed it, it was going to be a \$500 million interconnector, then it became \$1.5 billion and now it is \$2.4 billion.

Under the National Electricity Rules, if there are cost overruns, if they are approved at \$2.4 billion, ElectraNet can pass on those cost overruns to South Australians. Do you have the power as minister under the National Electricity Rules to refuse ElectraNet the ability to pass on those cost overruns and will you exercise that power if it does exceed the \$2.4 billion cost?

**The Hon. D.C. VAN HOLST PELLEKAAN:** Very importantly, while it is completely accurate to say that ElectraNet's combined project cost on behalf of ElectraNet and TransGrid has gone from \$1.5 billion to \$2.4 billion, the net benefit to consumers has also gone from \$66 per year to \$100 per year retail residential.

**The Hon. A. KOUTSANTONIS:** You are doubling down it is retail?

**The Hon. D.C. VAN HOLST PELLEKAAN:** So from \$66 per year to \$100 per year average saving per household in South Australia.

**The Hon. A. KOUTSANTONIS:** Retail. Retail bills would decrease by \$100?

**The Hon. D.C. VAN HOLST PELLEKAAN:** After paying for the cost of the interconnector, the repayment, after that is netted off there is a \$100 per year saving to the average household in South Australia. That is what counts. The cost of the project has gone up and the benefit to South Australians has gone up as well. It is the benefit to South Australians that actually makes the difference.

In regard to potential cost changes up or down, the Australian Energy Regulator is looking at that at the moment. As we all know, the Australian Energy Regulator is assessing the contingent project applications that have gone in from TransGrid and from ElectraNet and is working through exactly this. They are the experts. They are the ones who will say that they give permission for this to be built as a regulated asset with the regulated return to the investors.

I am confident—in fact, I know—that they will not do that unless it is in the best interest of electricity consumers. The latest modelling is a \$100 per year saving to South Australian households. There is not much more I can add to that. With regard to questions about national law and anything like that, it is entirely hypothetical. This is being assessed by the AER right now.

**The Hon. A. KOUTSANTONIS:** Will South Australia's emissions increase or decrease as a consequence of the interconnector?

**The Hon. D.C. VAN HOLST PELLEKAAN:** South Australia's statewide emissions or electricity generation emissions?

**The Hon. A. KOUTSANTONIS:** Electricity generation emissions.

**The Hon. D.C. VAN HOLST PELLEKAAN:** I strongly expect that they will decrease. We have a commitment to have 100 per cent net renewable energy generation by 2030. We have a commitment across our government, led by the Minister for Environment and Water, to decrease our state's emissions—not just in electricity generation—by 50 per cent on 2005 levels by 2030. I think there is every reason to believe that emissions from electricity generation will decrease over the next few to several years during which the interconnector is built.

**The Hon. A. KOUTSANTONIS:** If I can refer you now to Budget Paper 3 again, table 2.4 on page 21 is a list of the government's savings targets across the forward estimates. Can you tell me the department's allocation of those savings targets? For example, table 2.4 says that the government's savings target in 2020-21 is \$160 million, 2021-22 is \$306.3 million, 2022-23 is \$436.7 million and 2023-24 is \$555.8 million. I already know what your increased efficiency dividends are because they are detailed in the budget but, as a proportion of that \$160 million, what amount does your department have to find?

**The Hon. D.C. VAN HOLST PELLEKAAN:** The 2020-21 state budget includes savings measures within the energy and mining portfolio of \$8 million across the forward estimates. The department will meet these savings through \$2.8 million of operating efficiency measures, \$2.5 million of increased revenue through the introduction of mineral industry fees and cost recovery, and \$2.7 million from industry through recovery of annual water levies.

In regard to last year's allocation, I am pleased to report that my department is on track to meet the \$12.6 million in savings across the forward estimates allocated in the 2019-20 state budget, including the achievement of \$2.5 million for the 2019-20 financial year. This is in addition to the \$31.1 million allocated in the 2018-19 state budget.

Given the significant expenditure cuts in prior years, the department will again achieve its savings predominantly through revenue and cost recovery measures. The department's total savings requirement across the forward estimates from 2020-21 is \$38.1 million. This comprises \$20 million from the 2018-19 state budget, \$10.1 million from the 2019-20 state budget extended across the forward estimates and \$8 million in new savings from the current state budget from 2021-22.

The table, which I am just about to share with you, outlines these savings requirements. If I just go for the totals to try to save time, savings across the forward estimates are \$6.7 million in

2018-19, \$6.8 million in 2019-20, \$9.3 million in 2020-21, \$9.4 million in 2021-22, \$9.6 million in 2022-23 and \$9.8 million in 2023-24.

**The Hon. A. KOUTSANTONIS:** Is that a total of nearly \$30 million since 2018-19, or is it more?

**The Hon. D.C. VAN HOLST PELLEKAAN:** Since 2018-19, the total there is around \$55 million, if I just do a quick sum in my head from 2018-19 through to and including 2023-24.

**The Hon. A. KOUTSANTONIS:** So you have increased taxes and charges, on the industry that you regulate, by \$55 million to meet your savings targets?

**The Hon. D.C. VAN HOLST PELLEKAAN:** No, I do not think that is a fair characterisation at all.

**The Hon. A. KOUTSANTONIS:** Your answer said that the majority of the savings had been achieved by revenue increases and cost recovery.

**The Hon. D.C. VAN HOLST PELLEKAAN:** But what you just suggested was that all the savings were coming from across that.

**The Hon. A. KOUTSANTONIS:** How much of it is from revenue? Can you take that on notice?

**The CHAIR:** Member for West Torrens, I have just been informed we need to read the omnibus questions again. I will take the minister's answer.

**The Hon. D.C. VAN HOLST PELLEKAAN:** I am advised approximately just over \$20 million, but I am happy to return with more information.

**The CHAIR:** Member for West Torrens, we are just clarifying things here. Before you go, are they the same omnibus questions?

**The Hon. A. KOUTSANTONIS:** Yes, they are.

**The CHAIR:** Then we are okay; is that right? We do not need to do them. I will give you one last question, if you are quick.

**The Hon. A. KOUTSANTONIS:** That is very generous of you; I will try to be quick. When BHP decided they were not going to proceed with their expansion, did you speak with the chief executive of BHP, or did you speak with the CEO of Olympic Dam? Who told you, and when did they inform you that it was not proceeding? Was it before the stock market announcement or after that?

**The Hon. D.C. VAN HOLST PELLEKAAN:** Let me take it on notice with regard to the stock market announcement. I have no doubt that was done entirely appropriately. I myself spoke with the Acting Olympic Dam Asset President—I think that is the correct title of that person. The Premier and I and the Acting Olympic Dam Asset President were on a phone call with others from BHP.

**The Hon. A. KOUTSANTONIS:** I do have to read the omnibus questions:

1. For each department and agency reporting to the minister:
  - What is the actual FTE count at 30 June 2020 and the projected actual FTE count for each year of the forward estimates?
  - What is the total employment cost for each year of the forward estimates?
  - What is the notional FTE job reduction target that has been agreed with Treasury for each year of the forward estimates?
  - Does the agency or department expect to meet the target in each year of the forward estimates?
  - How many TVSPs are estimated to be required to meet FTE reductions over the forward estimates?
2. For each department and agency reporting to the minister:

- How much is budgeted to be spent on goods and services for 2020-21, and for each of the years of the forward estimates period?
- The top 10 providers of goods and services by value to each agency reporting to the minister for 2019-20; and
- A description of the goods and/or services provided by each of these top ten providers, and the cost to the agency for these goods and/or services.
- The value of the goods and services that was supplied to the agency by South Australian suppliers.

3. Between 1 July 2019 and 30 June 2020, will the minister list the job title and total employment cost of each position with a total estimated cost of \$100,000 or more which has either (1) been abolished and (2) which has been created?

4. Will the minister provide a detailed breakdown of expenditure on consultants and contractors above \$10,000 between 1 July 2019 and 30 June 2020 for all departments and agencies reporting to the minister, listing:

- the name of the consultant, contractor or service supplier;
- cost;
- work undertaken;
- reason for engaging the contractor; and
- method of appointment?

5. For each department and agency for which the minister has responsibility:

- How many FTEs were employed to provide communication and promotion activities in 2019-20 and what was their employment expense?
- How many FTEs are budgeted to provide communication and promotion activities in 2020-21, 2021-22, 2022-23 and 2023-24 and what is their estimated employment expense?
- The total cost of government-paid advertising, including campaigns, across all mediums in 2019-20 and budgeted cost for 2020-21.

6. For each department and agency reporting to the minister, please provide a full itemised breakdown of attraction and retention allowances as well as non-salary benefits paid to public servants and contracts between 1 July 2019 and 30 June 2020.

7. What is the title and total employment cost of each individual staff member in the minister's office as at 30 June 2020, including all departmental employees seconded to ministerial offices?

8. For each department and agency reporting to the minister, could you detail:

- (a) How much was spent on targeted voluntary separation packages in 2019-20?
- (b) What department funded these TVSPs? (except for DTF estimates)
- (c) What number of TVSPs were funded?
- (d) What is the budget for targeted voluntary separation packages for financial years included in the forward estimates (by year), and how are these packages funded?
- (e) What is the breakdown per agency/branch of targeted voluntary separation packages for financial years included in the forward estimates (by year) by FTEs?

9. For each department and agency reporting to the minister, how many executive terminations have occurred since 1 July 2019 and what is the value of executive termination payments made?

10. For each department and agency reporting to the minister, what new executive appointments have been made since 1 July 2019, and what is the annual salary, and total employment cost for each position?

11. For each department and agency reporting to the minister, how many employees have been declared excess, how long has each employee been declared excess, and what is the salary of each excess employee?

12. In the 2019-20 financial year, for all departments and agencies reporting to the minister, what underspending on operating programs (1) was and (2) was not approved by cabinet for carryover expenditure in 2020-21?

13. In the 2019-20 financial year, for all departments and agencies reporting to the minister, what underspending on investing or capital projects or programs (1) was and (2) was not approved by cabinet for carryover expenditure in 2020-21? How much was sought and how much was approved?

14. For each grant program or fund the minister is responsible for please provide the following information for 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 financial years:

- (a) Name of the program or fund;
- (b) The purpose of the program or fund;
- (c) Balance of the grant program or fund;
- (d) Budgeted (or actual) expenditure from the program or fund;
- (e) Budgeted (or actual) payments into the program or fund;
- (f) Carryovers into or from the program or fund; and
- (g) Details, including the value and beneficiary, of any commitments already made to be funded from the program or fund.

15. For the period of 1 July 2019 to 30 June 2020, provide a breakdown of all grants paid by the department/agency that report to the minister, including when the payment was made to the recipient, and when the grant agreement was signed by both parties.

16. For each year of the forward estimates, please provide the name and budgeted expenditure across the 2020-21, 2021-22, 2022-23 and 2023-24 financial years for each individual investing expenditure project administered by or on behalf of all departments and agencies reporting to the minister.

17. For each year of the forward estimates, please provide the name and budget for each individual program administered by or on behalf of all departments and agencies reporting to the minister.

18. For each department and agency reporting to the minister, what is the total cost of machinery of government changes since 1 July 2019 and please provide a breakdown of those costs.

19. For each department and agency reporting to the minister, what new sections of your department or agency have been established since 1 July 2019 and what is their purpose?

20. For each department and agency reporting to the minister:

- What savings targets have been set for each year of the forward estimates?
- What measures are you implementing to meet your savings target?
- What is the estimated FTE impact of these measures?

**The CHAIR:** That is certainly a comprehensive list of omnibus questions. There being no further questions, I declare the examination of the proposed payments for the Department for Energy and Mining complete.

**Mr ELLIS:** I move:

That it be a resolution of this committee that the committee having been disrupted in its examination of the proposed expenditures referred to it, and being unable to complete its considerations on the same, recommends that the house refer the further examination of the proposed expenditures back to the committee.

Motion carried.

**Mr ELLIS:** I move:

That the draft interim report of the committee, incorporating the resolution that further examination of the proposed expenditures be referred back to the committee, be adopted.

Motion carried.

**The CHAIR:** Just before I go to the member for Narungga, I would like to thank the members of Estimates Committee A for their conduct during today, the ministers who were present and also all the advisers who took part. I know there is a lot of preparation that goes into these estimates hearing, so thank you for that.

**Mr ELLIS:** In celebrating those thanks, I move:

That the committee do now adjourn.

Motion carried; committee adjourned sine die.