

HOUSE OF ASSEMBLY**Friday, 17 June 2022****ESTIMATES COMMITTEE A****Chair:**

Hon. A. Piccolo

Members:

Ms S.E. Andrews

Mr M.E. Brown

Mrs R.A. Pearce

Mr A.S. Pederick

Mr V.A. Tarzia

Mr T.J. Whetstone

*The committee met at 9:00**Estimates Vote*

DEPARTMENT FOR INFRASTRUCTURE AND TRANSPORT, \$1,086,425,000
ADMINISTERED ITEMS FOR THE DEPARTMENT FOR INFRASTRUCTURE AND
TRANSPORT, \$6,293,000

Ministers:

Hon. A. Koutsantonis, Minister for Infrastructure and Transport, Minister for Energy and Mining.

Hon. G.G. Brock, Minister for Regional Roads, Minister for Veterans Affairs.

Departmental Advisers:

Mr J. Whelan, Chief Executive, Department for Infrastructure and Transport.

Mr W. Buckerfield, Deputy Chief Executive/Executive Director, North-South Corridor Program Delivery Office, Department for Infrastructure and Transport.

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

Mr A. Excell, Executive Director, Transport Planning and Program Development, Department for Infrastructure and Transport.

The CHAIR: Good morning to members of the committee, the ministers and their advisers. The estimates committees are a relatively informal procedure and, as such, there is no need to stand to ask or answer questions. I understand that the minister and the lead speaker for the opposition have agreed an approximate time for the consideration of proposed payments, which will facilitate a change of departmental advisers. Can the minister and lead speaker for the opposition confirm that the timetable for today's proceedings previously distributed is accurate?

The Hon. A. KOUTSANTONIS: Yes.

Mr TARZIA: Yes.

The CHAIR: Changes to committee membership will be notified as they occur. Members should ensure the Chair is provided with a completed request to be discharged form. If the minister undertakes to supply information at a later date, it must be submitted to the Clerk Assistant via the Answers to Questions mailbox no later than Friday 2 September 2022.

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 to do so. There will be a flexible approach to giving the call to asking questions. A member who is not on the committee may also ask a question at the discretion of the Chair.

All questions are to be directed to the minister, not the minister's advisers. The minister may refer questions to advisers for a response. 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*.

I remind members that the rules of debate in the house apply in committee. Consistent with the rules of the house, photography by members on the chamber floor is not permitted while the committee is sitting. Ministers and members may not table documents before the committee; however, documents can be supplied to the Chair for distribution. The incorporation of material in *Hansard* is permitted on the same basis as it applies in the house; that is, it is purely statistical and limited to one page in length.

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 link to the internet and the Parliament of South Australia video-on-demand broadcast system.

I now proceed to open the following lines for examination: the portfolio is the Department for Infrastructure and Transport, the programs are infrastructure planning and management, and roads and marine. The ministers appearing are the Minister for Transport and Infrastructure and the Minister for Regional Roads. I declare the proposed payments open for examination and I invite the minister to make an opening statement, should he wish. If not, would you like to introduce your advisers?

The Hon. A. KOUTSANTONIS: Yes, I will. First and foremost is my parliamentary colleague and close friend the Minister for Regional Roads, the member for Stuart, Mr Brock. To my left is Jon Whelan. Behind me are Jude Formston and Wayne Buckerfield, and behind them is Andy Excell.

The CHAIR: Does the lead speaker for the opposition wish to make an opening statement or just go straight to questions?

Mr TARZIA: Straight into questions, thank you. Good morning, minister. I refer to Budget Paper 4, Volume 3, page 120. I note that the new mobile phone detection cameras rollout has been delayed by a year until 2023. Why is that the case?

The Hon. A. KOUTSANTONIS: The advice I have received, member for Hartley, is that matter is being handled by the Minister for Road Safety. I can refer that question to him or, when he comes in, you can ask him those questions.

Mr TARZIA: To pursue that line of questioning, but I understand if you would like it asked at another committee, and along those same lines, Budget Paper 4, Volume 3, page 120, when will we receive these mobile phone detection cameras and when will they be fully up and running?

The Hon. A. KOUTSANTONIS: Again, I would refer you to the Minister for Road Safety for that.

Mr TARZIA: On Budget Paper 4, Volume 3, page 117, under new projects there are a number of—

The Hon. A. KOUTSANTONIS: Lots of them.

Mr TARZIA: —new projects and existing projects that are running late, as pointed out in *The Advertiser* this morning. Referring to the minister's policy promise surrounding industry participation and jobs, can the minister confirm that the new projects listed there will only use local

project managers, architects, designers, engineers, surveyors, planners and other professional service providers on those government projects?

The Hon. A. KOUTSANTONIS: Is there any particular project, or are you asking for them all?

Mr TARZIA: All.

The Hon. A. KOUTSANTONIS: The new procurement policy we announced at the election campaign that was endorsed by the people of South Australia overwhelmingly will be imposed on all these projects. We are in consultation now with the Department of Treasury and Finance about its implementation. We are also discussing it with industry to make sure that they are prepared. We expect that this will be applied to all these infrastructure projects is the advice I have received.

We are liaising with the Office of the Industry Advocate, who is doing an exceptional job at making sure that not only do we include this in all our tenders and procurement processes but that we actually follow up because the path to hell is paved with best intentions. We have to make sure we do this properly, and it is difficult.

I give credit to the former government as well. Every government attempts to improve its procurement processes to try to get maximum local content. If there were a perfect answer, a previous government would have found it. It is a policy of continual improvement. We have taken this policy to the election and we will implement it. I think it is going to work, but there will be improvements. I look forward to long policy debates in the parliament with the shadow minister about how we can improve it.

Mr TARZIA: Again, I refer to Budget Paper 4, Volume 3, page 117. Under new projects, referring again to the minister's election policy promise on industry participation and jobs, can the minister confirm that new projects listed will still require that apprentices, trainees, Aboriginal workers and the long-term unemployed deliver 20 per cent of all labour hours on major projects?

The Hon. A. KOUTSANTONIS: Yes.

Mr TARZIA: Thank you for clarifying, minister. I refer again to Budget Paper 4, Volume 3, page 117, new projects. Referring to the minister's election promise on industry participation and jobs, can the minister confirm that the government will broadly publicise government procurement opportunities three months in advance to enable local businesses to prepare for further tender opportunities? These are the ones that were deleted off the internet.

The Hon. A. KOUTSANTONIS: I am glad the minister is a student of our election policies. There is probably lots he can learn from them.

Mr TARZIA: I am. These are the ones that were deleted off the internet, minister.

The Hon. A. KOUTSANTONIS: He would be aware that the election commitment was to publish an annual project pipeline of coming infrastructure projects over \$10 million. For all projects that are over that threshold, the policy will apply, but we will be publishing a pipeline and updating it. The previous government's policy was updating that pipeline every 12 months: we will be updating it every six months.

Our policies will apply. If there is any deficiency in the implementation of our policy, I would encourage the opposition to call me and I will make sure I get onto the agency to make sure that we implement our policy in full. If there is any reason that there has been any deficiency, I will come to the parliament and immediately explain the reasons why it has not been fulfilled.

Mr TARZIA: We will move on to Budget Paper 4, Volume 3, page 117, since Mr Chair is only giving me one question before he moves on. Under new projects, referring to the minister's election promise on industry participation and jobs, will the minister mandate SA workers to deliver a minimum 90 per cent of labour hours on new major infrastructure projects and impose penalties on lead contractors for not achieving those targets?

The Hon. A. KOUTSANTONIS: Just to be clear, the Industry Advocate will be the body entrusted with imposing this policy. I will be monitoring it as infrastructure minister but, at the same

time, every minister will have a responsibility. This IPP policy is across government; it is not just for infrastructure. I am not sure about the penalties.

I think you would be best placed referring these questions to the Office of the Industry Advocate who will be appearing before estimates. I am not sure when the schedule is, member for Hartley. I think it is Wednesday next week, but I could be wrong. I will take that on notice and get back to you, but I will also inform the Industry Advocate of your interest and make sure that, when he does appear, he has a prepared answer for you. If not, I can send you the prepared answer.

The Hon. D.R. CREGAN: If I can take you first to Budget Paper 4, Volume 3, page 137, the targets, by way of overview, then perhaps we will move to the investing expenditure summary. I understand that works to complete the Truro bypass are to commence in 2026. Has the department undertaken any works to allow the project to be completed at an earlier stage?

The Hon. A. KOUTSANTONIS: The department is still in the early planning stages of that important piece of work, which I know is very important to your community. I know how much you have been advocating for it on their behalf, and we are very keen to get it going. Thus far, of the over \$200 million budget only \$2½ million has been spent on the early planning stages. We are very keen for a lot of that work to commence at pace.

It is a very, very important piece of infrastructure. I commend the previous government on beginning that work. We want to see it completed. We think it is an important piece of infrastructure. Once that planning is complete, we will be going out to the market probably by the third quarter of this year, is our ambition. The planning work is often the most important part of the entire project. It is not an insignificant amount of money that is being spent. Most of the budget is for the sewer works.

To give you some more information that the department has given me, this project is obviously an 80:20 funded project between the South Australian and commonwealth governments. We are doing a whole series of works to improve the amenity of the road for traffic, as well as reduce the impacts of traffic and other operations during construction to make sure we can do this properly. We are going to utilise a portion of the Sturt Highway just west of Accommodation Hill thereby reducing property acquisitions to try to improve environmental outcomes. I will keep the member and his community fully briefed on this as we move forward.

The Hon. D.R. CREGAN: My next question does contemplate acquisitions. Are acquisitions planned for and is the minister able to provide an update on the likely scope and cost of those acquisitions?

The Hon. A. KOUTSANTONIS: I am advised that so far through the planning stages no homes have been identified that need to be compulsorily acquired, but there are access issues and there will be some rural properties that will have their boundaries changed through acquisitions. There may be some sheds and other infrastructure taken, but in terms of residential accommodation none is being impacted, but, again, this is very, very sensitive. It is difficult for any government of any persuasion when this is required.

We have quite profound powers to take people's homes and their properties and interfere with their businesses, so we do so with a very, very gentle touch when necessary. I will keep you fully informed, through the Chair, on those acquisitions.

The Hon. D.R. CREGAN: I understand that the member for Chaffey may have a supplementary, but, Mr Chairman, I seek the call in relation to the investing expenditure summary following the member for Chaffey, if you chose to give him the call.

Mr WHETSTONE: As a supplementary, minister, the Truro bypass project, I guess, is part of multiple electorates. Part of Chaffey is in this project. Of the two and a bit million that has already been spent, are you able to give us a little bit more detail on what advancement that \$2 million has brought to the project?

The Hon. A. KOUTSANTONIS: A good question by the member for Chaffey. A lot of work has been done on geotechnical surveys, working with the council, some public engagement, scoping and planning of the project.

The initial project was for one lane each way, so the department is looking at other options of duplication. That is not a budget commitment the government is prepared to fund as yet because we are still in the early planning stages. We are also in discussions with the commonwealth government about the size and scope of this project, about whether or not duplication is feasible. That would, again, require more consultation and more planning.

We want to do the work right quickly and early. I do commit to engaging more closely with the local MPs and the federal MPs in the area, and indeed with local council. I understand that we are also engaging council to do some master planning work for us through its council regions to try to make sure that we get this done properly.

What we do not want to do is just do the planning work. If there is more federal funding available, we may look at it; if there is not, we may not. We want to get the planning stages right, so we will have more to say on that as we get closer to the end. We are consulting with SARTA as well who are key stakeholders in this. However, we are talking about big traffic diversions and there are local communities that need to be consulted on this as well.

Mr WHETSTONE: I have a final supplementary: the \$202 million assigned to that project does not include the duplication?

The Hon. A. KOUTSANTONIS: No. The plan was—and it is not a criticism of the former government—an upgrade of the road, one lane each way.

Mr WHETSTONE: I would urge you to consider duplication.

Mr TARZIA: I refer to Budget Paper 4, Volume 3, page 120 in relation to the north-south corridor, River Torrens to Darlington. There is no estimated completion. When will we expect to see an estimated completion in these papers?

The Hon. A. KOUTSANTONIS: Without wanting to start a quarrel in the house, because it is not my wont to start quarrels—

Mr TARZIA: It has not stopped you before, minister.

The Hon. A. KOUTSANTONIS: It is not my wont to start quarrels in the house. The reference design that was left to us was suboptimal, to say the least. The idea that this project was shovel-ready is laughable. The people sitting behind me and alongside me have built nearly every piece of major infrastructure in South Australia over the last decade, and they were not involved in the planning and design of the remaining section of the north-south corridor, despite their expertise, despite their experience, despite the work they have done previously on the north-south corridor.

The reference design left to this government foresaw an exit ramp out of the southern tunnel, turning right into Anzac Highway through an elevated road that merged from two lanes to one, on the elevated roadway, and that elevated roadway then coming down in the middle of Anzac Highway with traffic being asked to merge left rather than right. I am not a traffic engineer or a civil engineer, but it looked to me, as a politician of relative experience, that this was simply a stopgap measure because of an election campaign.

There is no serious road designer anywhere in Australia who would have thought that that was a good outcome. If anything occurred on that elevated roadway, when we were asking traffic to merge from two lanes to one coming out of a tunnel, you would have seen queueing in that tunnel that could have been catastrophic. This is not a fault of the shadow minister, this is a fault of the former government as a whole, and we need to remedy that. I wish this project was shovel-ready because if it were we would be getting on with it, but we need to do the work and to do it properly.

When that reference design work is completed, we are going to go out and consult with people because it involves their lives, their communities, their roads and their businesses and they deserve to have a say in it. I think it is fair to say that the consultation process from the former reference design was substandard, suboptimal, and created a lot of anxiety and anger in the community. There was not the level of support for this project that members to my right in this chamber probably assigned to it.

We are talking about a project that is spending over \$10 billion on 10 kilometres of road, \$1 billion a kilometre, so it is important that we get it right. I trust the work that Mr Whelan, Mr Buckerfield and the department are doing. They are, I think, exceptional public servants who serve any government of any persuasion with frank and fearless advice. The frank and fearless advice they gave me was that this project needed work and review—and that is our commitment and we will do it. When I have an answer, I will get back to the house.

Mr TARZIA: I refer the minister once again to Budget Paper 4, Volume 3, page 120, in relation to the north-south corridor. Can the minister confirm whether extra homes will need to be acquired for the Torrens to Darlington leg of the north-south corridor in the suburbs of Ashford, Black Forest and Everard Park?

The Hon. A. KOUTSANTONIS: The reference design work has not been completed. I did tell the house in response to a question from the member that there would be further acquisitions, so I have already made that public. Whether it is more homes in those suburbs yet I am not sure, but the moment I know the first people we will be telling are those people.

Mr TARZIA: So you cannot rule out further acquisitions in those suburbs or around those suburbs?

The Hon. A. KOUTSANTONIS: I am not going to play this 'rule out acquisitions in those suburbs and not these suburbs'. That is not fair on those communities.

Mr TARZIA: So it is all on the table?

The Hon. A. KOUTSANTONIS: That is not fair on those communities, and I am not interested in trying to frighten people. I know that the shadow minister wants to try to make something of this. If the reference design work had been done properly, we would not be here talking about this. I think the shadow minister should walk gently here. These are people's lives and homes we are talking about.

Mr TARZIA: On Budget Paper 4, Volume 3, page 120, when does the minister anticipate the tender will be issued for the Torrens to Darlington leg of the north-south corridor?

The Hon. A. KOUTSANTONIS: As soon as possible.

Mr TARZIA: Again on Budget Paper 4, Volume 3, page 120, in relation to the north-south corridor, can the minister advise as to why Susana Fueyo was terminated from her position as executive director?

The Hon. A. KOUTSANTONIS: No.

Mr TARZIA: Why is that?

The Hon. A. KOUTSANTONIS: Because I do not have the ministerial authority to dismiss any executive director.

Mr TARZIA: I did not say you did, but do you or anyone in the agency have any advice as to why she was terminated?

The Hon. A. KOUTSANTONIS: Chief executives are appointed to run their agencies. The only appointments we make to the public sector are chief executives, and the Premier makes those appointments. The management of staff is a matter for the chief executive. I have faith in the chief executive and his judgement, and that is where I will leave the matter.

S.E. ANDREWS: With reference to Budget Paper 5, Part A, pages 68, 69, 76, can the minister outline the government's commitment to the Majors Road on/off ramps and the project benefits?

The Hon. A. KOUTSANTONIS: Yes, I can. To give some context, when I was the shadow minister for transport and infrastructure and the previous government wanted to complete the Hove crossing, there was much anxiety in the member for Gibson's community about the process the former government were undertaking to build that grade separation. It is fair to say the consultation was poor, the planning was poor, local engagement was poor, and obviously the consequence of

that entire process is in part the reason why I am being asked this question by a new member for Gibson and not the old member for Gibson.

One of the biggest issues coming out of this was an expectation from the people of Gibson that the incoming Marshall government would commit to their election promise of the Majors Road upgrade, which would allow Majors Road to intersect with the Southern Expressway. There is a lot of evidence that a lot of traffic uses Brighton Road because people from those suburbs who would access the Southern Expressway through Majors Road are using Brighton Road, increasing traffic volumes along Brighton Road.

We are currently in the process of committing to that. The Albanese government is partnering with us for that project. It is going to be an exciting project. It had the overwhelming support of that local community, including your local community in the seat of Gibson, but importantly within the area surrounding Majors Road. The only scientific evidence we have of that, of course, is at the local booths. The biggest issue in that community was the Majors Road on/off ramps for the Southern Expressway, which was overwhelmingly endorsed by the local community.

It was also supported by the local member previously until now—not during the state election campaign, but after the state election campaign was completed. I would caution MPs who oppose the will of their communities, and there is no finer example of that than the former member for Gibson.

Mr TARZIA: Again I refer the minister to Budget Paper 4, Volume 3, page 120, in relation to the north-south corridor. How long will property owners need to wait before finding out if their homes may be acquired?

The Hon. A. KOUTSANTONIS: This type of questioning is not designed to seek answers: it is designed to try to create fear. It is, quite frankly—

Mr TARZIA: No-one would accuse you of being scared of me, minister.

The CHAIR: Member for Hartley, you have asked a question. The minister now has the opportunity to answer the question.

The Hon. A. KOUTSANTONIS: I think the member for Hartley is better than this.

Mr TARZIA: I am just trying to get some answers, minister.

The Hon. A. KOUTSANTONIS: I know you are. I know that is what you have to say. The truth is that as the reference design was not completed, the people in the suburbs the member for Hartley claims to care about so deeply were hoodwinked by the previous government into thinking the reference design was finished, yet there is no comment about the flaws in that design by the member. He is silent on it. He would have us build an exit ramp, with traffic merging while it is elevated, coming down in the middle of Anzac Highway and causing queuing in the tunnels.

I have to say the idea that that reference design was ready was a cruel joke, designed to try to minimise political impact in the seats the former government was trying to hold. For the government to accept that reference design and say it is adequate was foolhardy. I am not going to participate in the member's scaremongering or the member's trying to get his picture in the paper or his face on the TV. He can do better than this, and I hope he does. I have high aspirations for him. I have high ambitions for him.

Mr TARZIA: Minister, we are just trying to find out where these acquisitions may occur. I refer the minister again to Budget Paper 4, Volume 3, page 120, again on the north-south corridor. Will the minister rule out any acquisitions on Cross Road for the Torrens to Darlington leg of the north-south corridor?

The Hon. A. KOUTSANTONIS: Well, again it is premature to rule anything in or out. As I said earlier, there will be some further acquisitions if we change the alignment of the road, but that means we might not be taking other properties. I think these questions are premature. When the reference design is completed, parliament will be sitting and you can ask me as many questions as you like.

Mr TARZIA: Excellent. Minister, again referring to Budget Paper 4, Volume 3, page 120, in relation to the north-south corridor, is the minister aware of any additional costs that would increase this total project cost beyond \$9.9 billion?

The Hon. A. KOUTSANTONIS: That is an excellent question. Given the incompetence of the former government's reference design—and I have said this publicly already—I would not be surprised at all if the costs were larger. In fact, I would not be surprised at all if there was a briefing sitting somewhere in the blue books talking about increased costs. In fact, I would not be surprised one bit if the former Minister for Infrastructure and Transport had been informed by his department before the last election that the \$9.9 billion number was not accurate.

If the member is going to tell parliament now that, as a member of the former cabinet, he was never informed that this project could exceed \$9.9 billion, I would be interested to hear him say that in the parliament.

Mr TARZIA: Minister, we ask the questions.

The Hon. A. KOUTSANTONIS: I note you will not confirm that.

Mr TARZIA: We ask the questions, minister.

An honourable member interjecting:

Mr TARZIA: Yes, we can swap sides, although I am pretty sure he is pretty happy on that side. Minister, again I refer to Budget Paper 4, Volume 3, page 120. Would the minister consider additional costs a cost blowout?

The Hon. A. KOUTSANTONIS: I am not sure I understand the question.

Mr TARZIA: If the cost exceeds \$9.9 billion, would you consider that a cost blowout?

The Hon. A. KOUTSANTONIS: I do not think that question makes sense because what the opposition is attempting to do is set a trap. If the project is cheaper than \$9.9 billion, he will say we have cut things out of the project; if the project is more expensive, he will say 'cost blowout'. What we are trying to do is a once-in-a-generation piece of infrastructure and get it right.

It is not my fault that the reference design is substandard: it is the former government's fault. It is not my fault that the people who built almost every other piece of infrastructure along the north-south corridor were excluded from the final part of the north-south corridor. It still puzzles me why you would exclude the most experienced people who were involved in the north-south corridor from the final design of the final section.

However, I have complete faith in the department, and it is a department that is largely unchanged, other than the chief executive and one executive director, that advised the previous government, including executive directors who were appointed without a competitive process.

Mr TARZIA: I refer to Budget Paper 4, Volume 3, page 120. Will the minister commit to completing the Torrens to Darlington leg of the north-south corridor or at least beginning to complete that arm?

The Hon. A. KOUTSANTONIS: Sorry, say that again.

Mr TARZIA: Will the minister commit to even begin completing the final leg of the north-south corridor?

The Hon. A. KOUTSANTONIS: Yes.

Mrs PEARCE: I refer to Budget Paper 5, Part A, pages 67, 68 and 78. Can the minister provide advice about the proposed government's improvements to intersections and traffic flows in the King electorate and nearby areas?

The Hon. A. KOUTSANTONIS: Which intersections in particular were you interested in?

Mrs PEARCE: The Grove Way, Green Valley Drive and Target Hill Road.

The Hon. A. KOUTSANTONIS: I want to thank the member not only for her advocacy but for her hard work to make sure that this work is done. We are in the detailed planning and design

stage of this, and we are very keen to work with the local member to make sure we can get the right outcomes. In my experience, local members of parliament are probably the closest to their community, so it is important that we do this work properly and consult with you to make sure we get the answers right.

The four intersections in the electorate that the member asked about are Main North Road and Target Hill Road, The Grove Way and Canterbury Drive; Green Valley Drive and The Grove Way; Atlantis Drive, The Grove Way and Aelonian Drive; and one junction in the adjacent electorate is Wynn Vale Drive and Bridge Road, which is in the Minister for Education's electorate. We will be doing a lot of work over that period. We have allocated \$5 million for those four junctions and \$7 million towards the Wynn Vale drive and Bridge Road junction. That is a total of nearly \$12 million being spent in and around the King community on those infrastructure works.

The planning work is being expedited. We have prioritised that work to make sure we can get it done as quickly as possible to alleviate traffic concerns in your local community and the electorate. We will be in touch with you to consult with you on the designs to see if there are any improvements you could suggest to us and make sure that the local community is informed about the works that are going to commence.

Mr TARZIA: I refer to Budget Paper 4, Volume 3, pages 141 and 142, in relation to some sport infrastructure. These pages contain information about local sporting club facility grants that total \$97.9 million, and they show that they have been paid out of the Minister for Transport and Infrastructure's budget. How many local sporting club facility grants has the government approved and will the minister provide an itemised list to the committee of each grant showing the name of the recipient and the amount provided?

The Hon. A. KOUTSANTONIS: Sorry, can you repeat the last part? Not the bit about the itemised list but before that.

Mr TARZIA: Yes. How many local sporting club facility grants has the government approved in that program?

The Hon. A. KOUTSANTONIS: Just to inform the member of the process, with a lot of these clubs the funding has been approved because it is in the budget. That is what we are going through the committee stage now. That money has been approved. We are in the process now of formulating funding deeds with other local councils or the appropriate bodies to make sure this is done.

As part of our election commitment, the state government committed to providing assistance to various local communities for a number of infrastructure programs. Let's be clear: this is not part of a grants program, this is part of an election commitment. This is opposition MPs talking with local communities and sporting clubs about making sure that their needs are met. On our election, we intended to honour our commitments. I remind the member for Hartley, the first question the Leader of the Opposition asked the current Premier, Mr Malinauskas, was, 'Will you honour all your election commitments?' and the answer to that was, 'Yes. Yes, we will.'

As detailed in the Budget Measures Statement, this initiative provides \$68.1 million over four years to fund a range of local community infrastructure programs. The grants will be managed by various agencies, being obviously the Department for Infrastructure and Transport, the Office of Recreation and Sport, the Department of Human Services, the Department of the Premier and Cabinet through multicultural and sports core clubs, and the Department for Innovation and Skills, industry and music.

Of the \$68.1 million, my department has been allocated \$44.4 million for operating funding for distribution of grants payments in 2021-22. The department is working with councils on grant agreements and distribution of these grants moneys and I look forward to delivering them. I think it is excellent that we are delivering on our election commitments.

Mr TARZIA: As the Treasurer advised the house in this place on Tuesday that all the grants were taken to cabinet, will the minister provide the date that that was done and which agency prepared the cabinet submission?

The Hon. A. KOUTSANTONIS: No.

Mr TARZIA: You will not?

The Hon. A. KOUTSANTONIS: No. I refer you to your former Premier Marshall and his answers about cabinet and cabinet proceedings.

Mr TARZIA: In preparing the grants for cabinet's consideration, what was done to identify whether any conflicts of interest may need to be declared by ministers having an association with proposed grant recipients?

The Hon. A. KOUTSANTONIS: All requirements for the Ministerial Code of Conduct, all requirements on the basis of probity had been met and the cabinet process has been completed.

Mr TARZIA: You mentioned almost a certification process in relation to grant agreement deeds. When did the certification process begin and are grant agreements in place with all the recipients?

The Hon. A. KOUTSANTONIS: No, not as yet. The funding has been made available, so we are in the process of discussing those grant agreements with local councils and the relevant bodies that would be administering the grants.

Mr TARZIA: Which agency is responsible for monitoring the use of the grants to ensure that they are only applied for the intended purpose and who is responsible for maintaining an assessment about the overall effectiveness of the grant throughout the term of the grant?

The Hon. A. KOUTSANTONIS: For example, I read out to you a breakdown of departments. For the \$44.4 million that my department is responsible for, we will be the agency that will be monitoring that. I cannot speak for the other agencies. This process is no different from the process the member himself went through when he announced that he was funding the Campbelltown soccer club upgrade—a fine soccer club.

Mr TARZIA: Excellent—probably the best.

The Hon. A. KOUTSANTONIS: I like to call it a football club. Joe Mullen does an exceptional job when he is there. I wish he would come and coach somewhere else, but he does not and he will not. I understand that on 25 January 2018, on the eve of the former election, the member—pictured here smiling with the now shadow minister for education and deputy leader—announced that, if elected, a Liberal government would deliver a \$1.5 million upgrade to the Campbelltown soccer club to install a new FFA quality certified synthetic soccer pitch, an excellent initiative.

Mr TARZIA: They waited a long time.

The Hon. A. KOUTSANTONIS: What grant process did they go through?

Mr TARZIA: Minister, we ask the questions.

The Hon. A. KOUTSANTONIS: Exactly. That is what I thought.

The Hon. D.R. CREGAN: Mr Chair, I would be grateful if you might bear with me. I have a series of questions in relation to the investing expenditure summary, if I can take the committee to Budget Paper 4, Volume 3, page 117 and the line Adelaide Hills Productivity and Road Safety Package, which is very welcome, I should add. Can I turn at first to the scope of the package and then to a series of intersections, which I am keen to emphasise and ask some questions about. Is there the possibility for the scope of works for that package to extend to additions to the Amy Gillett Bikeway?

The Hon. A. KOUTSANTONIS: An excellent question by the member for Kavel in his capacity as a local member. The commonwealth government made a grant to the local council for the Amy Gillett Bikeway. Those funds are insufficient to complete the bike path; however, there is a large scope of works being conducted in the Adelaide Hills, and there may be surplus money. If there is surplus money, I am more than happy to discuss with my commonwealth colleagues and with the local member whether or not we can reallocate some of this money.

We are in negotiations and discussions with the commonwealth government now about whether they are prepared to increase their commitment to this bike path. I know how important it is

to the local member and the local community there, so I undertake to work with him to see the scope of the works that are going on in the Adelaide Hills with a number of intersection upgrades.

There may be some efficiencies there. There may be some surplus moneys there that we can reallocate. In doing that, I think it is appropriate that we consult with the local member and the local community given your advocacy in the past, so I am more than happy to commit now in the parliament that we will work with you to see how we can get this done.

The Hon. D.R. CREGAN: Thank you, minister, that is appreciated. I want to emphasise a number of intersections and ask whether they are within scope and, if they are not, whether there might be additional steps that can be taken to ensure that they are considered in scope with respect to this line item or others in the future. I emphasise the Woodside intersection. By way of explanation without seeking leave, Mr Chair, I understand the department has undertaken some planning work in relation to the Woodside intersection. The intersection I have in mind is the intersection at the corner of Onkaparinga Valley Road, Tiers Road and Nairne Road in Woodside.

I ask the same question in relation to the Balhannah intersection at the corner of Junction Road, Onkaparinga Valley Road and Nairne Road. I also ask whether this particular line item will include works for illuminated safety lighting at the intersection of Jones Road and Junction Road. That is not to be confused with the earlier emphasis I placed on the Balhannah intersection. The Jones Road and Junction Road intersection adjoins the ARTC rail line.

The Hon. A. KOUTSANTONIS: I thank the member for his question. He has been, I think the technical term is hounding me about these intersections. His advocacy has a lot of force of weight. The member has asked me to look at these intersections. I will be asking the department to do some planning work on these intersections. They are very, very important to the local community. I am especially concerned about the last one he raised, which seems to be a very easy fix. The member has raised with me his fear of a fatality at that intersection, and I am very concerned about that as well.

I undertake, once estimates is over, to personally visit all those intersections. I would love to have the local member show me the intersections. I will bring my chief executive, when he is not fixing the reference design for the north-south corridor, to have a look at these intersections. They are very important to the road traffic network in the Hills, and I will be committing to do some work on those.

The Hon. D.R. CREGAN: Thank you, minister, that is appreciated. On the same line item and the same productivity and road safety package, does the package include roadside hazard mitigation programs and, if so, has thought yet been cast to the scope of those works?

The Hon. A. KOUTSANTONIS: I am advised we are scoping up—pavement widening, pavement rehabilitation, easing of tight curves, shoulder sealing, auto tactile line marking and roadside barriers in hazard removal. Yes, we are scoping that up on all those roads.

The Hon. D.R. CREGAN: I have a number of follow-up questions which may elicit short answers. I am sorry to detain the committee, but these matters are very important to my community.

The CHAIR: It will have to be your last question. I will then go to the member for Hartley.

The Hon. D.R. CREGAN: Very well. I might do it in an omnibus style.

The CHAIR: You have only three minutes left.

The Hon. D.R. CREGAN: Turning to page 117, same budget paper, the South Eastern Freeway Managed Motorways—Stage 2, the minister may choose to take these questions on notice. I will read them as an omnibus. Will the scope of works include gates in the freeway barrier? Where are the gates proposed to be located? Has comparative analysis been performed on gates in similar freeway corridors? Has modelling been performed for collision-related obstructions on the South Eastern Freeway? With your leave and the leave of the committee, I will explain.

There are regular obstructions on the South Eastern Freeway—breakdowns of vehicles, collisions and, on occasion, substantial congestion in the mornings and evenings, compounded by breakdowns and collisions. As a member from the Hills, I am also particularly concerned about

congestion in case of bushfires. I understand that there may be modelling being performed on the north-south corridor to ensure that there is a speedier method to remove vehicles. I am interested to know what scope of similar planning might occur on the South Eastern Freeway.

The Hon. A. KOUTSANTONIS: To give the opposition its appropriate time for questioning, I will take that on notice, if I can.

Mr TARZIA: I refer to Budget Paper 4, Volume 3, page 139, community infrastructure grant programs. How many multicultural organisations have received funding through the community infrastructure grant program?

The Hon. A. KOUTSANTONIS: Hopefully, lots, because the multicultural community is very dear to my heart, as I know it is dear to the member for Hartley's heart. I make absolutely no apology, none whatsoever, for us funding these programs. I refer you to the multicultural minister, the Hon. Zoe Bettison, for those questions.

Mr TARZIA: But it is mentioned in infrastructure and transport. That is why I have asked it here.

The Hon. A. KOUTSANTONIS: I understand.

Mr TARZIA: We are happy to move it there also. In relation to that, is the minister able to provide a split between the city and the country in terms of recipients of grant funding through this community infrastructure grant program?

The Hon. A. KOUTSANTONIS: It is not a grant program: they are election commitments. Just to be clear about this, this was not a government program that advertised to local communities: these are the grant funds available and these are the criteria. This is local advocacy by candidates and local MPs to the then opposition about communities that had failed to receive funding from the previous Marshall government. These communities felt they had nowhere to go, so they came to us, and we were happy to do what we could to assist them.

Let's be clear about this. Let's not try to blur the lines here and say that there was some grant program that was structured by government and then somehow ministers have intervened to change how the grants are allocated under a terms of reference or a grant guideline. This is advocacy, and the ultimate test of all this is an election campaign. We announced all these grants. Every single one of these programs was announced before the election and held up to scrutiny. The people endorsed the Australian Labor Party, we formed a government and we are now delivering our election commitments.

Mr TARZIA: The paper does say 'expenditure related to the government's commitment for the Community Infrastructure Grant Program', but I appreciate what the minister is saying. Mr Chair, we are at 10 o'clock.

The CHAIR: Do you want one more question?

Mr TARZIA: I am happy to move to roads and marine.

The CHAIR: If there are no further questions, I declare the examination of Infrastructure Planning and Management complete and open up this section on roads and marine.

Mr TARZIA: We are just reassembling. There are a number of country members who wish to ask some question in relation to regional roads. Mr Chair, are you and the minister happy for the regional road questions to be asked first? I will move to regional members first, thanks.

Departmental Advisers:

Mr J. Whelan, Chief Executive, Department for Infrastructure and Transport.

Mr W. Buckerfield, Deputy Chief Executive/Executive Director, North-South-Corridor Program Delivery Office, Department for Infrastructure and Transport.

Ms J. Formston, Deputy Chief Executive/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 S. Smith, Service SA, Department for Infrastructure and Transport.

Mr PEDERICK: Minister, I refer to Budget Paper 2, the budget speech, page 9. What in your belief constitutes a regional road? It is Budget Paper 2, the budget speech, page 9, and it is in the centre of the page. It is an acknowledgment of the moneys allocated to the Minister for Regional Roads for transport, regional transport and infrastructure projects. It is about halfway down the page.

The Hon. G.G. BROCK: Can I get clarity from the member. Is this regarding the question that was asked in question time the other day?

Mr PEDERICK: No, I am just asking you what constitutes a regional road and where you think the boundaries around the urban environs of Adelaide cut out to establish the regional road network.

The Hon. G.G. BROCK: I thank the member for the question. Regional roads, like regional areas, are allocated by local government areas, and there are certain areas—for argument's sake, McLaren Vale and also Mount Barker—that come under specific local government areas, which are then classified as regional. Certainly, there is an interconnection where some metropolitan roads come into the regional areas.

The Hon. A. KOUTSANTONIS: Can I also add that Minister Brock and I work collaboratively through these. There are roads that begin in metropolitan Adelaide and enter regional South Australia where we are doing some good work together. I mention the Main South Road duplication to the Victor Harbor Road, for example, is a very important piece of infrastructure. There is no delineation as such. Minister Brock and I work hand in hand together. We are two peas in a pod.

Mr PEDERICK: Really? You look more like peas and beans, but anyway. My next question is on the same budget line. What particular projects in the budget speech make up the \$467.4 million for regional transport and infrastructure improvements?

The Hon. G.G. BROCK: I am advised, and I have the paper in front of me, that there is a massive list of numbers there. If it is okay with the member, I will take that on notice and get back to him. It would certainly take up a heck of a lot of time of the estimates committee—

Mr PEDERICK: No, that is fine. I appreciate that, minister. The next question relates to Budget Paper 3, page 24, general government operating expenditure, dot point 1, infrastructure and transport. Can the minister tell me what was involved in the completion of the APY Lands Main Access Road Upgrade Project and how much it cost?

The Hon. G.G. BROCK: I am advised that it was \$156.78 million for the APY Lands Main Access Road Upgrade. There was a lot of consultation and communication with the various agencies, including Indulkana and other locations in that area. There was upgrading of the unsealed main access road and improving of community access roads, providing sealed access roads in key areas—that is, access to sealed airstrips and all-weather access to emergency service providers, and also stabilising floodways.

The member is very well aware of the terrain in that area up the top end and also of the amount of rain in the last 12 months. Certainly there are a lot of areas here so, again to save time for the committee, I am quite happy to get a list of them and give it to the member for his information.

Mr PEDERICK: And also, if you do not mind, the total length of those roadworks.

The Hon. G.G. BROCK: Yes, certainly we can take that on notice.

Mr PEDERICK: Thank you. I refer to Budget Paper 3, Chapter 8: Regional South Australia, page 113, infrastructure and transport, major projects. Can the minister give a full outline of what is being investigated in the 'Murray Bridge to South-East Links—Business Case'?

The Hon. A. KOUTSANTONIS: Whereabouts is that listed?

Mr PEDERICK: Budget Paper 3, Chapter 8, page 113, about a third of the way down the page.

The Hon. G.G. BROCK: I thank the member for his question. I am advised that there is \$10 million for the study and \$5 million for Swanport through the Greater Adelaide section. Also, there is \$2 million for the Eyre Highway and for existing roads.

Mr PEDERICK: For the Eyre Highway? This is for the Murray Bridge and South-East links.

The Hon. G.G. BROCK: Yes, but I have included that also.

Mr PEDERICK: That is investigating, I believe, the duplication of the Swanport Bridge. Does it also involve the section between Taillem Bend and the Mallee Highway, on that highway?

The Hon. G.G. BROCK: I am advised that is correct. This is well and truly before my time, as you can understand, but certainly I am advised of that.

Mr PEDERICK: Will that also involve looking at the recommencement of duplication of the Dukes Highway, seeing that has not happened for 40 years?

The Hon. G.G. BROCK: I am advised that it is not the full Dukes; it is between Taillem Bend and—

Mr PEDERICK: No, but the section I am asking about is the first five kilometres between Taillem Bend and the Mallee Highway. Will that involve works looking at duplication?

The Hon. G.G. BROCK: I am advised that will be the case, yes.

Mr PEDERICK: I have another question on that. Will that involve duplicating the railway bridge and lifting it due to looking at double-stacked trains into the future?

The Hon. G.G. BROCK: I am advised that will be taken into account with the planning process, which has commenced already. I am happy to keep liaising with the local member as much as we can on the progress of that. As I have indicated before in this chamber, I am very happy to have that close communication and discussion with the local members on the other side. I think it is very important that we still continue to have communication with the local member because the local member is the one who is closest to the ground there and knows exactly the best opportunities.

Mr PEDERICK: On Budget Paper 3, Chapter 8: Regional South Australia, page 113, another point on that page, infrastructure and transport, major projects. Can you tell me what additional works are being undertaken on the Old Murray Bridge refurbishment project, given a \$10 million increase in the budgeted figure from last year's budget to \$46 million?

The Hon. G.G. BROCK: I am advised the key aims and expected outcomes of the project are to:

- ensure asset integrity of the bridge to maintain the serviceability over the next 30 years;
- maintain and enhance the heritage amenities. I have seen this bridge and as the local member knows this is a very important issue of the heritage;
- improve the pedestrian access;
- improve safety for all road users, which is very important; and
- minimise impacts of road users during the construction where practically possible, and you mentioned that in one of your speeches in the parliament just this week.

Refurbishment works include:

- repainting of the bridge and ensuring the long-term corrosion protection of the steelwork and improve the heritage amenities. Again, the member spoke in the chamber this week about that;
- cleaning, repairing, and repointing of some of the stone abutments;

- rebuilding the northern parapets—that is, the low stone barriers designed to protect the edge of the bridge—to their original height;
- upgrading the road lighting to ensure the efficient LEDs;
- installing catheter corrosion protection of the iron piers;
- repairing of pier 26;
- upgrading the pedestrian approach fencing to integrate with the existing heritage fence. Again, it is very important that we maintain the heritage look of that bridge;
- upgrading footpaths and drainage to the southern approach;
- installing interpretive signage to recognise the history of the area; and
- relocating of utility services to improve pedestrian access.

Mr PEDERICK: I mentioned the piece about the \$10 million increase. Why is there the \$10 million lift? That is substantial, being the original project was budgeted at \$36 million.

The Hon. G.G. BROCK: I am advised that competitive tendering went out. A lot of the information came back to the department from the previous government. There was no money in the forward estimates for the extra work. There was a lot of lead paint on the bridge and a lot of other issues that were not known at the particular first stage, as I am being advised. Therefore, the other \$10 million was then allocated in this budget by the new state government.

Mr PEDERICK: I have a final question on this budget line. Can the minister tell me whether part of the upgrade of the Old Murray Bridge, seeing there is extra money coming in, will include placing all—and I stress 'all'—of the service infrastructure outside the pedestrian and cycle access areas? These are water pipes and other communication works for services that I believe should be placed outside those walkways to make that pedestrian access better.

The Hon. G.G. BROCK: I am advised that, yes, there is a lot of work done. They want to make certain they are in the best locations. They also have to continue working with all the service providers to ensure that when they move the services across they are in the safest location and maintain the heritage and also the safety.

I am quite happy to communicate with the local member regarding any issues he has with that going forward and to keep him up to date with any progress going forward. If he has any suggestions, I would welcome him, through me or the CEO of the department, to come and make certain that that communication is there so that we have all the information.

Mr PEDERICK: Just quickly on that, my advice is that only the pinch points are being moved outside and not the full length of those services?

The Hon. G.G. BROCK: I am advised that the department is trying to address the pinch points at the moment. Again, I just reinforce that I am happy to continue the dialogue with the member to make certain that if there are any issues there—and communication is very important—that we actually address the concerns. I am very happy to work with you as the local member and also with the department head, the CEO, to make certain we get that communication right.

Mr ELLIS: I am trying to beaver away on the computer here, Mr Chair, so if I get my page numbers a bit wrong forgive me. Referring to the same investing expenditure summary that was previously mentioned in the Agency Statements, Volume 3, in which there is a reference to the Regional Road Network Package—it may be a slightly unusual question—I believe there is work going on between Minlaton and Port Vincent. I wonder if we could confirm that. If there is not, has any thought been given to widening that road as well as the road south of Minlaton to Yorketown, which are both in desperate need?

The Hon. G.G. BROCK: The member for Narungga is very passionate about the road infrastructure in that area, and we have had some discussions about another location. I had a private discussion in the chamber yesterday about some issues at Port Wakefield, which I am taking on

board for him. As I said a bit earlier, I have worked with the local member with a lot of issues outside infrastructure in the previous government, and I know he is very passionate about that.

The roads down the other end, I have been advised that we are working through that section. Member for Narungga, they have been doing some work on the pavement sections. Certainly, let's have a discussion regarding that to make certain we are going forward. We can actually look at what we can achieve to satisfy not only you and your request but also the community there, for safety, and the tourists going through there. I have also been advised that on the Spencer Highway, Maitland to Urania, we are doing some work, 18 kilometres of pavement rehabilitation works. That is in progress at the moment.

Mr ELLIS: That is fantastic work and the department should be commended for that.

The Hon. G.G. BROCK: Can I also say that the department is very proactive. The communication between me as the Minister for Regional Roads and the department has been absolutely fantastic. As the Minister for Infrastructure has indicated, we do work very closely on a lot of issues out there. We just have to be very careful that we have the road infrastructure, the networks, going from metropolitan to regional. We need to make certain that there is no loss of opportunity to make certain that total road is fully safe and maintained.

Mr ELLIS: Not many people call Minlaton metropolitan, minister. If we could chase up offline the widening of those two roads that I mentioned previously, that would be much appreciated.

The Hon. G.G. BROCK: Again, can I indicate that the member for Narungga has been pretty—

An honourable member interjecting:

The Hon. G.G. BROCK: I will say forceful—and he keeps in my ear with mobile phone calls and goodness knows what else. Again, I am happy to communicate with the member for Narungga.

Mr ELLIS: Can I have one more question with the indulgence of the committee, if it is a rapid pivot perhaps?

The CHAIR: Yes.

Mr ELLIS: I would like to scroll down a bit to the marine section. Yorke Peninsula is home to a great many jetties.

The CHAIR: Member for Narungga, I will need a reference, a reasonable one.

Mr ELLIS: I was worried you might ask that.

The CHAIR: If not exact, then something close.

Mr ELLIS: Page 127 of the same Agency Statement mentions roads and marine. I just wonder whether any work has been done by the department to help remediate some of those jetties which are all starting to fall into a state of disrepair at a concurrent time and are difficult for so many councils, such as Yorke Peninsula Council, to try to maintain?

The Hon. A. KOUTSANTONIS: I think it is fair to say that jetties are the lifeblood of regional coastal communities. They are one of the big tourist attractions, locals use them, they are very important and I am very keen. There was a very big program by the previous Labor government to upgrade jetties across regional South Australia, and we have now a program of upgrading another series of jetties. There is Granite Island, West Beach boat ramp (which is not regional), Beachport jetty, Kingscote jetty, Coffin Bay jetty, Cape Jervis jetty, Penneshaw jetty, Anxious Bay boat ramp, O'Sullivan's boat ramp, Streaky Bay shelter, Beacon 19 boat ramp and Arno Bay boat ramp. The one you are talking about—

Mr ELLIS: More generally, is there a program to start working our way through them?

The Hon. A. KOUTSANTONIS: We are conducting a planning study of upgrades of local jetties, so I would encourage you to contact me and Minister Brock about the ones in your community that you think should be included in this planning study. In fact, I would say that to all regional

members who are interested in us looking at it. I am more than happy to listen to your advocacy on behalf of your community because I know how important it is to you and to your local community.

Mr ELLIS: That would be my pleasure. Thank you kindly.

Mr PEDERICK: I refer to Budget Paper 3, Chapter 8: Regional South Australia, page 113, on the list of infrastructure and transport major projects. Is work on the Strzelecki Track on schedule and can you give me an outline of how far the upgrading of the Strzelecki Track has got?

The Hon. A. KOUTSANTONIS: A great Labor initiative.

Mr PEDERICK: It's a good road.

The Hon. G.G. BROCK: A fantastic area too. Thank you to the member, and I know he is very passionate about it. He has spoken to the parliament about his experience up there in the gas fields at Moomba and on the Strzelecki Track. I have travelled it on quite a few occasions and it is a very strategic track.

This is funded through the Economic and Business Growth Fund: stage 1, which is \$10 million and which is 100 per cent South Australian government; stage 2, which is \$125 million; and stage 3, \$80 million jointly funded by the Australian and South Australian governments on an 80:20 basis. The project involves pavement rehabilitation and capping of the Strzelecki Track. The work for stages 2 and 3 include pavement rehabilitation and sealing along the existing road alignment, targeted floodway treatments, junction upgrades and upgrade of the Strzelecki Creek crossing. We know there has been a lot of rain up there just recently and we will get more and more because of climate change.

All construction works will be undertaken on the existing road alignment in accordance with a typical cross-section and result in an 11-metre formation width, consisting of two 3½-metre traffic lanes, two one-metre sealed shoulders and two one-metre unsealed shoulders. Stage works include the sealed section from Lyndhurst to Yeelanna Creek, which is 74 kilometres and is already complete; the Innamincka to Dillon's Highway, which is 10 kilometres and is already complete; Moomba to Strzelecki Creek, which is 93 kilometres and is being delivered at the moment; Dillon's Highway to Della Road junction, 41 kilometres; Della Road to Moomba junction, 50 kilometres; the Strzelecki Creek crossing to Cobbler Sandhills, 47 kilometres, and procurement is going out for that at the moment; and Cobbler Sandhills to Yeelanna Creek is 153 kilometres, which is in the planning stage.

I am also advised that the first 74 kilometres, as I mentioned, have already been done but there are another two projects coming out in July this year for the Della Road to Moomba junction, which is 50 kilometres, and another one in June this year for the Strzelecki Crossing to Cobbler Sandhills, which is 47 kilometres.

Mr PEDERICK: It is good to note that that Della-Dullingari road has some good base already—better than some of the other sections. I refer to the same budget page, infrastructure and transport major projects. Can the minister tell me what sort of investments are in the targeted investments to improve the national supply chain resilience budget line.

The Hon. G.G. BROCK: While we are getting that, I advise the member, who is very passionate about this, that I have been having a lot of communication with William Creek and the people around Oodnadatta way and we are reporting that directly to the Department for Transport.

The targeted investments to improve national supply chain resilience project will enable the state to rebuild the damaged sections of the Stuart and Eyre highways to a more resilient standard to help them withstand the impacts of future natural disasters and climate change. I am quite happy to get more information and come back to the member with a bit more detail on that information. Again, I will always keep communications open with the member to ensure that communication and dialogue is open at all times.

Mr PEDERICK: On the same budget page, page 113, infrastructure and transport major projects, what are the terms of inquiry for the Greater Adelaide freight bypass business case and is there a specific route being investigated?

The Hon. A. KOUTSANTONIS: You are asking for the terms of reference for the business case?

Mr PEDERICK: I am just asking, yes, for the terms of inquiry. What are the rules of engagement, terms of reference and is there a specific route being investigated or are there multiple routes for that?

The Hon. A. KOUTSANTONIS: As that body of work continues, we will get greater clarity. What I do not want to put into the hands of the department is a predetermined outcome that the government wants. They will go away and find the most efficient path to bypass. This has been talked about a lot. You might remember of blessed memory GlobeLink. There was going to be a 24-hour freight airport in Murray Bridge.

Mr PEDERICK: Monarto.

The Hon. A. KOUTSANTONIS: Monarto. My apologies.

Mr PEDERICK: We will ask Don Dunstan.

The Hon. A. KOUTSANTONIS: That is right. As we get further clarity, we will get back to the house with that, but we are still in the early planning stages of that work.

Mr PEDERICK: Are multiple access points being investigated?

The Hon. A. KOUTSANTONIS: Well, there is no use—

Mr PEDERICK: No, I am just asking if there are multiple points. I am not asking for a specific one right now in this question. I am asking: are there multiple access points?

The Hon. A. KOUTSANTONIS: Yes.

Mr TARZIA: On that note, minister, when will the business case be concluded? Will it be released and, if so, when?

The Hon. A. KOUTSANTONIS: Given the practice of the former government of never releasing business cases, including the one for the north-south corridor, I will take that on advisement.

Mr WHETSTONE: I refer to Budget Paper 3, chapter 8, regional roads, page 113, regional roads, the Roads of Strategic Importance program (ROSI) and the Renmark to Gawler safety upgrade. It is an \$87½ million project and it is partway through. Are you able to give me an update on the progress of that? The second part of the question is: the first part of that project was bridge improvements for mass heavy vehicles. A bridge upgrade was undertaken about four months ago. The speed limit on a federal highway is still 40 km/h, with steel plates on the road. Is there any explanation as to why it is still in that state?

The Hon. G.G. BROCK: I have previously been with the member in his area, and he is a very passionate man about the whole of the area. I think you are talking about the Roads of Strategic Importance program, the \$87½ million for the Sturt Highway. The program focuses on the section between Renmark and Gawler. It is approximately 210 kilometres in length, as you mentioned a bit earlier. The works commenced in April 2020. You would have been very aware of that because you were in government at the time.

All works are anticipated to be completed late in 2023. That is my advice. Pavement, rehabilitation and shoulder works are under delivery at the moment. The intersection upgrades are the Old Sturt Highway east and west junctions, Holder Top Road and Airport Road design. There are four new overtaking lanes between Truro and Barmera, and that is in the design stage at the moment. There are some rest area upgrades and new ones, and again those locations are in the design stage at the moment.

Audio tactile line marking, safety barriers and signage are in the planning and delivery stage at this particular point. That is about the lot. I am happy to have more direct communication with the member with regard to the progress and liaising with the department. Regarding the bridge with the steel plates, etc., I have been advised that the department will get back to me and you as the member, through the estimates committee, to make certain you get all that information up to date.

Mr WHETSTONE: Thank you, minister. That is important. It is a federal highway. It has been restricted to 40 km/h for 12 weeks now, and I think the importance of safety cannot be understated with that steel plate there.

The Hon. G.G. BROCK: Do you have a specific location where that 40 km/h zone is, or could you let us know through the Chair or through the department?

Mr WHETSTONE: It is the Paringa to Renmark causeway.

The Hon. G.G. BROCK: Road safety is very important, without any hesitation. I see the issues. Personally, I had a tragedy years ago with my late wife being killed in a car crash, so I understand the safety issues. I do at times get frustrated with the speed restrictions; however, we have to make certain that we drive to the condition of the roads. I will certainly get back to the member regarding that specific location, the future direction and the progress.

Mr WHETSTONE: What is the completion date for that program in full?

The Hon. G.G. BROCK: I have been advised it will be late 2023. That is only for the tactile line marking. Certainly, we want to do it properly and make sure we get it done. As the Minister for Infrastructure has indicated, I do not want to give you a time frame because there can be some issues that may delay those sorts of things. Certainly, communication and consultation with the local member is very important, and we will continue to do that.

The Hon. D.R. CREGAN: Remaining with Chapter 8: Regional South Australia, let there not be any doubt that the Adelaide Hills are a region because our projects are listed in the budget papers under 'the regions'. Touching on the Hahndorf traffic improvements upgrade, I am very grateful for separate briefings in relation to this important project. I know the federal member for Mayo has been grateful, too, for updates. The proposed expenditure in 2022-23 in relation to the upgrades in Hahndorf is listed. I am grateful for an update on the public record as to the scope of works contemplated in this budget cycle.

The Hon. A. KOUTSANTONIS: As you would be aware, this is an 80:20 funded project of \$250 million. We are proposing to spend \$40 million over the next 12 months to fund an upgrade, the Hahndorf township improvements and access upgrade project. The project is currently in the planning and investigation stage, with construction expected to commence in the second half of 2023.

It is fair to say that the consultation has shown some reticence on some aspects of the Hahndorf project, especially those that touch upon and impact Beerenberg property. I am very acutely aware of the importance of the land to you, the local member, and the community up there. We are in detailed discussions about how best to avoid getting into that and making sure that we can preserve and protect that.

That has impacted substantially on the scope of works, but it does include a new interchange solution to access the freeway and remove unnecessary traffic from the Main Street of Hahndorf, so the core aspect of the project is still intact. There is a set of traffic management measures for the main street of Hahndorf to improve safety and reduce congestion, a shared-use path for the Hahndorf township to Verdun, providing the missing link of the Pioneer Women's Trail, and an upgrade to the existing Mount Barker interchange to reduce congestion and improve connectivity, safety and access.

Your advocacy and Rebekha Sharkie's advocacy have been listened to. The consultation and the provision of an interchange at Hahndorf have generated those concerns, as I said earlier, so we are working on how to deal with that. We will come back to the house with a solution. That will not be a predetermined outcome, but it will be one that is done in consultation with you and your local community.

The Hon. D.R. CREGAN: Thank you, minister, that is very much appreciated. By way of supplementary to obtain additional detail in relation to the Adelaide Road component of the works as planned, is the minister able to inform the committee whether there will be a bridge widening or bridge duplication and/or intersection treatments at Adelaide Road?

The Hon. A. KOUTSANTONIS: I will have to take that on notice, if I can, and get back to you.

The Hon. D.R. CREGAN: Thank you. Mr Chair, your indulgence. I have a further question in relation to the Heysen Tunnels refit and safety upgrade. Minister, I am most grateful for an update on the record as to the scope of works and the \$40 million contemplated, as well, for that project in the budget cycle.

The Hon. A. KOUTSANTONIS: The advice I am receiving from the agency is that it is a comprehensive work of packages that deals with not only ventilation but also fire hazard. Obviously, if there is an event in the tunnels there are Australian standards to deal with collisions, amplification of fire and other measures, as well as access and egress for pedestrians if traffic is stopped within the tunnel. It is a comprehensive package. Changing fans should not cost \$75 million, but the progress of works is quite complicated, which shows you the complexity of building tunnels.

The Australian standard is that certain measures need to be put in place within the tunnels to make sure that they are at standard and grade to make sure that people can exit and leave the tunnel safely on foot if there is a fire, and a lot of those works are being done to maintain that. It is a comprehensive package of work about, and I will give you a more detailed answer, if I can, between the stages of the Appropriation Bill.

The Hon. D.R. CREGAN: Thank you, minister. Mr Chair, you have been most generous. Touching last—

The CHAIR: Last question.

The Hon. D.R. CREGAN: Very well. Touching last on the Nairne intersection upgrade, of course the project has largely achieved practical completion. I note that there is \$200,000, which I anticipate and wish to confirm, is for landscaping?

The Hon. A. KOUTSANTONIS: The landscaping is being completed, but I am advised that the \$200,000 is being kept in scope for any defects or remediation that might be required as we conclude the contract.

The Hon. D.R. CREGAN: Mr Chair, you have been most generous, but by way of supplementary: does that amount include any resurfacing works adjacent to the intersection?

The Hon. A. KOUTSANTONIS: No. Should I put that on my list of things to do?

The Hon. D.R. CREGAN: I would be most grateful. Of course, any local member worth their salt would extend the resurfacing well beyond the intersection works nevertheless.

Mr TARZIA: Minister, this is probably more marine than roads. I refer to Budget Paper 4, Volume 3, page 121. I note that the Penneshaw and Cape Jervis ports are being delayed by a year. Is the minister able to explain the reason for that delay? The Penneshaw and Cape Jervis ports have been pushed out by a year, and I am just wanting to know why that is.

The Hon. A. KOUTSANTONIS: This is a project initiated by the previous government, and it was disadvantaged because it had to wait the procurement and tender process of a third party, being SeaLink, to see what ships they would be getting.

It would have been foolhardy and inappropriate of the previous government to proceed at pace with this project not knowing the outcome of those tenders. The previous government rightly delayed the project pending the outcome of that tender, hence the delay. I note today the shadow minister's criticism of his own former government for that delay, which I think is unique in political circumstances.

Mr TARZIA: You have had 90 days, minister, to turn the ship around if that's the case.

The Hon. A. KOUTSANTONIS: So 90 days.

Mr TARZIA: Almost up to your first 100. We cannot believe it, either. I refer to Budget Paper 4, Volume 3, page 121. I note that the Port Bonython jetty has also been delayed by a year. Is the minister's explanation the same for that project?

The Hon. A. KOUTSANTONIS: Again, I am advised that this is another project of the previous government that was delayed by the previous government through its tender negotiations—and rightly so. There were a number of things impacting this, the first one of course being COVID and the delivery of the project, and the second being that the participants in the tender came back with extremely varying prices.

That variance caused a deal of concern for the previous government and the previous government rightly instructed the agency to intervene and negotiate a settlement through the process, hence the delay. Again, I note the shadow minister criticising himself as a former member of the cabinet that initiated this delay—unique in Australian politics!

Mr TARZIA: I refer to Budget Paper 4, Volume 3, page 128. Is the minister able to advise when the jetties strategy will be completed?

The Hon. A. KOUTSANTONIS: Soon.

Mr TARZIA: I refer again to Budget Paper 4, Volume 3, page 128. Will the strategy include adequate funding to maintain and upgrade state-owned jetty assets currently leased to councils?

The Hon. A. KOUTSANTONIS: Another interesting question from a former member of the previous government in cabinet. The reason we are doing this scope of work is to completely understand exactly what the funding is. I cannot commit now to a cost when I do not know what it will be, which is why we are doing the work. Before we can commit to the funding and the care and maintenance of these pieces of infrastructure we need to completely understand what the impact to the taxpayer will be. Until that work is completed, I cannot give you an answer, and that is a prudent and appropriate way to budget.

Mr TARZIA: I refer to Budget Paper 4, Volume 3, page 120, under the Roads of Strategic Importance initiative—Eyre Highway—Port Augusta to Perth. Is the minister able to advise whether funds have been allocated to invest back into the recreational jetty network right across the state?

The Hon. A. KOUTSANTONIS: The advice I have is no.

Mr TARZIA: On Budget Paper 4, Volume 3, page 121, under the Roads of Strategic Importance initiative, there is more about the Eyre Peninsula road upgrades. Has the project scoped for that budget line been specified and, if so, can it be explained as to what exactly that is?

The Hon. G.G. BROCK: I thank the member for the question. I have been advised that, again, this is part of the 2019-20 Australian budget where \$31 million was committed to delivering improvements to the Eyre Peninsula network over a four-year period from 2019-20 to 2022-23.

Improvements that have been implemented to date as part of this initiative include shoulder sealing; new overtaking lanes on the Lincoln Highway, the Western Approach Road and the Flinders Highway; and other safety improvements. Works packages yet to be delivered include a new overtaking lane on the Tod Highway south of Cummins and the junction upgrades on pavement works within Port Lincoln.

As I indicated, there was \$31.25 million there which was an 80:20 split. Higher than anticipated costs will be incurred in delivering the full scope of the works of this package, and the drivers that have resulted in the higher costs are primarily those relating to materials sourcing and material demands during COVID. We all understand the cost factor of materials in regional areas is a lot higher.

As part of that, the department had the additional \$20 million for the Roads of Strategic Importance initiative, Eyre Peninsula network program of works, including \$10 million from the Australian government and \$4 million from the state government, bringing the total funding for the total project to \$51.25 million.

Mr TARZIA: I refer to Budget Paper 4, Volume 3, page 121. Have all funds from the previous financial year been expended and projects delivered?

The Hon. A. KOUTSANTONIS: Are you talking about carryovers?

Mr TARZIA: Yes.

The Hon. A. KOUTSANTONIS: Why did you not just ask about carryovers then? I will take that on notice.

Mr TARZIA: I refer to Budget Paper 4, Volume 3, page 121. Is there flexibility within this program to reappropriate funds to other comparable projects such as shoulder sealing for the northern end of the Flinders Highway?

The Hon. G.G. BROCK: Obviously, as you are an ex-minister and you have been in cabinet, if the cabinet does approve that variation and that change then the answer would be yes.

Mr TARZIA: I refer to Budget Paper 4, Volume 3, page 121, under the Roads of Strategic Importance initiative, Eyre Peninsula road upgrades. Has the project scope for this budget line been specified and, if so, please explain a bit more about that.

The Hon. G.G. BROCK: If it is alright with the member, I will take that one on notice and get back to him.

Mr TARZIA: Referring to Budget Paper 4, Volume 3, page 121, has there been any project cost overrun due to any financial issues of the tier 2 contractor OTM Civil Construction?

The Hon. A. KOUTSANTONIS: For which project?

Mr TARZIA: Budget Paper 4, Volume 3, page 121, in relation to works on the West Coast.

The Hon. A. KOUTSANTONIS: That firm you are talking about went into liquidation.

Mr TARZIA: Yes. I was being general; I did not want to say that, but yes.

The Hon. A. KOUTSANTONIS: That did not impact on us because it was part of an alliance project. The alliance picked it up and the contract was in place and the work was completed.

The Hon. D.R. CREGAN: Can I take the committee to Budget Statement, Budget Paper 3 and to the line item Rural Roads Package, safety package, additional funding. As the minister is aware, the Onkaparinga Valley Road is a major transport corridor in my community and the road surface has several sections requiring significant resurfacing works. Is there budget provision in this item or any other regional line item to support those works? If not, I seek those works in a future budget.

The Hon. A. KOUTSANTONIS: The Onkaparinga Valley Road (Onka) is a high priority for the South Australian government, as I know it is for the member for Kavel, and I am pleased to say that there is a total of \$150 million over five years for upgrades for key strategic roads. That is a road that we are looking at very closely. In terms of our priorities, it is right up there.

The Hon. D.R. CREGAN: Thank you, minister; that is appreciated.

Mr PEDERICK: I will ask the omnibus questions now. I understand they will go across both ministers:

1. For each department and agency reporting to the minister, what is the total cost of machinery of government changes incurred between 22 March 2022 and 30 June 2022?

2. For each department and agency reporting to the minister, which administrative units were created, abolished or transferred to another department or agency between 22 March 2022 and 30 June 2022 and what was the cost or saving in each case?

3. For each department and agency reporting to the minister, how many executive appointments have been made since 22 March 2022 and what is the annual salary and total employment cost for each position?

4. For each department and agency reporting to the minister, how many executive positions have been abolished since 22 March 2022 and what was the annual salary and total employment cost for each position?

5. For each department and agency reporting to the minister, what has been the total cost of executive position terminations since 22 March 2022?

6. For each department and agency reporting to the minister, will the minister provide a breakdown of expenditure on consultants and contractors with a total estimated cost above \$10,000 engaged between 22 March 2022 and 30 June 2022, listing the name of the consultant, contractor or service supplier, the method of appointment, the reason for the engagement and the estimated total cost of the work?

7. For each department and agency reporting to the minister, will the minister provide an estimate of the total cost to be incurred in 2022-23 for consultants and contractors, and for each case in which a consultant or contractor has already been engaged at a total estimated cost above \$10,000, the name of the consultant or contractor, the method of appointment, the reason for the engagement and the total estimated cost?

8. For each department and agency reporting to the minister, will the minister advise whether it will be subject to the 1.7 per cent efficiency dividend for 2022-23 to which the government has committed and, if so, the budgeted dollar amount to be contributed in each case and how the saving will be achieved?

9. For each department or agency reporting to the minister, how many surplus employees were there at 30 June 2022, and for each surplus employee, what is the title or classification of the position and the total annual employment cost?

10. For each department and agency reporting to the minister, what is the number of executive staff to be cut to meet the government's commitment to reduce spending on the employment of executive staff by \$41.5 million over four years and, for each position to be cut, its classification, total remuneration cost and the date by which the position will be cut?

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

- What savings targets have been set for 2022-23 and each year of the forward estimates;
- What is the estimated FTE impact of these measures?

12. For each department and agency reporting to the minister, will the minister advise what share it will receive of the \$1.5 billion the government proposes to use over four years of uncommitted capital reserves held in the budget at the time it took office and the purpose for which this funding will be used in each case?

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

- What was the actual FTE count at 30 June 2022 and what is the projected actual FTE account for the end of each year of the forward estimates;
- What is the budgeted total employment cost for each year of the forward estimates; and
- How many targeted voluntary separation packages are estimated to be required to meet budget targets over the forward estimates and what is their estimated cost ?

14. For each department and agency reporting to the minister, how much is budgeted to be spent on goods and services for 2022-23 and for each year of the forward estimates?

15. For each department and agency reporting to the minister, how many FTEs are budgeted to provide communication and promotion activities in 2022-23 and each year of the forward estimates and what is their estimated employment cost?

16. For each department and agency reporting to the minister, what is the total budgeted cost of government-paid advertising, including campaigns, across all mediums in 2022-23?

17. For each department and agency reporting to the minister, please provide for each individual investing expenditure project administered, the name, total estimated expenditure, actual expenditure incurred to 30 June 2022 and budgeted expenditure for 2022-23, 2023-24, 2024-25 and 2025-26.

18. For each grant program or fund the minister is responsible for, please provide the following information for the 2022-23, 2023-24, 2024-25 and 2025-26 financial years:

- Name of the program or fund;
- The purpose of the program or fund;
- Budgeted payments into the program or fund;
- Budgeted expenditure from the program or fund; and
- Details, including the value and beneficiary, or any commitments already made to be funded from the program or fund.

The CHAIR: There is one minute to go if anybody wants to ask another question.

Mr TARZIA: I refer to Budget Paper 3, Chapter 8: Regional South Australia, page 113, infrastructure and transport major projects. What works are planned for the Roads of Strategic Importance: Renmark to Gawler?

The Hon. G.G. BROCK: I will take that on notice.

The CHAIR: There being no further questions, I declare the examination of roads and marine complete.

Sitting suspended from 11:00 to 11:17.

Membership:

Mr Patterson substituted for Mr Whetstone.

Minister:

Hon. A Koutsantonis, Minister for Infrastructure and Transport, Minister for Energy and Mining.

Departmental Advisers:

Mr J. Whelan, Chief Executive, Department for Infrastructure and Transport.

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

Mr Scott White, Executive Director, South Australian Public Transport Authority, Department for Infrastructure and Transport.

The CHAIR: I advise the portfolio is the Department for Infrastructure and Transport, the program is public transport and the minister appearing is Minister Koutsantonis. I remind members that the proposed payments for the Department for Infrastructure and Transport remain open for examination. Minister, do you want to make an opening statement?

The Hon. A. KOUTSANTONIS: No, other than to introduce Scott White, who is the Executive Director of the South Australian Public Transport Authority.

The CHAIR: Member for Hartley, do you wish to make any opening comments?

Mr TARZIA: No opening comments, sir.

The CHAIR: Go straight into questions.

Mr TARZIA: I refer to Budget Paper 4, Volume 3, page 119, the lines on the Gawler line electrification and railcars refresh. What date will the incoming railcars be on the tracks and fully operational?

The Hon. A. KOUTSANTONIS: I understand that, of the 12 the previous government ordered, three are operational, one is in testing and the remaining eight will be delivered progressively by the middle of next year.

Mr TARZIA: I appreciate there have been some delays for various reasons. Because of those delays, has there been any change in terms of cost of getting those over here and having them operational?

The Hon. A. KOUTSANTONIS: 'Delays' is an interesting word that the shadow minister has used. He would be aware that the former government promised this line electrification would be completed by the middle of last year, then sometime in November, then sometime in December, then sometime in February, then sometime in May, and of course this project was a hot mess—a hot, hot mess.

Mr TARZIA: How hot?

The Hon. A. KOUTSANTONIS: Very hot. I am glad to say that the project has now been finally completed. People are back on our trains and there is a good mixture of diesel and electric trains operating. I think it is fair to say the amenity difference between the diesel railcar sets and the electric car sets is overwhelmingly obvious. I think it is a credit to the former government for picking up this project. I am glad it is finished. Now we can proudly boast that the spine of our rail network is electrified. The question then becomes the Outer Harbor line, the Belair line and potentially the Mount Barker line—the Hills line, the Cregan line. There is a lot more work to do.

Mr TARZIA: Referring to Budget Paper 4, Volume 3, page 124, under targets 2022-23:

Implement a customer attraction campaign to increase awareness of public transport as a journey to work option and encourage more customers to use public transport.

Can the minister provide any estimated cost or provide a date as to how much that will cost and when that campaign will commence?

The Hon. A. KOUTSANTONIS: As the member would be aware, having been a cabinet minister in a previous government, COVID had a devastating impact on public transport patronage, largely because people were working from home, the shutdowns and of course the fear of the disease kept people off public transport. Add on top of that the delays in the Gawler line electrification opening and people waiting on buses for an hour and a half as a substitute that caused a lot of delays and we saw passenger transport numbers dwindle across the country.

The I'm on Board campaign, which I encourage members of the opposition to get on board with, is a project the total budget of which I do not have with me, but I will get for you. A lot of it will be done with our existing coms people. You would know Andrew Ockenden, former Liberal Party staffer.

Mr TARZIA: Rings a bell.

The Hon. A. KOUTSANTONIS: He is an executive director now in the Department for Infrastructure and Transport, and other com staff we have will be running the I'm on Board campaign. I have confidence that they will be able to do a good job to get people back onto public transport. I am very anxious about public transport patronage since the pandemic. As you can see by the budget, with a record spend of over \$18 billion on infrastructure, a lot of that is building infrastructure to meet peak demands in the morning. That is unsustainable across governments across Australia. We need public transport patronage up. I will get you some more details on it.

Mr TARZIA: Thank you, minister. I refer to Budget Paper 4, Volume 3, page 123, which refers to an independent review into the return of transport services to the public sector, which was estimated at a million dollars. I did ask some questions on this yesterday. Can the minister confirm if he has had any other information about how long this commission will take, how long before it will report and will he make those findings public?

The Hon. A. KOUTSANTONIS: The terms of reference of the commission will be decided by cabinet shortly. Once that process is completed, we will have more to say on it. Again, this is another project the government is keeping its election commitment on. Just to give some history, the

previous government in 2018 promised that it would not be privatising, that it had no privatisation agenda, then promptly privatised the Adelaide Remand Centre and our trains and trams.

It was a shock to the South Australian public, and that policy was repudiated overwhelmingly in March of this year. The government has a mandate to return our public transport services to public hands and a mandate to investigate whether bus services should be returned to public hands as well. We expect the opposition to allow the government to honour the public's mandate to return those public services. The commission of inquiry is one aspect of that program to return public transport services to public hands.

The commission of inquiry will inquire into a number of things. First and foremost would be the most cost-effective and optimal method of returning our trains and trams back to public hands. The committee might recall, prior to the election, when the former government announced they were breaking their election commitment and privatising our trains and trams. We wrote to every proponent who was participating in that tender, informing them that at the state election in 2022, if Labor were successful, we would be returning those services to public hands. In effect: buyer beware.

We believe that there is no sovereign risk issue in this matter. We wrote to all the proponents and they were aware. Keolis Downer were successful in winning the tram contracts, and we are in negotiations with them now. In terms of the commission of inquiry, they will also investigate returning the workforce, adequate drivers to meet the needs and demands. They will be ably assisted by my chief executive and executive director on how this will be performed.

The other scope of the inquiry will be a thorough investigation into the terms and conditions of the privatisation contract. Privatisation contracts are not unusual in public policy. They are pro forma almost. There are standard contracts and there are standard break clauses. If there are any unusual or extraordinary burdens put on the state by the previous government and any public officer involved in that, the commission of inquiry has the ability to investigate that.

If the state has been put at any extraordinary or legal peril because of an election commitment and the mandate of the public, that is a booby trap left behind by the previous government that is not in ordinary contracts or ordinary break clauses, as would be the norm. That would be investigated to the full extent of the law because that would be, in my opinion, a case of maladministration and misconduct. But I am not an integrity officer, so it is just my assertion.

The commission of inquiry will also assist the government in negotiating the return of these assets. It will be a comprehensive program we announced prior to the election that I think will be an exceptional piece of work and good public policy. I think the public are sick and tired of seeing their essential public utilities privatised by governments, especially by governments who promised not to do so.

Mr TARZIA: On the same line item, in regard to the review of any contract, will that be conducted by Crown law or private law firms or both?

The Hon. A. KOUTSANTONIS: By the commission of inquiry.

Mr TARZIA: I refer to Budget Paper 4, Volume 3, page 130. Under targets 2022-23, when will the Port rail spur project begin?

The Hon. A. KOUTSANTONIS: We are utilising the alliance project to build this. Detailed design work is underway now by alliance partners Mott MacDonald and Arup, and McConnell Dowell will be the builders. We are consulting with the Railway Museum and council. We hope to begin construction by the end of this year. Before I move on, the project was cancelled by the previous government that the shadow minister was a cabinet member of. The equipment that was purchased from that has been maintained and used, so we are able to save some costs.

In terms of escalation costs, this project is costing more than was initially anticipated, so the previous government has cost us a lot of money in delays because they cancelled this project. Nevertheless, the people of Port Adelaide who live along the rail spur will be getting their new line very, very soon.

Mr TARZIA: How long do you anticipate the Port rail spur project will take to be completed?

The Hon. A. KOUTSANTONIS: The advice I have is by sometime in the financial year 2024-25. To be more prudent, I would say potentially 2025-26, but we are aiming for 2024-25.

Mr TARZIA: I refer to Budget Paper 4, Volume 3, page 127. Under targets 2022-23, there is a dot point:

Deliver on transport infrastructure initiatives from the government's Community Infrastructure Grants Program election commitment.

Is the minister able to provide a breakdown of what those initiatives are and their costings?

The Hon. A. KOUTSANTONIS: They are in the roads and marine section, but I understand it is delivered here. I think we are talking about some train station upgrades. I will give you a breakdown. We committed in the election campaign to upgrade the Clarence Park train station, upgrade CCTV and install pedestrian crossings at the West Croydon train station, upgrade the Noarlunga train station and implement car parking improvements at Tambelin railway station. I also understand there were some other community grants from the election commitments that are in this program as well, but most of them were dealt with in roads and marine. If you would like a breakdown to separate between railway stations and community infrastructure—is that what you are asking me?

Mr TARZIA: Yes.

The Hon. A. KOUTSANTONIS: Or do you want just a comprehensive list from the first question in roads and marine?

Mr TARZIA: All of the above; both, if I can.

The Hon. A. KOUTSANTONIS: More of everything?

Mr TARZIA: Absolutely. My experience is not to take too many things on notice, minister, because these hardworking public servants have enough to do. Any list will be greatly appreciated.

The Hon. A. KOUTSANTONIS: I am here to help. I am from the government and I am here to help.

Mr TARZIA: I refer to Budget Paper 4, Volume 3, page 125. In relation to diesel fuel prices, is there any exposure to the state whatsoever in relation to any of these bus contracts, or are we completely hedged against it?

The Hon. A. KOUTSANTONIS: Unfortunately for South Australians, the fuel price shock occurred well in advance of the 2022 state election, and the former government failed to hedge its diesel purchase.

Mr TARZIA: You cannot blame the minister for that, surely. Are you going to blame me for that too?

The Hon. A. KOUTSANTONIS: I am not blaming you. You were not the minister, but it is fair to say that we are dealing with contracts that were unhedged, so we are buying basically fuel at the spot price. I do not think it would be prudent to lock in those contracts now at these prices. We are at the height of the market. I assume that AdBlue is an issue as well for our buses and our trains, and there are worldwide shortages of that. I think it is a national calamity that we do not make enough of our own AdBlue here. That is something that I think we should be dealing with as part of our national strategic framework for resilience given the pandemic.

These are things that are largely out of our control. It would have been nice if the former government had hedged some of these contracts, but they did not. We are now buying effectively at fuel pump prices, but we are buying at volume, so I imagine that we would get some discount. But, yes, it is going to be an extra cost.

Mr TARZIA: In any new contracts, can you confirm that you will seek to provide some sort of hedge against an increase in such fuel prices?

The Hon. A. KOUTSANTONIS: I am not sure that I will be ventilating our commercial tactics here in parliament.

Mr TARZIA: Again, I refer to Budget Paper 4, Volume 3, page 123. How far is this government into the development of a zero emissions public transport strategy for transition to net zero transmissions by 2050?

The Hon. A. KOUTSANTONIS: We are well advanced. As you know, it is the former Labor government that, through its integrated transport and land use survey and package, and our rail revitalisation program—begun by former Minister Patrick Conlon—a program of electrification of our public system started with our rail lines. The spine of that rail line is now completed, and we are actively looking at other measures, including electric buses, hybrid buses, hydrogen fuel cell buses, hydrogen fuel cell trains. It is a longstanding ambition of Labor governments across Australia to decarbonise our public transport network.

What occurs to me is that the beauty of electric vehicles, whether they are hydrogen fuel cell or battery—because with hydrogen fuel cell you are not actually burning hydrogen to make electricity: it is a fuel cell process, they are all electric engines—is that the amenity improvements in CBDs is dramatic through the quietness of the vehicles.

One of the reasons cities are losing amenities is because of the noise and reverberation of the noise of diesels stopping and starting in CBDs. Even though diesel trucks are getting more and more efficient, there are also particular pollution issues to deal with. Electrification brings with it not just carbon benefits but also dramatic amenity benefits, and with those amenity benefits you get greater levels of population wanting to live in the CBD.

It has been the frustration of consecutive Liberal and Labor governments—going back to Bannon and even further to Tonkin—that the Adelaide CBD did not have sufficient density and did not have the capacity to carry a lot more people than it does, which would save us all a great deal of money on infrastructure and investment.

If we can improve the amenity of our CBD and improve the amenity of our suburbs by removing diesel buses and removing diesel trains, people are a lot more likely to live alongside rail lines, they are more likely to live alongside heavy transport corridors, we would be able to create more hubs, have higher density and move people quickly and efficiently saving them money. So, yes, we are working at pace at that target, and we are very keen to meet it. I hope to be here in 2050 delivering it.

Mr TARZIA: I am sure you will be, minister. I refer to Budget Paper 4, Volume 3, page 123. Is the minister aware that we are the only jurisdiction in Australia without an electric bus policy, and what are we doing about it?

The Hon. A. KOUTSANTONIS: I take the argument in that question, but I will not raise a point of order because we are being civil.

Mr TARZIA: I will not raise it against you either.

The Hon. A. KOUTSANTONIS: I reject that, and it is also a criticism of the former government. We are doing bodies of work about the electrification of our public transport system. The issues that we have to deal with are these: we own the buses and the former government had committed us to buying a whole series of diesel buses. In fact, over the life of the Marshall government I think they purchased over 100 diesel buses with a lifespan of 25 years. Our bus fleet is basically 1,000 buses, so 10 per cent of that fleet is brand new and diesel courtesy of the Marshall government.

The questions that we have to ask ourselves are: do we leave those buses on the road for their financial life, which means we are running diesels for another quarter of a century courtesy of Steven Marshall, or do we decarbonise those buses at pace, and what is the cost of that? We are doing that body of work now but, unfortunately for us, the lack of work done over the last four years means we have to accelerate the work now.

We are looking at technologies like hydrogen fuel cell buses and we are looking at technologies of electric buses and hybrid buses. But, again, this is the other caution: while other jurisdictions are running a few trials, the truth is that if we went all electric tomorrow the infrastructure upgrades at our depots would be immense. Then you have to ask yourself about the infrastructure implications of having to charge 1,000 buses overnight, and the massive work that would mean.

Do you purchase hydrogen fuel cell buses, where the infrastructure is relatively similar to diesel infrastructure, it can be trucked in, it can be put in bullets and loaded at stations, filling up a fuel tank that carries hydrogen rather than charging a battery, or do you go for a mixture of diesel and electric through a diesel engine charging a battery as we have now largely in our taxi fleet with hybrids or all electrics? These are the questions that the department is looking at, and we will have more to say about that—remembering that this is our first budget and this budget is about delivering on our election commitments.

The Hon. D.R. CREGAN: I refer to Budget Paper 4, Volume 3, page 117, the direct express service, Adelaide Hills, total project cost of \$10 million, with \$5 million in the current budget cycle. If I can ask on record: what is the likely scope of the service, including the number of buses within the available fleet and the likely bus programs or timetables?

The Hon. A. KOUTSANTONIS: Thank you very much for the question. I am advised by the department that we are currently planning for the introduction of new high-frequency bus services between Mount Barker and the city. The current planning is based on the following: span of hours between 6am and 10pm weekdays and proposed frequency of six to eight minutes during the am and pm peaks, 15 minutes interpeak and 30 minutes at night. The service is to operate between Mount Barker and key park-and-rides—e.g. Dumas Street and Dutton Road in Mount Barker, and potentially Crafers and Aldgate as an expansion.

Buses that will be used in this area will be specifically branded and the services will have the capacity for 11,000 passengers per day. The question for us is: will we reach that 11,000 capacity? That is probably where we can work with the local member a lot more closely to promote this scheme and to get people to use this scheme.

The Hon. D.R. CREGAN: Thank you, minister; that is very much appreciated. At the same page within the same volume, in the line item, extended bus depot Mount Barker, there is \$2 million in the current cycle. I would be grateful for an update as to the scope of works there. Will the works be performed adjoining the existing depot or are we looking at a new site?

The Hon. A. KOUTSANTONIS: More importantly, we are going to have to buy more buses.

The Hon. D.R. CREGAN: Very well.

The Hon. A. KOUTSANTONIS: We are going to have to buy up to 15 new buses. All available vehicles are currently used within the existing network and therefore additional vehicles are required. Additional land is required also to stable these new buses. Our existing depots at Mount Barker and Aldgate are currently at capacity, so we are currently identifying potential parcels of land where a secure bus stable facility can be established. Again, any assistance the local community can give us, we would like very much to work with you on this.

The Hon. D.R. CREGAN: Thank you, minister. I would like to be closely involved, and I am certain my community will be closely involved too. There is a great deal of interest in these projects and others. You intimated that additional buses will need to be purchased, and I am grateful for information from the government consistent with that advice at an earlier time. Are you able to update the committee on the nature of the fleet, the purchase that is being contemplated?

The Hon. A. KOUTSANTONIS: Unfortunately, I do not have a satisfactory answer for the member. We are still investigating.

The Hon. D.R. CREGAN: Very well. Mr Chair, with your indulgence, I have a further question. As the minister is aware, on-demand services are being trialled in Mount Barker. I understand those trial services are to be extended. I am grateful for that, and I know my community has a strong interest in those services. At the end of the trial, what factors will be taken into consideration by the department in determining whether the on-demand pilot may become a permanent service?

The Hon. A. KOUTSANTONIS: I think the member is selling himself a bit short here. I think his advocacy has gone a long way to ensuring this trial is extended. It has been a very successful trial. During the next six months, the extension period, we are working with the service provider to

undertake customer insight, I am advised. The surveys will review the service model to identify potential models for the future.

One option being considered is to integrate this service into the Hills bus service contract as a permanent service to support existing fixed routes in the area. The review will identify potential service adjustments in the region to ensure that on-demand complements and supports existing services. The review will also investigate a potential ongoing funding source for this service.

Your advocacy has been key in our decision-making here. I know you do not like the praise, but it is true. Your feedback has been helping us inform our decisions, and I would encourage you to keep us informed about how your constituents are using this service. We will certainly monitor it through the surveys. We are very, very keen to work with you a lot more closely to deliver this project once the trial is completed, but I do not want to anticipate any future budget announcements.

The Hon. D.R. CREGAN: Thank you, minister. It is kind of you to say. We certainly will be closely engaged with you, and I know the Mount Barker council and Adelaide Hills Council will be as well. These are significant commitments and very much appreciated and transformative for public transport in the Hills.

Mr TARZIA: I again refer the minister to Budget Paper 4, Volume 3, page 123. Will the minister advise whether or not the government intends to begin retrofitting existing buses and trams with alternative engines like hybrid engines and, if so, at what cost and when?

The Hon. A. KOUTSANTONIS: That is an interesting question from the member, given that in the last four years you did not do that to trams and trains; instead, you sold them. We are again doing a body of work to understand how best to decarbonise. We are working towards time lines. We have eight new electric trains on order.

The question for us is, and I will give you the paradox: do we electrify other rail lines, or do we wait and buy hydrogen fuel cell trains? Hydrogen fuel cell trains do not need the gantries and the infrastructure because the electricity is generated on board using the hydrogen. This transition is moving at pace. That is what we are contemplating. In the meantime, we have a diesel fleet. The diesel fleet serves us well, but its days are becoming numbered. The question for us is: do we retrofit those diesel trains, or do we purchase new rolling stock that is fit for purpose in the modern 21st century?

These are what we are contemplating. I cannot give you a satisfactory answer now, but we are working on it. We have top people working on it.

Mr TARZIA: I refer to Budget Paper 4, Volume 3, page 123, in relation to buses. Does the government intend to initiate an electric bus trial in South Australia?

The Hon. A. KOUTSANTONIS: Yes.

Mr TARZIA: Do you have any details on that at all? Can you elaborate further?

The Hon. A. KOUTSANTONIS: I am sure you will be reading about it or seeing about it soon.

Mr TARZIA: I cannot wait. Again, referring to Budget Paper 4, Volume 3, page 123, could the minister confirm that an electric bus fleet, as well as all necessary EV public transport infrastructure, would continue to be in public hands as per the government's policy?

The Hon. A. KOUTSANTONIS: Yes, we like the idea of owning public infrastructure. We do not like the idea of private proponents owning our infrastructure.

Mr TARZIA: We own our infrastructure.

The Hon. A. KOUTSANTONIS: Sorry?

Mr TARZIA: Are you talking about outsourcing the operation?

The Hon. A. KOUTSANTONIS: No, this is like the Liberal Party's claim that we still own the poles and wires if we just lease them for 200 years. A lease of 200 years is a sale. Outsourcing services means we do not control those buses, so we do not own them. We might carry them on our

books, but they are used by private operators. Ownership is a technical point rather than a practical point.

But, yes, I do not like the idea of us not owning infrastructure. However, if a private contractor is engaging with us on a trial and they purchase infrastructure, they get to keep it. It is their infrastructure: they bought it. If we buy infrastructure, I expect that we will keep it in our hands.

Mr TARZIA: I refer to Budget Paper 4, Volume 3, page 123, highlights 2021-22. Could the minister confirm how many buses, trains and trams have validators that can read debit, credit and Metrocards; and what portion of those over the entire fleet?

The Hon. A. KOUTSANTONIS: There are some questions about the interface between paper ticketing and validation. I can inform the member that all our trams are fitted with this technology, and we are doing a very strong body of work within the department with our best people working on it to try to come up with a solution at the back end about how we can interface this. I have to say that both governments have not covered themselves in glory on this. In other jurisdictions, you can get on a train or a tram on public transport and use a credit card, an EFTPOS card, a mobile phone, an Apple Watch, whatever it might be, to pay for your ticket.

I think there is still a place for purchasing long-term discounted tickets. We have to work through that. We are working at pace on this, and we will have more to say over the coming days, weeks, months and years.

Mr TARZIA: I am certainly not against cash payment, minister, but—

The Hon. A. KOUTSANTONIS: Given our heritage, cash is king.

Mr TARZIA: You would have to agree that it is quite archaic—and I think this goes back a long period of time—that someone just cannot go onto public transport, whether it be a bus, a train or a tram, and pay with their credit card or their Metrocard?

The Hon. A. KOUTSANTONIS: I agree.

Mr TARZIA: So that continues to be a body of work?

The Hon. A. KOUTSANTONIS: Yes, and hopefully a bipartisan body of work.

Mr TARZIA: I cannot see why we would not look at it very seriously. What portion of the network would be covered with those validators and what portion would not?

The Hon. A. KOUTSANTONIS: As I said earlier, our aspiration is to have the entire network covered.

Mr TARZIA: By when?

The Hon. A. KOUTSANTONIS: Soon.

Mr TARZIA: As soon as possible?

The Hon. A. KOUTSANTONIS: As soon as possible—as soon as practicable, to be honest. But there are cost implications, there are practical implications and there are implications in terms of software and hardware that we need to update. We are working through those. As I said earlier, all our trams are fitted with this. We are looking at rolling this out on our O-Bahn buses, but ultimately we want the entire fleet, all modes of transport.

However, we have to work out a method where you can buy a weekly Metrocard and get a discounted fare because you bought a weekly ticket or a monthly ticket, whereas cash payments make that a little bit harder. We have to go through a period, but in terms of actual physical cash on our trains and trams we do not collect physical cash anymore—and I do not think the member is calling on us to do that either—

Mr TARZIA: No.

The Hon. A. KOUTSANTONIS: —for safety reasons, obviously, with our bus, train and tram drivers.

Mr TARZIA: You have answered a few questions there, so thank you for that. I refer to Budget Paper 4, Volume 3, page 123, targets 2021-22. Can the minister confirm yet who will take part in the commission of inquiry, apart from the people you have already mentioned? Is there anyone else who will participate in that commission of inquiry into the return of public transport services to the public sector?

The Hon. A. KOUTSANTONIS: Obviously the chief executive and obviously the executive director and probably other experts the executive team identifies who are necessary. Let's be clear: the commission of inquiry would need legal experts with a commercial background to understand the contracts. We will need transport experts to tell us about how to get the workforce back, train the workforce and make sure they are able to be fit for purpose, remembering that Keolis Downer have not trained sufficient staff as yet, on my advice, from memory.

This transition takes a while, but we will also be looking at the bus contracts. As I said earlier, we physically own the depots and the buses. We own most of the depots where these things are stabled, but there are some that we do not, so there are logistical and legal questions to answer there as well. Given the nature of our election commitment, if hypothetically you were to take buses back, you would do that over a staged period. What does that mean? We need to have the appropriate advice from the department there as well, so there will be a host of people involved in this commission of inquiry.

Mr TARZIA: I refer to Budget Paper 4, Volume 3, page 123, targets, in relation to the Keolis Downer break costs. The minister told me yesterday that he has received advice about break costs. Are you able to inform the committee about what these break costs are for trains, trams or buses? Is there any further detail that you are prepared to inform the committee about?

The Hon. A. KOUTSANTONIS: I understand why the member is asking this question, but I also point out that he probably knows what they are because he was part of the government that wrote these break costs in. The contract would have gone to cabinet and the cabinet would have been briefed, so I am sure the member knows what the break costs are. However, I am not going to prejudice the state's negotiating position in any way. So can I inform the committee what they are? Yes. Will I? No, because it is not prudent to do so.

If costs are incurred, then it would be prudent to ask what they are, but we have not incurred any costs in breaking the contract. We are negotiating with Keolis Downer. I am not going to prejudice the state's position in any way, other than to say this to anyone who is listening: we reserve all our rights, including using the parliament.

Mr TARZIA: Does the minister still insist that the cost of ending the said contract will be zero dollars?

The Hon. A. KOUTSANTONIS: As I have said over many, many press conferences, the operational costs of the private contract exceed the costs of what they used to be when it was in public hands. So it was a privatisation to save money that ended up costing more. We wrote to everyone letting them know what our intentions were, and we reserve all our rights, including using the parliament, and we expect the cost to be nothing.

Mr TARZIA: On the taxi industry, I refer to Budget Paper 4, Volume 3, page 123, targets, in relation to strengthening compliance. Does the government plan on assisting the taxi industry by looking at any form of compensation because of losses as a result of ridesharing industries, as other jurisdictions in Australia have looked at in recent times?

The Hon. A. KOUTSANTONIS: We have offered them compensation. I was Treasurer at the time and we offered them a \$30,000 payment.

Mr TARZIA: Is there any further compensation on the table for the industry?

The Hon. A. KOUTSANTONIS: I think the first step in this long saga—the house deserves a bit of a small history lesson. The previous Marshall opposition were very big supporters of Uber. David Rohrsheim, a close personal friend of the Premier, who was appointed without competitive process to lead up the venture capital fund, and Geoff Rohrsheim, his partner in a Wokinabox, were, I think, either the master franchisors or involved with Uber. They took a policy to the 2018 election of

complete deregulation of taxis—that is the member for Hartley—to deregulate taxis in full and allow the entrance of Uber.

The Weatherill government attempted to ease in Uber in a process that I think well and truly has failed. The Marshall government stopped all contact almost entirely with the taxi industry, acted arbitrarily with the taxi industry by increasing its metropolitan boundaries and favoured rideshare and Uber at the expense of taxis. They removed managed ranks and there was no compliance. I do not think there was a single expiation notice issued to rideshare applying for fares on taxi ranks, which taxis have an exclusive right to. Our policy is, first and foremost, let's enforce the laws that we have in place now.

Uber cannot apply for hire. They cannot sit at ranks. They cannot be waved down, like a taxi. They are the exclusive rights of a taxi. We will be bringing back managed ranks and bringing back inspectors. Uber have no regulated fare structure; taxis do. Uber have no regulated safety measures in place, taxis do. Uber have no regulated mandatory inspections in place; taxis do. Taxis have a higher cost fare structure, so we are dealing with that through our compulsory third party premiums, which I am sure the Treasurer is being asked about now as we speak in committee B, to try to level the playing field.

What we are attempting to do is bring in a level playing field. That should have a number of effects: (1) it should immediately increase the value of taxi plates, restoring some of that lost value; (2) it should encourage more taxis back onto the road. Because of the Uber fare structure, what we are seeing late at night on Friday and Saturday nights is this surcharging, making taxis a lot cheaper. But, of course, because taxis are becoming unviable Monday to Friday because of Uber, cars are not on the road. We have to get those cars back on the road.

There is a body of work being done there to try to level the playing field. I think it is premature to talk about compensation or buyout or any other method until we see how these regulatory impositions work to try to create a level playing field.

Mr TARZIA: How long do you think that will take before there is some sort of review or reanalysis done?

The Hon. A. KOUTSANTONIS: That is a good question. I would be happy to have some discussions with the shadow minister offline because I know he has an interest in this as well, but the damage that Mr Rohrsheim and Mr Marshall did to the taxi industry is immense. I would like to try to repair that as much as possible. I drove taxis when I was at university. It is a great way to pay your way through school.

Remember, the concept of rideshare is not that it is a taxi. You are driving to work and you pick a few people up and you pay for it and then you go to work. What is happening now in reality is rideshare are behaving as if they are taxis without paying for the taxi plate, delivery, the standards and the regulations that go with it. It is deregulation by stealth.

What we have to do is to apply the regulations that we have in place to see what that does. That will take time. I am hoping that it is almost immediate, but politicians cannot click their fingers and make things right and whole overnight. I think if we catch rideshare using taxi ranks, we will act. There will be no blanket ban from my department that they be left alone. I will be enforcing the Passenger Transport Act in full and vigorously.

Mr TARZIA: I refer to Budget Paper 4, Volume 3, page 123, under targets. Can the minister please elaborate on what 'maintain quality contract management' will involve?

The Hon. A. KOUTSANTONIS: Whenever a contract is signed by a private service provider with the government, we put in KPIs. We want to make sure that those KPIs are met, so we have a crack team of people within the department whose job it is to monitor those contracts and whether those KPIs are being met or not being met. I think we publish them in the budget papers.

Mr TARZIA: In relation to Budget Paper 4, Volume 3, page 115, FTEs are expected to decrease. Is the minister able to elaborate as to why that may be the case?

The Hon. A. KOUTSANTONIS: Do you want me to take it on notice?

Mr TARZIA: No problem, thank you. I refer the minister to Budget Paper 4, Volume 3, page 115. Can the minister explain if ministerial staff and/or political advisers are precluded from spending money on the office manager account and/or credit card?

The Hon. A. KOUTSANTONIS: Sorry, I do not understand. What do you mean?

Mr TARZIA: Exactly what I said. I suppose what I am getting to is: what are the policies that are in place to ensure that ministerial staff cannot incur costs on that credit card? There has been scrutiny over time on the use of these types of cards and accounts.

The Hon. A. KOUTSANTONIS: Do you mean like entertainment, etc.?

Mr TARZIA: Yes.

The Hon. A. KOUTSANTONIS: You mean like the former Premier entertaining at his house?

Mr TARZIA: I am not sure what you are talking about.

The Hon. A. KOUTSANTONIS: That is different entertainment, is it?

Mr TARZIA: No. I am just asking the question about the current arrangements in regard to the account and credit card and policies that exist.

Mr Brown interjecting:

The CHAIR: If the member for Florey would like to ask a question, he should get my attention.

The Hon. A. KOUTSANTONIS: We proactively disclose all transactions. We proactively disclose credit card transactions, and they are monitored by my executive directors. All procedures and policies are followed and put in place.

Mr TARZIA: I was not suggesting that they were not. I refer the minister again to Budget Paper 4, Volume 3, page 115. Have changes been made to the policy regarding the purchase of alcohol on credit cards that was introduced by the former Treasurer, Rob Lucas?

The Hon. A. KOUTSANTONIS: Interesting. I remember these questions in parliament, and then we discovered that the former Premier had purchased alcohol using government money, I am advised. I thought it was an interesting issue. The truth is that you do purchase alcohol on government expenses as gifts. I remember the former Premier and Treasurer trying to make light of me buying a certain type of wine to give as gifts to visiting dignitaries and ambassadors. You would ask: why are we buying an ambassador a bottle of South Australian red wine?

We are doing so to promote South Australian wine regions.

I will also point out that, bar one, all these wine regions are in Liberal electorates or country electorates. Of course, when you have visiting dignitaries you give them gifts, and those gifts serve a purpose. It is not about pleasing the individual. It is generally about saying, 'This is an amazing bottle of wine that is produced in South Australia. It is the ultimate example of advanced manufacturing. We take a berry, we get bottles, we age it, we add technology and you get this amazing product, and it is made exclusively here in South Australia, and we like to promote it.'

Will I stop that practice? I do not think the government will stop that practice. Will we stop politicians using taxpayers' money to buy alcohol? I think the answer to that question is yes. Taxpayers' money should not be used to buy alcohol for personal consumption. But if we are entertaining someone, a visiting dignitary who wants to invest hundreds of millions if not billions of dollars in the state, sometimes that occurs, so there is a difference here. I think we should be sensible about this without restricting the ability of the state to sell itself.

I also point out that this parliament is the ultimate expression of a taxpayer and we exclusively sell South Australian wine here. When parliamentarians bring their guests in here, we offer only South Australian produce as an example to those guests of the very best that the state has to offer. It is not about politicians enjoying themselves: it is about selling the state. I think we should get by

that sort of cheap stunt. To be honest, it did not serve the purpose the former government hoped it would.

Mr TARZIA: I refer to Budget Paper 4, Volume 3, page 115. How many public servants are employed in the minister's office?

The Hon. A. KOUTSANTONIS: Employed in my office? They are seconded to my office. They are not employed by me; they are employed by the department, but I will get that for you. We practically disclose that.

Mr TARZIA: To confirm, in terms of policies in place to ensure that ministers and their staff cannot incur costs on office manager credit cards, whilst you are saying everyone complies with all relevant rules and regulations, is there a specific policy in place or not?

The Hon. A. KOUTSANTONIS: It is a departmental credit card, so the department has policies and procedures in place. The office manager is not a political appointment. I have just been informed that I have nine public servants. I get the bulk of the correspondence, so if you ever get to this position I look forward to handing over the bulk of the correspondence.

Mr TARZIA: I think you will find, minister, that I sent some of that correspondence, so thank you very much to your team for responding to that—

The Hon. A. KOUTSANTONIS: And it is filed and treated appropriately.

Mr TARZIA: —in a prompt manner. How are we going for time?

The CHAIR: You have a few more minutes.

The Hon. A. KOUTSANTONIS: With the indulgence of the committee, given there was a slight delay in the beginning of proceedings, if we can give the member for Hartley until 20 past, an extra five minutes, would that be appropriate, Mr Chair?

The CHAIR: Eighteen past will be fine.

Mr TARZIA: I refer to Budget Paper 4, Volume 3, page 119. When was the minister first advised that the Gawler railcars were going to be delayed by a year?

The Hon. A. KOUTSANTONIS: I cannot remember, so I will do some research and see whether I can get an answer for you.

Mr TARZIA: In relation to those delays, are there any further costs that are going to be incurred because of those continued delays?

The Hon. A. KOUTSANTONIS: I think you asked me that earlier in the proceedings, and I answered no.

Mr TARZIA: I refer to Budget Paper 4, Volume 3, page 119. In relation to the Gorge Road-Silkes Road intersection upgrade—a very good upgrade—

The Hon. A. KOUTSANTONIS: This is the local stuff, yes.

Mr TARZIA: —and I am glad it was completed. I remember seeing originally that it was going to go well over \$3 million. I understand that there were some issues in that there are a whole range of services underneath that intersection. I take it that, in the end, it has come in under budget?

The Hon. A. KOUTSANTONIS: That is my advice, yes.

Mr TARZIA: Well done; may there be more of that sort of thing. You might have to take this on notice, but in terms of surveillance of taxis—again I refer to Budget Paper 4, Volume 3, page 124, and one of the lines on taxis, whichever you prefer—what are the details of the proposed \$2.2 million on increased surveillance of taxis and rideshare?

The Hon. A. KOUTSANTONIS: This is a commitment I am very proud of. It involves having enforcement officers out on the beat to be able to issue expiation notices. For example, taxi ranks are for the exclusive use of taxis. They are one of the key ways the public can know where they can get a taxi. The reason I say this is that taxis have a series of safety measures in place: onboard

cameras, extensive police checks, photographs of the drivers and identification of the vehicle inside and out. You know it has livery on it by regulation, so you know it is a taxi.

There is a certain standard the public is aware of: 'If I get into this car, the driver has been trained, the car has been inspected, the car is roadworthy, there are cameras on board if anything goes wrong and my fare structure is regulated by law.' That is why those taxi ranks are important.

What has been occurring is that rideshare had been sitting on taxi ranks, they had been plying for fares on taxi ranks and people are getting in these cars operating them as taxis. That is illegal. It is also dangerous because rideshare does not have the same level of enforcement, regulation, safety and regulated fare structures as taxis, so we want to protect that within the act.

Also, in the CBD rideshare, which should be governed by regulation and through an app (I am holding up my mobile phone for *Hansard*), are being hailed for fares. That is also illegal, and we will be enforcing that as well.

Mr TARZIA: I refer to the same budget line. When will the tender process begin for concierge services that manage taxi ranks?

The Hon. A. KOUTSANTONIS: That is a very good question. We will be using DIT staff for that, unless we are talking about Adelaide Airport and then we may use Adelaide Airport staff, but I do not have enough details here with me. I apologise. I will get that to you.

Mr TARZIA: Will you take that on notice?

The Hon. A. KOUTSANTONIS: I will take that on notice.

Mr TARZIA: We have come to 12.18, sir.

The CHAIR: Do you want one more question?

Mr TARZIA: I am happy to conclude there.

The CHAIR: There being no further questions, I declare the examination of the proposed payments for the Department for Infrastructure and Transport adjourned until Monday 20 June. I would just to thank the minister and his advisers, and I also thank members for their cooperation this morning. This afternoon we are doing energy.

Sitting suspended from 12:18 to 13:15.

DEPARTMENT FOR ENERGY AND MINING, \$103,713,000

Membership:

Mr Tarzia substituted for Hon. J.A.W. Gardner.

Minister:

Hon. A. Koutsantonis, Minister for Infrastructure and Transport, Minister for Energy and Mining and Minister

Departmental Advisers:

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

Mr B. Adams, Chief Financial Officer, Department for Energy and Mining.

Mr S. Crafter, Chief Executive Officer, Hydrogen, Department for Energy and Mining.

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

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

Mr B. Zammit, Acting Assistant Executive Director, Mineral Resources, Department for Energy and Mining.

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

The CHAIR: This is Estimates Committee A. Proposed payments are for the portfolio of the Department for Energy and Mining, and the minister appearing is the Minister for Energy and Mining. I declare the proposed payments open for examination. Does the minister wish to make any opening statements?

The Hon. A. KOUTSANTONIS: I will just introduce my advisers. To my left is the chief executive, Paul Heithersay. To my far left, which is ironic, is executive director Vince Duffy. To my right, which is inappropriate, is Ben Adams, the chief financial officer. Behind me to my left is Mr Sam Crafter, the Chief Executive of Hydrogen SA. Alongside him is Mr Nick Smith, the Executive Director of Growth and Low Carbon. Behind them are Mr Nick Panagopoulos, who is the Acting Executive Director of Energy Resources, and Mr Ben Zammit is alongside him, who is the Acting Executive Director of Mineral Resources.

The CHAIR: Does the lead member for the opposition wish to make any statement?

Mr PATTERSON: No, thank you, Chair. I have a question to double-check about the omnibus questions. I believe the member for Hammond asked them in the previous session to the minister.

The CHAIR: That is correct.

Mr PATTERSON: Does that apply also to the minister in his role as the Minister for Energy and Mining?

The CHAIR: Yes.

Mr PATTERSON: Thank you.

The CHAIR: Unless, of course, you want to ask them again?

Mr PATTERSON: No, I am just being efficient with time. I refer to Budget Paper 4, Volume 2, page 115, objectives. AEMO had to step in on Wednesday and suspend the National Electricity Market. From the minister's discussions with AEMO, what is AEMO's view of the state and stability of the South Australian electricity market compared with the other states?

The Hon. A. KOUTSANTONIS: I do not want to speak for AEMO, other than to say that my conversations with them were prior to their direction. I was given advance notice of their market-sensitive announcement on Wednesday, and from my discussions with them on Tuesday night their view was that the market was deteriorating at a rapid rate. The most striking aspect is that South Australia has been subject to directions for most of the proceeding four years for system stability. So, despite the rhetoric of the former government, it was AEMO who were stabilising the system with regular directions, which cost the South Australian economy millions and millions of dollars in extra costs to consumers and business.

Regarding the current crisis and stability of our system, it is not that there is a shortfall in supply in the traditional sense; that is, it is not like we have everything on, we are producing 3,000 or 3,200 megawatts of energy, the interconnectors are at capacity, it is getting hotter and more and more demand is coming into the system and we cannot meet it.

This is a shortfall where every player in the market is acting rationally in their interest, but combined it is an irrational outcome; that is, the price caps put in place that have been triggered by a certain level of bidding in the market have meant that generators have decided to withdraw from the market through a misunderstanding or intentionally to be directed on to obtain a different level of compensation for their services. Under any examination, South Australia has supply to meet

demand, but when AEMO are having to compel market participants to participate in the market that is a disgrace, an absolute disgrace. It is a national shame.

As Prime Minister Albanese said today, this is not a problem of the making of the last 10 days; it is a problem of the making of the last 10 years. The inaction by conservative governments across the country on climate change shows how reliant and dependent we are on fossil fuels, and that has exposed Australia. We have not had any forced load shedding in South Australia because directions have been issued to turn supply on. That does not mean to say that there will not be further directions, as there have been continuously over the last four years for system stability.

Mr PATTERSON: On the same budget line—Budget Paper 4, Volume 2, page 115—I was looking for some understanding around how South Australia compares with the Eastern States. As a result of this market suspension, that will be reviewed daily, as said by the AEMO CEO. He has indicated publicly that this suspension may be in place for a few weeks. As you have said, you have not had discussions since that has been put in place, but is it your understanding that South Australia is better placed to have that suspension lifted earlier than other states?

The Hon. A. KOUTSANTONIS: I am not in a position to make comparisons, but I will say this: this is a point of political difference. I do not mean to cause a quarrel, and I mean that sincerely. We are completely reliant on the directions of AEMO to private providers. The state has no sovereign capability to produce electricity. We have some ability with SA Water and we have some ability to turn demand off, but in terms of producing electrons and supplying ourselves we are reliant on others. We are reliant on others because we do not own our assets.

If you compare us with Queensland, who own their generators, I suppose they would argue they are in a better position than us. If you spoke to Victoria, they may have a different point of view. My view is that every state is vulnerable. Are we better positioned? Without our sovereign capability and backup reserve, we are vulnerable. Those generators should not have been privatised; that was a poor, poor policy decision.

Mr PATTERSON: Moving on to Budget Paper 4, Volume 2, page 115 and delivery of the Hydrogen Jobs Plan, that is made up of a number of components, one of which is liquefied hydrogen storage. I have asked this previously in the house, but I am just seeing if it is still the case. Can the minister commit to constructing the 3,600 tonnes of liquefied hydrogen storage?

The Hon. A. KOUTSANTONIS: I have answered this question in the house previously and gave the minister an answer. I stand by that answer.

Mr PATTERSON: Have you been advised that liquefied hydrogen gas is the best storage medium for this hydrogen that is being produced?

The Hon. A. KOUTSANTONIS: As I told you in that answer in the house, we are currently out to the market. I will be very interested to see what the market comes back with, and I am very interested to see how that market sounding goes.

The former government made a lot of pronouncements about liquefied hydrogen and its storage costs. They made a lot of pronouncements about the government's Hydrogen Jobs Plan. Their first point of attack was liquefied storage, making all sorts of assertions about its cost and operation, basing it on a generator that would be operating 24/7 in the market when our generator would be operating on a 20 per cent co-efficiency as part of a jobs plan that was always proposed.

They also claimed, and the former Premier made these pronouncements, that there would be no private sector hydrogen investment whatsoever in South Australia. We were putting it all at risk if we built our Hydrogen Jobs Plan. Well, I say to the member that those fears were just that—fears. They were not based on any fact or reality.

AGL has announced today it is pressing ahead. The EOI that the former government started, funded through the commonwealth government and the state government, had been secured in the budget—\$100 million from the commonwealth government, backed up by the Albanese government. That was a bipartisan grant. The \$30 million that the former government had put in place is being put in place by us. The previous government had an aspiration to get \$40 million out of the private sector for investment in Port Bonython, taking the total to \$140 million on hydrogen—\$70 million from the

commonwealth government, \$30 million from us and \$40 million from the private sector. All that is continuing.

I see all these objections to the Hydrogen Jobs Plan as politics. Where the shadow minister is sitting now is no different to what I was being asked about the Tesla big battery, that it would not work, that it would only last half an hour and that it was no more than a big banana. Well, as soon as we lost office members opposite realised its value and it was expanded. They misunderstood the government's investment in the Tesla big battery.

The government's investment in the Tesla big battery was not just to try to smash the ancillary markets that were alongside it, like the FCAS market. It was also there to prove up the technology, to prove that grid-scale storage is possible and can be done at scale. It worked, and now it is standard across jurisdictions in Australia and around the world. Everyone is talking about grid-scale storage—everybody. It is now normal, and the same will be for hydrogen.

We are out there wanting to build a system that has generation, storage and electrolyzers. We are going to be using an oversupply of energy that has been put on South Australian householders' roofs and throughout the system of renewable energy when there are times of oversupply. The former government's policy to deal with that oversupply was to turn it off, earth it or stop it being produced.

Our plan, like Tom Playford's plan for hot-water systems, is to utilise that extra demand and offer demand into the system at low prices to create storage—which is the hydrogen. It is no different from pumping water uphill, except the difference is it is a complicated process that is crucially inefficient, but it can be made efficient and it can be made cheap through an oversupply of energy. That oversupply of energy is the key to this policy.

I take all these questions back to the same meaning: it is all about hoping we fail. It is just like the big battery: hoping it would fail. I take all this stuff with a grain of salt. It is not a personal reflection on the member, it is just the history of this portfolio. Every time we try something new to try to decarbonise there is a cohort in this parliament who want that new attempt to fail, and we want it to succeed.

Mr PATTERSON: It is a significant sum of money, and it must be scrutinised, and that is where we are going with that in estimates. I do object to that term where you say we are wanting it to fail. We do not want the spending of taxpayer money to fail in any course. We want it to be spent wisely and to produce the result that is intended. On that, further to the hydrogen, has the minister received any advice about potential hydrogen loss due to leakage in storage tanks?

The Hon. A. KOUTSANTONIS: No.

Mr PATTERSON: On the same budget line on the budget paper, following up on this, have you received advice from the department that these storage tanks to store 3,600 tonnes of liquefied hydrogen can be done so at \$31 million?

The Hon. A. KOUTSANTONIS: Let's put this in some context. When the previous government announced their interconnector policy, they claimed it would cost either \$1.2 billion or \$1.4 billion. Its final cost is a billion dollars more, so a substantial increase. There was no market testing by the previous government when they announced that and forced that cost on the people of South Australia and New South Wales.

We are going out to the market now. I have not received any advice that I know of, but I will check, that it is not feasible at the price. However, I again point out that these are not questions seeking answers; these are questions trying to make a point. I am not having a go at you, you are entitled to do it; we are in the business of politics.

We are attempting to create a new industry in this state, and we are attempting with that new industry to try to revitalise a number of things—our export industry and our manufacturing capability—and create a sovereign supply of energy for generation to firm up renewable resources. So we will go out to the market and we will see what the market says, and that is the appropriate way to conduct this.

I will tell you what is not appropriate: to run a whole series of television ads about something like GlobeLink and then abandon it, or promise you can build an interconnector for a certain price and it goes up by a billion dollars and then find criticism in us because we are daring to go out to the market. I think we are going about this appropriately. If there are any cost deviations or cost increases, they will be made public. There is nowhere for anyone to hide on this. We will make them public, but we are going to proceed and we are going to build generation, electrolyser and storage.

Mr PATTERSON: I refer to Budget Paper 4, Volume 2, page 115, the electrolysers. You have put out a request for information, committing to construct a 250-megawatt equivalent electrolyser; is that the case?

The Hon. A. KOUTSANTONIS: Yes.

Mr PATTERSON: Comparing that with what we have at Tonsley at the moment, I think we have an electrolyser of 1.25 megawatts. Have you had any advice around how many electrolyser units will be banked up to make up this 250-megawatt equivalent electrolyser?

The Hon. A. KOUTSANTONIS: That is why we are going out to the market. This industry is developing at pace. Let's go for an example. As you drive around regional South Australia and you see some of our legacy wind farms, the first generators were 200 kilowatts in the early nineties. Now you are getting wind farms that are up to six megawatts per unit, especially some of the offshore ones. The advances in technology here are moving at pace.

For example, in 2017 I visited Kawasaki Heavy Industries in Japan, where I saw a turbine generator, a very small generator, that had been operating on hydrogen for 20 years as a trial. This is not necessarily a new industry, but the advancements are moving fast. They are modular improvements and the technology is moving so quickly you can scale these developments up.

The member is a former trade and investment minister, so he would know about the investment funds that are looking at investing in gigawatts of renewable energy behind the meter in South Australia. For what purpose? Gigawatts of electrolysers. You cannot have it both ways. The private sector investment into gigawatts of electrolysers cannot be real and at threat because of our 250 megawatts, but our 250 megawatts is unachievable. The private investment the former government was talking about was entirely achievable, even though it was much larger than the private sector.

Let's take this to its logical end. If my 250-megawatt electrolyser is too big to build in Australia, what does it say about what the Marshall government was saying about Port Bonython? What does it say about those developments? What does it say about Nyrstar's development, the development of a 400-megawatt electrolyser into which the former government put \$15 million of taxpayers' money?

You cannot have it both ways. You cannot say that our electrolyser is unachievable and too big, while at the same time be out there talking about private sector investments into much larger forms of electrolysers. At least be intellectually honest about it. If ours is unachievable, so are the ones that you were talking about.

Mr PATTERSON: I think you put a lot of words in people's mouths.

The Hon. A. KOUTSANTONIS: Well, get used to it.

Mr PATTERSON: That was not anything near what was said. It was a question and nothing more.

The Hon. A. KOUTSANTONIS: Yes, sure.

The Hon. D.R. CREGAN: Can I take the committee to Budget Paper 4, Volume 2, page 111. There is a sub-program reference there to mineral resources. Can the minister update the committee on the nature and scope of water modelling in relation to Terramin's application for a mining lease at Bird in Hand at Woodside?

The Hon. A. KOUTSANTONIS: Yes. I have arranged briefings for the member. This is a long and interesting question about mining in the Adelaide Hills. I know the member has very strong views on it, which are focused in my mind.

For the benefit of the committee, Bird in Hand want to mine a goldmine encapsulated in sandstone underground. Bird in Hand, the winery, is alongside this. It took its name from the traditional old goldmine that was there, so we all acknowledge there has been a history of mining in the Adelaide Hills—Kanmantoo Copper Mine and the like. The issue here is the watertable and the damage any underground mining could cause to the watertable. An exceptional amount of work is being done to assess Terramin's work on dealing with the water aquifer underground as it does its mining.

The assessments that are underway are being peer reviewed by CSIRO, I understand. The documents Terramin have submitted to us and to the CSIRO are in the thousands of pages. There will be a rigorous assessment of what they claim they can do with underground water. I do accept the point that the member makes, which is very, very powerful. This is a long, old and traditional area producing wine, fruits and vegetables, and it is a difficult question. It is a wicked problem.

The problem facing me as mining minister is that I want to see more jobs. Gold prices are high, it is a very good resource underground and the state should exploit that for the benefit of taxpayers. However, there is also at stake a lot of traditional agriculture and wineries that feel threatened and have real concerns about the risk to the aquifer, which they rely on for their livelihood. These are the things we have to balance, but I do take very seriously the local representations by the member. He is not one who is prone to over-egg it. He is very keen to fight for his local community.

If anything did go wrong at Bird in Hand mine, if it were to be approved, that would be a devastating blow to social licence for mining in agricultural areas across South Australia—a devastating blow—and there are other proposed mines. I have to weigh all this up, but I commit throughout the entire process to consult closely with the local community and their local representatives about what to do next. When that modelling and peer review work are completed, I will come back to the house.

The Hon. D.R. CREGAN: Thank you, minister, I appreciate that. You are right to summarise my concerns in the way you have. This is not a forum where I can put an argument to you but, as you rightly say, I have put very strong arguments to you and to the former minister and former government in relation to this project. I record that here.

I turn to the department's assessment so far of the reasonable expectations of residents and local businesses. Chair, it may be that, in view of the fact I am about to touch on a number of things, I will read in these questions or matters by way of omnibus and the minister may come back to me. Has the department, in its assessment process so far, considered the effects of noise pollution from blasting and trucks on vineyards, homes, farming and tourist operations, particularly given the proximity of the mine to those businesses and dwellings and to the township of Woodside?

The Hon. A. KOUTSANTONIS: Yes, they have. This is the question, isn't it? It all boils down to what expectation people have of an experience at Bird in Hand. Bird in Hand is a family success story. It is a great winery, and it is investing at scale to improve its offering. The question is: what do the operations of its neighbours do to the amenity of their offering? The offering at a winery is not controlled explosions down the road. I completely understand. This is what we have to balance, and it is a wicked problem.

The Hon. D.R. CREGAN: Of course, it is not just Bird in Hand.

The Hon. A. KOUTSANTONIS: I agree. There are other wineries, other residents. People should not be forced to be miserable in their own homes or their own businesses because of the activities of others. It is a very, very difficult problem.

The Hon. D.R. CREGAN: It is the amenity of the district that I have in mind. That is the attraction of a viticultural experience and a tourism experience. Much of industry and business in the Hills depends on the beauty of the natural environment, as it does in other iconic wine regions around the world. I emphasise that other wine regions have different ways of managing land use.

The Hon. A. KOUTSANTONIS: That is right. In Bordeaux, for example, they have put up nuclear power stations.

The CHAIR: I remind the member for Kavel that this is about questions and answers. Perhaps a reduction in the commentary might be helpful.

The Hon. D.R. CREGAN: Thank you, Mr Chair. This is something very important to my community and close to my heart.

The CHAIR: I understand that.

The Hon. D.R. CREGAN: Has the department, in its assessment process so far, considered the potential not only to damage the fractured rock aquifer but also to impact Adelaide's water supply through the watershed?

The Hon. A. KOUTSANTONIS: Yes, all those matters are being considered in the assessment.

The Hon. D.R. CREGAN: Will the assessment balance potential negative impacts or assess potential negative impacts on existing business and agricultural and viticultural operations against the possible future, and possibly limited, benefits of the mine?

The Hon. A. KOUTSANTONIS: In short, yes. The long form answer to this question is important. Mine life is very difficult to determine. It is a strange science. As production of a commodity underground begins, generally Mother Nature has more to offer, the ground has more to offer, and a nine-year mine life can become a 30-year mine life very quickly—look at Prominent Hill, for example. Different scales, different types of mines, different regions I understand. Look at Kanmantoo, for example. Kanmantoo is now looking at underground technologies to mine and extending that mine life.

There may be a limited lifespan now, but it could be larger. That still equates to the question of vineyards that are decades old and have decades in them and orchards that are producing and being replanted and the impact of basic amenity and water not only to Adelaide but also to the Adelaide Hills. These are the questions we have to balance, and it is a very, very difficult problem. If it were easy, I suspect the former government would have made a decision, but they did not.

The Hon. D.R. CREGAN: With your indulgence, Mr Chair, I have a question on this line. Has the department contemplated obtaining substantial undertakings or environmental bonds from Terramin if the mine were to be approved?

The Hon. A. KOUTSANTONIS: We are looking at all sorts of measures to protect the social licence of the industry as a whole. This is a very difficult question. We have had a select committee on this, which I was a member of. It is a very difficult problem—a very, very difficult problem. There are lots of questions about how best to regulate and do this. I think the department do it well.

The big safeguard for us all here is that the department knows that if you push aside local concerns—local amenity concerns, local water concerns, even local industry concerns—to use the power we have under the act to allow mining to proceed in an area, that power will quickly dissipate because the public will react and there will be changes to the legislation. This is what we have to balance. In the end, the public will get what they want.

If we want to increase our royalties from what we have been blessed with in terms of commodities—and gold is one of those critical minerals, do not forget; gold is part of the decarbonisation story and it is an excellent conductor of electricity—we have to make sure that we continue a pipeline of these projects. I take your point that maybe there are some regions we should not be mining. We are looking at that very closely without wanting to prejudice any decision.

The Hon. D.R. CREGAN: Thank you, minister. I maintain my grave concerns in relation to this project. As I say, this is not the forum for me to put an argument, but I record that I maintain my grave concerns.

The Hon. A. KOUTSANTONIS: You have made it known to me in no uncertain terms.

Mr PEDERICK: I have a question on that budget line, minister, the same line on mineral resources. I know full well that it has been a long time of appraisal, probably at least eight or nine years. It is good to hear that peer review is on board. Once the peer review is done, and more work

is done by the department and a recommendation comes to you either to approve or not approve, are you beholden to that recommendation as a minister, or can you override it?

The Hon. A. KOUTSANTONIS: Yes, the act gives me the power to make a decision. Any good administrative lawyer—like the member for Kavel—will tell you that my decision has to be based on reason and fact. I would have to consider and weigh up all the recommendations, but ultimately the act gives the power to the minister. I can delegate that decision, of course, to the chief executive. There are many considerations. It is not likely that I would delegate this decision, but I am not sure yet.

Mr PEDERICK: But you are saying that you do have the ability as the minister to overturn a recommendation from the department?

The Hon. A. KOUTSANTONIS: Yes.

Mr PATTERSON: Returning to Budget Paper 4, Volume 2, page 115, and getting back to questions relating to the electrolyser, have you received advice from the department that it can be done for \$220 million, as outlined in your policy?

The Hon. A. KOUTSANTONIS: That is why we are going out to the market.

Mr PATTERSON: I refer to the same page. I have previously asked about the turbine itself with respect to its being a combined-cycle turbine. When you went out to the market with a request for information, was the request asking that the turbine be a combined-cycle turbine?

The Hon. A. KOUTSANTONIS: I think I answered this question in the house when you asked me this exact same question. I said that we would go out to the market. If the market comes back with an open-cycle turbine as the preferred option, fine. It might come back with fuel cell as the preferred option. As I said to you, what we are attempting to do here is to prove up a new industry to take advantage of an oversupply of renewable energy.

Tom Playford was no fool. He knew what he was doing when he nationalised our electricity system and when he established the Electricity Trust. His aim was not to run an efficient electricity system to have last-minute supply to meet the needs of industry: he created an oversupply and attempted to have cheaper power prices. That did not always work, but it was a relatively stable, safe, secure supply at a relatively low cost, and manufacturing flourished.

We have an oversupply of renewable energy. The opposition's policy was to turn that oversupply off to stabilise the grid. Our policy is to incentivise demand to come on. We want that demand to be government owned to operate in the interests of South Australians. So, instead of potentially building a pipeline to pump water uphill and store it, which would be the simplest and cheapest form of storage (Snowy Hydro), what we are doing is saying, 'If we can use oversupply of electricity to manufacture hydrogen as a form of storage, which will be used later to produce electricity, what else can we do with that hydrogen?'

Well, we can export it, which was the plan the previous government had through its hydrogen hub at Port Bonython. Also, there are industrial applications, which everyone thinks is a good idea, green steel in furnaces. Electrolux, which is one of the last manufacturers of scale of whitegoods in South Australia, have a process that bakes enamel onto their ovens in ovens using natural gas. That is a very expensive process for them. They want to decarbonise. Electrolux, being an international company, want to offset their emissions. They want to convert those furnaces to hydrogen. They need a secure supply of hydrogen.

Think of all the industries that we lost because (1) they were expensive and (2) they were dirty because they were using fossil fuels and created carcinogens that were able to be emitted into the atmosphere. Now we have hydrogen, which could potentially replace it. Then the last option, of course, is mass transit—motor vehicles, buses, mining fleets, freight, even reticulation in household pipes. There are plenty of applications for this form.

Mr PATTERSON: You are absolutely right. On that, you are taking advice from the market. Prior to that, you were talking around the generator being a base load generator. Subsequent to the election, you started commentary about its becoming a peaking generator. Which type of generator do you expect it to be?

The Hon. A. KOUTSANTONIS: First and foremost, as I said, the key operations of whatever generation we choose are not to offer peaking services into the grid. We want to firm renewable energy, so wind farms—and this will take a bit of time to explain.

What we wanted to do with the solar thermal plant that we developed when we were in office, which failed under your government, was create a contract for difference where they could bid into the market above their marginal costs. If they bid in at market prices that were exceptionally high, whatever extra money they were getting at that time above their marginal costs would be returned to the taxpayer, so they were not incentivised to bid at high levels.

What we will be doing with our generation is that at times when wind farms cannot operate because of a lack of a resource or solar energy cannot produce because of lack of a resource, they can rely on our generator for those services—with one difference: we will be creating contracts for difference. Whatever the name of our government business is, we will be providing hydrogen-derived electricity at a price into the market to try to lower power prices and firm that renewable energy.

If those wind farms or solar arrays or renewable resources attempt to bid into the market at a higher price and take advantage of higher prices, that differential above their marginal cost runs will return to the taxpayer, so they will bid in lower. If you are bidding in lower, you are dragging the whole market down. That is what we are attempting to do, as well as prove up a technology. Contract for difference is what Matt Kean is looking at in New South Wales with his renewable resources, although he is leaving the consumer as the taker of all the risk.

What we are doing here is saying that there will be a government business that will contract into the market with renewable resources to firm that form of energy with contracts for difference to maintain lower power prices. That is the plan.

Mr PATTERSON: At the same line item, has the minister received advice from the department that the closed-cycle turbine for 200 megawatts can be done for the price of \$342 million?

The Hon. A. KOUTSANTONIS: As I said earlier, we are out to the market now whether it is open cycle, closed cycle, combined cycle fuel cell or whatever. We want 200 megawatts of generation, 250 megawatts of electrolyser. We have a budget of nearly \$600 million, so we want to see what we can get into that framework.

Mr PATTERSON: Talking of putting it out to market, have you put out to the market that this turbine has to be run on 100 per cent hydrogen?

The Hon. A. KOUTSANTONIS: That is the ambition, yes.

Mr PATTERSON: Turning to Budget Paper 5, page 38, there is a breakdown of this \$593 million spend. In the first year, \$50 million is budgeted for the 2022-23 year. Can the minister provide a breakdown of what will make up this amount?

The Hon. A. KOUTSANTONIS: Obviously there is some preparatory work: there are feasibility studies and we may need to place some orders to lock electrolysers in line in production schedules. There is environmental work to be done and there is consultation to be done. There are potential transmission connections that need to be done. A whole raft of works are required that are being fleshed out through the EOI that was announced by the Premier during the hydrogen conference. There is a lot of detailed design work to be done as well, so a lot of that money will be spent, and if it is not we will carry it over obviously.

Mr PATTERSON: You have other figures there for the following out years: \$225 million and \$225 million. Can you provide some more commentary around the breakdown and how you arrived at those numbers?

The Hon. A. KOUTSANTONIS: You do not put all the money at the end, so \$50 million is in for the first year and then the number grows until you reach the 593. We want this operational by the end of 2025, so the money has to be spent. A lot of that will be informed by the expression of interest and the market soundings, and that may change from budget to budget because of the way that the market responds, but the deadlines remain in place and the budget remains in place.

Mr PATTERSON: Regarding this big capital spend, your government went to the election with an election promise around industry participation in jobs. Can the minister confirm that this Hydrogen Jobs Plan will use only local project managers, architects, designers, engineers, surveyors, planners and other professional service providers on this project?

The Hon. A. KOUTSANTONIS: That is our aspiration, but there are obviously deficiencies in some skills that might not be here, which may require us to get technology offshore. We certainly want to try to maximise it, and our policy did foresee potential issues where there are projects where there may not be the skill set available here in South Australia, but we do not want to not do projects because we do not have the skill set. We still would like to train it up and get it here.

Mr PATTERSON: Referring to page 115 of Budget Paper 4, Volume 2, again on the Hydrogen Jobs Plan, it has been outlined that Whyalla has been chosen as the location. Can you outline what considerations have been taken into account as to where exactly in Whyalla because there has also been commentary about that being Port Bonython as well?

The Hon. A. KOUTSANTONIS: Port Bonython is in the city of Whyalla. What we said was within the city of Whyalla. Obviously, Port Bonython is constrained because of Cultana, and the EOI process that the former government did around Port Bonython allocated most of that land, so we are looking at locations. You might remember that, as part of our election commitment, we set up an expert panel to research within the first 100 days where the placement of it should be. They are currently conducting that work and, as that work is completed, I will have more to say to the house.

But the truth is that we have the last structural steelmaker in Australia in Whyalla. They are using coking coal to manufacture steel and producing carbon emissions. Green steel, as a technology, is moving at pace. It makes intuitive sense that you would put your hydrogen assets closest to your largest manufacturer you have left in structural steel to try to get that benefit.

I imagine that coal is increasing in price dramatically, especially coking coal. Coal, for GFG, unless they were hedged, has gone from \$150 to \$200 a tonne on the spot market to \$400 a tonne. So, all of a sudden, the cost of Australian steel just got more expensive, and the steelworks is precious to our state. It is precious to our country. It is a significant piece of infrastructure, so, yes, we chose Whyalla for a reason: it is close to Port Bonython and in the same council area for exports. There is the location of a substation, the location of water, the proximity to Whyalla and GFG and it has very strong local support for industrial applications in Whyalla. It is an industrial town and I think it is a good place to put it.

Mr PATTERSON: Going back to the discussion around the turbines and the modelling that has come out that says it will reduce wholesale costs by 8 per cent, do you still believe that if there are different generators there is the potential to be a difference in terms of the reduction in wholesale cost of electricity to industry?

The Hon. A. KOUTSANTONIS: I do not think it matters how it is generated, whether you would decrease the power. What I think the decrease in the wholesale price is influenced by is the fact that we have generators who are bidding in the market, owned by the taxpayer, whose objective is not to maximise profit for their shareholders but to lower power prices for their citizens. It is a different bidding strategy.

For example, what I suspect is occurring right now in the National Electricity Market is there are gas-fired turbines that are shadowing the market and are dispatching into the grid as if they had bought their gas off the spot market for, say—pick a number—\$40 a gigajoule and are selling it to the market for \$400 a megawatt hour or \$440 a megawatt hour. For all we know, they have a contract for the next year to buy their gas at \$8, \$9, \$10 a gigajoule and they are shadowing the market. Prices go up.

Our generator will not be operating in that way. Our generator will say, 'This is our cost of production. This is the cost of maintaining our infrastructure and our profit. We bid in here.' If the market goes crazy, we will not respond. We keep on bidding at above our cost of production to maintain our profits and our capital infrastructure and our maintenance, to firm that energy. That is the difference. Our generator will be acting in the public interest, not the shareholders' interest, and that is the difference.

Mr PATTERSON: On the same budget line, around the policy area and jobs, in your jobs plan it was claimed it will unlock 10,000 jobs through a \$20 billion pipeline of renewable energy projects in South Australia. Is that taking into account already the existing pipeline of renewable energy jobs, or is that an extra \$20 billion over the existing \$16 billion of projects that are either approved or in the planning process?

The Hon. A. KOUTSANTONIS: Let's be clear about this. Those renewable projects will not get off the ground just because of an interconnector. An interconnector is connected into a market. We are a three-gigawatt market and New South Wales is a 10-gigawatt market. One proponent alone that I met with yesterday is planning to build 14 gigawatts of electricity. The interconnector power connector's capacity is 800 megawatts. Unless you are exporting hydrogen, the interconnector does nothing to incentivise renewable energy at scale, especially when the New South Wales government is using taxpayers' money to incentivise 14 gigawatts of electricity on their side of the border. This mirage that the former government were talking about is not real.

If you want real investment, you need to prove up hydrogen technology and you need to export it. The markets we want to export our sun and wind to are not in Australia because they are not big enough. The markets we want to export them to are Japan, South Korea and Europe through the Port of Rotterdam—a very good MOU signed up by the previous government, an excellent idea. That port is attempting to hedge, because their major source of revenue is importing LNG. They need to shift that.

When I was Minister for Energy in a previous life and Treasurer, I moved heaven and earth to try to get meetings with Krupp Steel in Germany and to meet their leading metallurgists about new technologies in green steel. They were not meeting with any Australian state leaders on any level. They were busy off doing their thing. Now, with the most recent hydrogen conference, they send their lead people out here, trying to meet us about our hydrogen developments, so there is a fundamental shift going on.

If I could summarise it this way: Japan and South Korea are looking for hydrogen as alternative sources of energy; Europe is looking at hydrogen for industrial applications; we are region neutral. We want to get as much of it as we can out of the ground.

For us, the big game here is if we can prove up our 250-megawatt generator, and we can produce it in a way that can be exported, then that unlocks billions of dollars of private investment, and thousands and thousands of jobs. That is the plan—the same plan that you had when you were in government. The only difference here is you put all the risk onto the private sector and said, 'Off you go. You do it. We will watch.' What we are saying is, 'We want to lead this. We want South Australia to be the home of this.' We are putting our money up-front, and we are going to prove this technology works to make them all come here.

Mr PATTERSON: That hydrogen hub at Port Bonython—that fantastic federal announcement in April—certainly is a fantastic way to export that hydrogen to Asia and also the Port of Rotterdam, as you mentioned. We are aligned in trying to unlock that potential for hydrogen absolutely. You have confirmed that those 10,000 jobs were in the pipeline and it relies on aspects, such as the Port Bonython hydrogen hub to unlock it, because it is very much export-focused to try to drive that up. In terms of a time frame for those jobs, how many of those 10,000 jobs do you expect will have been realised by 2030?

The Hon. A. KOUTSANTONIS: As many as possible.

Mr PATTERSON: In terms of the payback period for the hydrogen power station, before the election you were talking around it being five to 10 years. Quite soon after the election, you made the statement on radio that it was changing from 10 to 15 years. Is that now your understanding, that the payback period is 10 to 15 years?

The Hon. A. KOUTSANTONIS: I misspoke. I said that on radio—it was 10 to 15 years.

Mr PATTERSON: So that is not to do with the fact that things have changed in terms of advice you have received from the department?

The Hon. A. KOUTSANTONIS: No, I misspoke.

Mr PATTERSON: That is fair enough, because it is quite significant. Have you been able to fine-tune it to reduce that range down to less than five years?

The Hon. A. KOUTSANTONIS: That will depend on the price we can export our hydrogen for. If we are producing it at \$2 a kilo—happy days.

Mr PATTERSON: Has the department done any modelling on this hydrogen plan?

The Hon. A. KOUTSANTONIS: We are out to the market now as we speak to do the modelling; it is underway. We also have the hydrogen pricing tool that the former government developed, which is a tool that we can use for the price of exporting hydrogen. We will be taking advantage of the work done there as well.

Mr PATTERSON: Did you provide the department with the Frontier Economics modelling report to help inform this?

The Hon. A. KOUTSANTONIS: Yes.

Mr PATTERSON: Will this hydrogen power plant be referred to the South Australian Productivity Commission for analysis?

The Hon. A. KOUTSANTONIS: No.

Mr PATTERSON: Are you prepared to release the modelling from Frontier Economics and make it fully public?

The Hon. A. KOUTSANTONIS: We did.

Mr PATTERSON: If I could move on to Budget paper 1, page 11—

The Hon. A. KOUTSANTONIS: Budget Paper 1, the glossy guide?

Mr PATTERSON: Yes. The Port Bonython hydrogen hub.

The Hon. A. KOUTSANTONIS: I did not bring that one.

Mr PATTERSON: Fair enough; it is an easy read. We have talked before about the money allocated there, around \$140 million, including \$30 million from the state government and \$70 million from the feds. That money is to be allocated towards common-use infrastructure at Port Bonython. Can you provide an update on the status of that? Have you done investigation as to what types of common-use infrastructure might be applicable?

The Hon. A. KOUTSANTONIS: As you would be aware, that expression of interest is being conducted by the Department of Treasury and Finance, who are currently being investigated in committee B, so I would refer your questions to them. I do not know why Treasury and Finance were allocated this by the previous government. I am sure there was some reason for it, but I just cannot think of one.

Mr PATTERSON: I still have questioning around this. I take that answer, and I think this would still be in your ministry. This hydrogen hub looked at having both green and clean blue hydrogen, which is natural gas that has had the carbon split off and carbon captured. Are you still working towards having both types of hydrogen?

The Hon. A. KOUTSANTONIS: I am agnostic about the hydrogen. If proponents can prove they are not producing carbon and they are storing it safely, fine; I have no issue with that. My aim here is to decarbonise. I am not going to split hairs about how it is produced. These colours we assign to hydrogen are getting very interesting. I understand white hydrogen is naturally occurring hydrogen in the ground, and there are prospects of underground hydrogen reserves. Blue hydrogen is produced by gas, brown hydrogen from coal, green hydrogen from renewable. Are there any colours I have missed? I cannot remember what they are.

Mr PATTERSON: In terms of the actual Port Bonython hydrogen hub itself, part of the criteria is that the hydrogen is there for export, so you can confirm that this hydrogen hub is intended to export hydrogen?

The Hon. A. KOUTSANTONIS: I would have thought that is why you put it at Port Bonython.

Mr PATTERSON: I am glad to hear that. Can you also confirm that the \$30 million commitment to that hydrogen hub will be used solely for the hydrogen hub and not for the hydrogen power station?

The Hon. A. KOUTSANTONIS: Yes.

Mr PATTERSON: In terms of the proposed 250-megawatt electrolyzers in the Hydrogen Jobs Plan, you have talked about them. Will they be separate from any other electrolyzers that are part of the Port Bonython hydrogen hub?

The Hon. A. KOUTSANTONIS: We are building 250 megawatts of hydrogen electrolyzers. That is what we are going out to the market for. If these things are modular and they want to add on 50 megawatts at the end and they operate their 50 megawatts, so it then becomes a 300-megawatt electrolyser or a 350-megawatt electrolyser and we are able to modularise this, why would we not work with proponents to do that? That would make sense. Then it is one bigger procurement. But I will leave that to my experts behind me as we go out to expressions of interests. If we can partner with people who are prepared to make their own investments and we can all benefit from economies of scale, why wouldn't we? That would be ideologically silly, I think.

Mr PATTERSON: Equally, with the 3,600-tonne storage tanks, would they be standalone and separate from any storage tanks associated with the Port Bonython hydrogen hub?

The Hon. A. KOUTSANTONIS: If someone wants to build a larger storage facility and we can secure 3,600 or more or less, whatever is required as part of the project, we will look at that, but I will leave that to the procurement experts. As long as it is under the care and control of the South Australian government and we own the sovereign capability, I am relaxed.

Mr PATTERSON: With the hydrogen that is going to be produced out at the Port Bonython hydrogen hub, obviously that is additional hydrogen over and above your electrolyzers. Would you look at also sourcing hydrogen from these, not just from your 250-megawatt electrolyzers?

The Hon. A. KOUTSANTONIS: I am not going to be silly. I am not going to pay for hydrogen if I can get it for free, so let's be clear about this. For example, if we are decarbonising our bus fleet and running hydrogen fuel cell buses, it would be crazy to buy hydrogen off the market if we are producing it ourselves. We should be clever about this and make sure that we serve our needs first. But if people want to make power purchase agreements off us for our hydrogen, we will certainly look at that as well. It will be market driven.

Remember, this will be a government business, so the government business will have to provide for the generation to firm renewables, to keep power prices down. If there is surplus hydrogen at the end of that, that can be traded, depending on the price we produce it at and store it at and what we can sell it for, these are market considerations.

Mr PATTERSON: Moving on to Budget Paper 5, page 38, the Office of Hydrogen Power SA, it has there operating expenses of \$2 million in the 2022-23 year. Can you provide a breakdown of that amount?

The Hon. A. KOUTSANTONIS: Yes, it is \$2 million.

Mr PATTERSON: When I say 'breakdown', what is that \$2 million budget? What will be the make-up of the spend? Is it all for staff?

The Hon. A. KOUTSANTONIS: Yes, staff. What the cabinet did not want to happen was too much of the \$593 million being capitalised into running FTEs. I will give you an example. Your government ran something called the Jobs and Growth Fund, which had no public ability really to—well, that is not probably fair. It was a grant scheme administered by Treasury that was predominantly run by government departments. Those government departments would be awarded grants and they would capitalise FTEs within them. Rather than those grants going out into the economy to create jobs and invest in the private sector, they were being used by departments to pay for their FTEs.

To minimise that here, we have allocated an extra \$2 million per annum to the Office of Hydrogen Power SA to run their operations so we can actually spend \$593 million on capital as we intended. I know it is a unique thought for Liberal members, but I do not think it is wrong to allocate

an operating budget alongside a capital budget. It makes sense, rather than using the capital budget for operating costs.

Mr PATTERSON: We have had these discussions at the Public Works Committee, I do remember. On the same line item, how many staff will the office have once it is fully up and running?

The Hon. A. KOUTSANTONIS: The initial thoughts are, before it becomes a trading government business enterprise, in its initial stages about 10 FTEs. Obviously the office will have at its disposal the Department for Energy and Mining as well and the expertise that is already there through growth and low carbon. Credit to the former government for keeping a lot of those capacities in place and putting them all in one agency. That was a very good move and something that we maintained.

I think that \$2 million budget might change after they become a GBE and they are trading and they need different expertise. Things can change. They will have a board, obviously. They will be operating much like SA Water did and much the way ETSA used to.

Mr PATTERSON: You have made a statement here in parliament around the appointment of the Chief Executive for Hydrogen Power SA, Mr Sam Crafter. Who made the decision to appoint Mr Crafter?

The Hon. A. KOUTSANTONIS: The cabinet I think.

Mr PATTERSON: Was there a selection committee for appointing Mr Crafter?

The Hon. A. KOUTSANTONIS: We went through the same cabinet processes the former government did to appoint chief executives.

Mr PATTERSON: Were any other candidates considered for the position?

The Hon. A. KOUTSANTONIS: We went through the same cabinet processes the former government did.

Mr PATTERSON: Obviously it is a very important appointment for the state. Why did you not initiate a national or international recruitment for this position, a public one?

The Hon. A. KOUTSANTONIS: Because we had the best person for the job. The former government and the former Labor government—when Rod Hook was terminated from the Department of Planning, Transport and Infrastructure, we went through a recruitment process. We lost six months before we appointed Mr Deegan. On coming into office, the Marshall government sacked Mr Deegan and went through a six-month recruitment process to appoint Mr Tony Braxton-Smith. That is a combined 12 months lost, a combined year out of an eight-year cycle, because we did not have replacements ready to go.

We have done a mixture of that. The Premier decided for the process to be that, where we wanted to make changes, we had some people ready to go, and at other stages we went out to the market. It is entirely appropriate behaviour by a government. Time is of the essence. Not because he is sitting behind me, but Mr Crafter is a person who served the former government loyally and diligently as an executive director. He is someone who delivered the energy plan, the Tesla big battery and, along with other public officers sitting behind me, the temporary generators in record time.

These are people who are dedicated to the public sector in South Australia, and I have full confidence in them. In the same way, I have full confidence in Mr Andrew Ockenden, who was a former political adviser put into an executive director's role by the former government without a competitive process. He remains, and I have full confidence in him. I think we should leave the public servants out of it. If you want a crack at someone, you can have a crack at the chief executive because he is appointed by the Premier, or me. The rest are off limits.

Mr PATTERSON: I refer to Budget Paper 4, Volume 2, page 111, the highlights. You may have mentioned before that you are renaming the Accelerated Discovery Initiative; that is my understanding, but are you still retaining it?

The Hon. A. KOUTSANTONIS: Still retaining it. I am not as petty as the former government to go and change a well-known, well-established grant line from PACE to Accelerated Discovery Initiative because we could not possibly have the success of the former government lasting. I am not going to change the name. It would be silly. It was just silly. It was silly to change it from PACE, and it would be just as silly for me to change it back to PACE, so I am leaving it as it is.

Mr PATTERSON: Can I confirm, then, that this program will not be amended? Will it still deliver the necessary boost to vital greenfield mineral exploration in South Australia?

The Hon. A. KOUTSANTONIS: I certainly hope so, but I think there is a lot of work to do in the way we issue tenements and the way we do a lot of exploration work. A lot of it is taxpayer funded and made available to everyone. I have asked the department to have a look at this, if it is the best bang for buck for the taxpayer. That is not to say that the grants are at risk; it is just the way we conduct them.

Mr PATTERSON: On the same page in the budget papers, page 111, referring to mineral resources, the 2022-23 FTEs as at 30 June are 143.3. I think that is the estimate. This has been reduced from the 2021-22 estimate of 146.4. Why was that reduced? Where are these FTEs going to come from given the increasing complexity and delays in obtaining approvals?

The Hon. A. KOUTSANTONIS: Are you talking about three FTEs?

Mr PATTERSON: Yes.

The Hon. A. KOUTSANTONIS: Are you serious? Alright, I will take that on notice and get back to you.

Mr PATTERSON: On the same line item, referring to the Mining Compliance and Regulation Program, the target for the number of site inspections is greater than 70 per cent for 2022-23. How achievable is this considering it is going to be undertaken with fewer resources than for the 2021-22 year?

The Hon. A. KOUTSANTONIS: I am assured it is not a problem.

Mr PATTERSON: I refer to Budget Paper 4, Volume 2, page 107. Will the government continue with the review into the regulatory regime impacting electricity generators licences pursuant to the Electricity Act 1996?

The Hon. A. KOUTSANTONIS: Are you talking about the inertia of past requisite response requirements from the ATR?

Mr PATTERSON: Not so much. I will read the next question for you because it is around a local government line of questioning. One part of this licensing regime contained in the Electricity Corporations (Restructuring Disposal) Act 1999 prevents local councils from levying for council rates on electricity generators. If legislation were amended and this 20-year rates holiday ended, would this have any negative impact on state government revenue?

The Hon. A. KOUTSANTONIS: No, I do not think it would, but I will check.

Mr PATTERSON: I am happy for you to take those questions on notice.

The Hon. A. KOUTSANTONIS: As background for the committee, when Rob Lucas flogged off our assets, because we used to own our electricity assets, there was not a national agreement for competitive neutrality, which meant that we did not have to pay council rates on our electricity assets—our substations, our poles and wires, our generators—although Port Augusta Northern had a voluntary agreement in place or an indenture agreement in place. This cap came in after they were sold. Again, to increase the price of the sale, not only did he remove all our powers to direct generation like no other state did but he also put a cap in on council rates. It is in the act.

A lot of councils, especially regional councils, see hundreds of millions of dollars of renewable assets being built in their communities that are not rateable, but in New South Wales they are and in Victoria they are. In Queensland, they are not because it is government-owned, I think; I am not quite sure. They are looking across the border. For example, if you are on Eyre Peninsula there is a potential there for billions of dollars worth of investment that would be unrateable that would be on land. You could argue that those rates could be vital for local infrastructure for local communities.

We are looking at it, but I do not want to do anything that would jeopardise government revenue or anything that would jeopardise the attractiveness of South Australia as a jurisdiction.

Mr PATTERSON: I refer to Budget Paper 4, Volume 2, page 106, the objectives. It states that the department's objective is to deliver lower electricity prices for business and industry in South Australia. Why is there no mention of residential electricity prices?

The Hon. A. KOUTSANTONIS: Because you privatised our assets and you removed South Australia from the ability to generate energy. It has now become no longer the central role of the Department for Energy and Mining to provide electricity, so we offer welfare now. The AER put out a draft default market offer in November. That was four months before the election. As a result of that default market offer draft, we went to the election campaign offering a doubling of pensioner concessions and self-funded retiree concessions for electricity. The then government offered none.

What we have done is put cash into people's pockets. If we still owned our electricity assets and we operated them—and I imagine if we did ETSA would be in my department, the Department for Energy and Mining—that would be a key objective. I suppose you might want to ask those who were here in 1999, when they privatised the assets, why they decided to do that.

Mr PATTERSON: Budget Paper 4, Volume 2, page 114 talks about trying to assist households reduce prices by switching to solar, which is mentioned in highlights. That program has now been cut. Can you advise whether you have contacted those applicants that were wanting to register their interests? Are they still able to participate in this scheme, or have you contacted them to say that it is no longer running?

The Hon. A. KOUTSANTONIS: I am pretty passionate about this, so I do not want you to feel that I am talking about you. I hate this scheme. I do not like it one bit. Telling pensioner concession cardholders to give up their concession payments in exchange for assets I think is immoral, and I do not like it.

There are 860,000 households connected to the National Electricity Market in South Australia, and taking 1,000 pensioners off their concessions does not lower cost-of-living burdens for the majority of South Australians. It is a very, very poor precedent to set, and I am glad that this program is being cancelled. However, because phase 1 involved 1,000 households, that program is still open to 31 August for the people who are registered, so we will continue it, but I have to say that this type of weaning off concessions is a mistake.

If a former government wanted to give people who are on concessions, on welfare, access to solar panels and batteries, then just give them to them. Why do you have to take their concessions off them? What was the benefit of that other than to the taxpayer? I assume that if this program had been as successful as members had hoped it would be—and I do not know what the uptake was, but it was relatively small—it would have been run across South Australia. I am not sure that this is an appropriate way to deal with people who are on these types of concessions, so I am glad that we are ending this program, and I hope that we never see a program of its like again.

However, virtual power plants, where we can use the rooftops of people who cannot afford to put up their own solar panels and create collective community batteries and community programs that we can then retail to them at a lower rate, are a fantastic, great idea. There is a community benefit. The idea that we can pick people out in cohorts of areas and say, 'You're coming off your concessions and you can get access to these little baubles,' I think is wrong. I think it is morally wrong, and I do not support the program and that is why we cut it.

Mr PATTERSON: I refer to page 37, Budget Paper 5, and the subsidies for electric vehicle smart chargers. Did the minister consult with any stakeholders before ending this program?

The Hon. A. KOUTSANTONIS: No, and I will explain why. What is occurring is that there is a shortfall in electric vehicles in the market. When electric vehicles are being sold, other than I think Tesla, most car retailers, car sales, do not give you the smart-charging equipment as a package with the vehicle.

What the former government did, for a cohort of people who could afford to purchase an electric vehicle, was to subsidise the cost of people putting on the appropriate charging at home,

because when the car was being sold you were basically being given as a charging option an emergency backup charger—basically like a little extension cord—rather than the actual infrastructure in place.

This should have been a regulatory change. If you are serious about integrating electric vehicles into households, and households then put in the infrastructure where there is a proper smart charging system in place, either it is the retailer of the vehicle's responsibility to make sure that is a condition of sale or it is the responsibility of SA Power Networks or the people who bought the vehicle. Instead, the former government made this the responsibility of the taxpayer.

Why is it the taxpayers' responsibility to give people who can afford electric vehicles in today's market—which is generally over \$100,000—the free infrastructure at home for smart charging when we should have made it a regulatory requirement? It is the equivalent of building someone a petrol station. It does not make sense.

Mr PATTERSON: Have you received advice from the department about the impact of having electric vehicle charging that is not connected via a smart charger—

The Hon. A. KOUTSANTONIS: Yes, I have.

Mr PATTERSON: —about the effects on grid stability and demand? We have talked about solar panels on rooftop and where that is. We are getting to the start of electric vehicles and having an unmanaged charging—

The Hon. A. KOUTSANTONIS: This is where the shadow minister and I agree. This is like we have already passed Mohammed on the mountain.

Mr PATTERSON: Well, it is the end, so we have got somewhere.

The Hon. A. KOUTSANTONIS: My view is that this is not the responsibility of the taxpayer. This is a government regulatory and planning issue. Electric cars are being rolled out. If we are able to manage hot-water systems being heated at a certain time, why can we not manage cars being charged at a certain time? The idea that we would actively subsidise people who have bought cars over \$100,000 to put in smart charging systems does not mean that they should not have smart charging systems. The argument here is who should pay for it.

I am not into subsidising people who can afford \$100,000 vehicles. Members opposite might be, but I am not. I am into subsidising people who cannot afford things, people on low incomes. My view is that if we do not start, as a nation, making it a requirement that when you sell an electric vehicle you have to either ensure that the equipment for charging that vehicle was part of a package or make it an option as part of a package; instead, you buy an electric vehicle these days and you issue them with basically emergency chargers.

The advice I have is that the OTR will begin to issue guidelines to try to meet demand response for requirements from 2024. The idea of a government subsidy in place for that I think is perverse because it will become entrenched and then everyone who buys an electric vehicle will require a government subsidy to put in a smart charger. That is unsustainable and unaffordable.

Mr PATTERSON: Have there been any applicants to this scheme as yet and, if so, have they been advised that the scheme is no longer going ahead?

The Hon. A. KOUTSANTONIS: No, the former government failed to open the scheme, so no-one applied, I am advised. Such was your eagerness for it, so committed to it, that you did not start it.

Mr PATTERSON: On the same Budget Paper 5, at page 37 you have \$13 million of operational efficiencies. What will be the impact on programs and activities within the department?

The Hon. A. KOUTSANTONIS: It is not good for the Switch for Solar scheme and it is not good for the Home Battery Scheme and it is not good for the smart charging scheme, but I will get you a more detailed answer on notice.

Mr PATTERSON: Again, going to these operating efficiencies, could you outline in that response whether you will be continuing with the Port Pirie hydrogen and mineral processing hub

initiative, which allocated \$1 million to support Trafigura to accelerate their front end engineering design of the proposed 440-megawatt green hydrogen and ammonia plant at Port Pirie.

The Hon. A. KOUTSANTONIS: Yes.

The CHAIR: There being no further questions, I declare the examination of the Department for Energy and Mining complete and the further examination of the proposed payments adjourned until Thursday 23 June. I would like to thank the members of the committee, and I would like to thank the ministers and also their advisers for their participation today.

At 14:46 the committee adjourned to Monday 20 June 2022 at 09:00.