

HOUSE OF ASSEMBLY
Friday, 21 June 2024
ESTIMATES COMMITTEE A

Chair:

Hon. A. Piccolo

Members:

Hon. D.G. Pisoni
Ms N.P. Clancy
Mr M.E. Brown
Mr S.J.R. Patterson
Mr A.S. Pederick
Ms O.M. Savvas

The committee met at 09:00

Estimates Vote

DEPARTMENT FOR ENERGY AND MINING, \$47,775,000
OFFICE OF HYDROGEN POWER SOUTH AUSTRALIA, \$402,176,000

Minister:

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

Departmental Advisers:

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

Mr S. Crafter, Chief Executive Officer, Office of Hydrogen Power SA.

Mr V. Duffy, Deputy Chief Executive, Department for Energy and Mining.

Ms R. Knights, Executive Director, Strategic Policy and Delivery, Department for Energy and Mining.

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

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

Mr W. Pasten, Director, Commercial Corporate, Department for Energy and Mining.

Ms A. Butler, Director, Strategic Policy and Corporate Services, Office of Hydrogen Power SA.

The CHAIR: Welcome to today's hearing of Estimates Committee A. I respectfully acknowledge Aboriginal and Torres Strait Islander peoples as the traditional owners of this country throughout Australia and their connection to land and community. We pay our respects to them and their cultures and to elders both past and present.

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 on an approximate time for the consideration of proposed payments, which will facilitate a change of departmental advisers.

Mr PATTERSON: Yes.

The Hon. A. KOUTSANTONIS: 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 6 September 2024.

I propose to allow both the minister and the lead speaker for the opposition to make opening statements of up to 10 minutes each, should they wish to do so. There will be a flexible approach to giving the call for asking questions. A member who is not on the committee may ask a question at the discretion of the Chair.

All questions are to be directed to the minister and 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 who are 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 from 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 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, through the IPTV system within Parliament House and online via the parliament website. I understand that 69 people tuned in yesterday—69. It was a ratings bonanza yesterday.

The Hon. A. KOUTSANTONIS: We will beat that today.

The CHAIR: You are going to beat that today? As long as committee A beats committee B, we will be fine. I now proceed to open the following lines for examination: Department for Energy and Mining and the Office of Hydrogen Power South Australia. I declare the proposed payments open for examination. I now call on the minister to make a statement, if he wishes, and to introduce his advisers. I then call on the lead speaker to make a statement or go straight into questions. Minister, the floor is yours.

The Hon. A. KOUTSANTONIS: Thank you Chair. To my left is Paul Heithersay, the Chief Executive Officer of the Department for Energy and Mining. To my right is Mr Sam Crafter, the Chief Executive Officer of the Office of Hydrogen Power SA. To Paul Heithersay's left is Mr Will Pasten. Sitting behind me is Mr Vince Duffy, the Deputy Chief Executive of the department, alongside Amy Butler. Behind Mr Duffy is Ms Rebecca Knights, Executive Director, with Mr Nick Panagopoulos and Ben Zammit.

Rather than take up any more time of the committee, I defer to my friend, the shadow minister, to have as long as he likes to ask questions or make a statement.

Mr PATTERSON: No statement; we will just go straight into questions. I refer to Budget Paper 4, Volume 2, page 104, referring to the objectives about electricity prices. In July last year, South Australian households on the default market offer saw their power bills skyrocket up to 24 per cent. Now we have the next default market offer due to commence very shortly on 1 July, and thankfully it has prices moderating down to between \$63 and \$41 but still this means that households are paying between \$500 to \$670 more since the March 2022 state election. Those not on default market offers but still on contracts have experienced similar price rises. What is the government doing to help struggling South Australian working families reduce their power bills?

The Hon. A. KOUTSANTONIS: Again, I think whenever parliamentarians attempt to say they have complete control over a deregulated electricity market, it creates a level of anticipation that there is something that politicians can do to fundamentally alter the impacts of the market. What we are attempting to do is not make promises we cannot keep. A very famous case is the former Marshall government promising to reduce power prices by over \$300 and failing to do it, failing to get anywhere near it. In fact, for the entire time they were in office, power prices were higher than they were under the previous Weatherill government.

So I think first things first: let's set expectations. A jurisdiction of our size has limited ability to impact what we can do in terms of setting retail pricing. It is set by the Australian Energy Regulator—they did a default market offer—and prices are heading in the right direction. There are decreases on the way for South Australians. Is it enough? No. I agree it should be more. But I could have sat where the shadow minister is sitting and asked exactly the same question of former energy minister Mr van Holst Pellekaan. In his last year as energy minister power prices were higher than they were under the last year of the previous Weatherill government.

Ultimately, it is important to know what we are attempting to do which is to try to facilitate as much renewable energy as we possibly can into the system, which drives wholesale power prices down, which in turn drives retail prices down. The more that we have renewable energy in the system and the less firming that is required by gas peakers, the cheaper power will be. Of course, there is a lot of unpredictability about weather patterns across Australia which has meant that it is very, very hard to price that risk. We are doing what we can with getting more renewables built. There has been a flourish, a run, of renewable energy being built since we have been in office. I do note the renewable drought that occurred between 2018 and 2022; that might not be the fault of the previous government but it seemed to me that the development of renewable energy seemed to go a lot slower.

A lot of these factors are about weather, about gas prices. The gas price is often set, the firming price is set to long-term variable costs of energy. We are a government that promotes the extraction of gas to be used as firming, because we believe it can decarbonise and firm renewable energy to get more renewable energy into the system. I note the previous government banned the extraction of gas in some parts of the state and I also note AEMO's report this morning and yesterday about gas shortages across south-eastern Australia, so I will leave that to the shadow minister to ponder his previous decisions and his votes to ban gas extraction in some parts of the state where we are gas-rich, which could potentially have a dramatic impact on price. I exclude the member for Hammond from that criticism who was a supporter of the gas industry and was prepared to cross the floor to vote with the opposition to stop that. He is a man of principle.

I think the important thing to note here with prices is that the DMO is heading in the right direction, but the uncertainty that we are having with the culture/climate wars that are occurring in Canberra will have an impact on investment. In the car this morning on the way in, I listened to the national ABC. There were a number of national experts talking about the potential for this to degenerate into an investment strike for new generation because what has happened is that a potential incoming commonwealth government led by Mr Dutton could have a dramatic impact on investment, which would have an impact on prices.

This is not a fault of the opposition, but they are supporting it. The idea that private investment now will be forced to compete with state-owned, state-subsidised nuclear reactors will in turn mean a renewables strike in investment and a strike in investment in gas peakers. I think this policy has not been thought through and could have a devastating impact on prices over the next two decades.

The government's strategy is obviously to make sure that there is a reliable supply. We are building a 200-megawatt generator. We want to incentivise as much as we possibly can, through the Hydrogen and Renewable Energy Act, the development of new renewable projects, especially on Crown land, and that will garner more renewable energy, which will require less thermal capacity. The less thermal capacity is used, the lower prices will be.

Mr PATTERSON: Further to that default market offer, it showed the prices in the different cities throughout the country—Melbourne, Sydney, Brisbane, Adelaide. It showed that South Australian households are going to be paying more for the average electricity bill than those in Melbourne, those in Sydney and those in Brisbane. Previously, you as the minister have claimed it

is an east coast crisis. Why, then, if it is an east coast crisis, is South Australia having to pay the highest price for households on the default market offer?

The Hon. A. KOUTSANTONIS: The DMO decreases for South Australian residential customers were fairly consistent with the changes in New South Wales. There are three zones, varying between a 0.2 per cent to a 5.9 per cent reduction, while Queensland residential prices will increase by as much as 4.9 per cent. Victoria set their own default market offer, so they are not calculated by the Australian Energy Regulator, and they have an annual decrease.

I think what the shadow minister is doing is potentially inadvertently selectively quoting, selectively cherry-picking, prices. Prices are high across the entire country. They are unacceptably high across the entire country. I could extrapolate from that question, but I think it would be unfair on the shadow minister, that he thinks that the prices in New South Wales are acceptable. I do not think that they are; I think they are too high as well. But on average, South Australians have lower prices than those people in New South Wales. That is the advice I have. That is the advice the AER released, and I stand by that.

Like I said to the shadow minister, Australians have been seeing politicians, one after the other, promise price reductions in their power bills off benchmarks that are hard to measure, hard to understand, in a privatised market. Now, the shadow minister is supporting a policy that could create a massive investment risk, that could stop the private sector from investing in the electricity market ever again.

Mr PATTERSON: On the same budget line—

The Hon. A. KOUTSANTONIS: It is not a budget line: it is an overview.

Mr PATTERSON: Sure. It is a paragraph in the budget paper.

The CHAIR: Member for Morphett, for my benefit, which page are we looking at?

Mr PATTERSON: Page 104, on objectives.

The CHAIR: Which objective?

Mr PATTERSON: The first line of the first paragraph, talking about electricity prices. The most recent ESCOSA energy retail offer prices that come out every August showed that bills went up for the average South Australian household. That was up to June 2023. We will, of course, be waiting for that to come out again this August. What new plans does the minister and the department have in this budget to reduce the cost of power bills for South Australian families?

The Hon. A. KOUTSANTONIS: I think we are going around in circles. I have given the government's strategy. The government's strategy is to facilitate, as it is said in the objectives there, a \$20 billion pipeline of renewable energy in South Australia. I will just explain to the shadow minister and the parliament one more time how I think this will help decrease power prices. What is setting power prices in this country higher is not renewables, it is thermal capacity. That is what is setting the price, as well as massive government subsidy schemes and programs that are in New South Wales and Victoria, and indeed some parts of Queensland.

The more renewable energy you have, the more you overbuild for your demand, the less you will be required to use thermal energy, which will push prices down. It is pretty self-explanatory in the opening statement in the objectives, which is that by unlocking a \$20 billion pipeline of renewable energy grid, on grid or off grid, you are potentially able to offset your industrial use, or you can actually get more power into the system, because we have amazing coincident of sun and wind resources in this state which allow us to facilitate that renewable energy to be built.

I think the important thing here is to know that if you build more renewables and you are able to provide renewables more often to South Australians, as opposed to gas-fired power or coal-fired power from interstate, you will see prices drop dramatically. In autumn and spring in this state prices are very, very low during those periods and we have seen some of the largest reduction in wholesale power prices in the country in this state as a result of renewable energy. If that trend continues with more renewable energy being built, you will see power prices dropping.

What I think would cause an increase in power prices is creating some sort of investment strike by the private sector. The last time there was a merchant investment in thermal capacity in this state was by AGL for Barker Inlet in 2016. There was no investment in thermal capacity at all during the life of the Marshall government, and I will explain to the committee why. It was because they put all of their subsidies into the interconnection with New South Wales. That project has blown out by hundreds of millions of dollars, is delayed by years, and that created an investment strike in South Australia. So every time the government makes a decision to change the way market forces occur, there is an equal and opposite result. There was no new thermal capacity built in this state while my friend the shadow minister was in office and that was as a direct consequence of the government's policies.

My concern now is that the Dutton plan—because, let's face it, governments at a federal level change, governments always change in this country because we are a democracy. If there is a plan for a government capital subsidy to build nuclear power plants and then an operational subsidy to run them—because the costs of those prices will be prohibitively high they would need to be subsidised to make them even affordable for Australians to use—who is going to build any generation to compete with a commonwealth subsidy that they are not eligible for? The answer to that is no-one. There is a biblical phrase here I am thinking about: before you look at the speck in my eye, perhaps maybe the log in your own might be something to look at.

Mr PATTERSON: My eyes are quite clear, thank you, minister. If I could go to the same budget paper, page 107, the investing expenditure summary, we have the budget line there for the Hydrogen Jobs Plan.

The Hon. A. KOUTSANTONIS: Yes.

Mr PATTERSON: The estimated result for 2023-24 is \$126,232,000. Of that money, how much has been spent on the storage component?

The Hon. A. KOUTSANTONIS: We are still in the engineering and ECI phase of the procurement, so I cannot give you a breakdown on that, but I suspect I know where the shadow minister is going here, given the commentary on what he claims the cost of storage will be. We are getting accurate costs from the ECI process, from our consortium that has been awarded. There have been some early costs on, obviously, acquisition of land, prepayments for the turbines and, of course, a lot of that ECI work that we are doing to get to a position of design and construct. I cannot give you a breakdown on those numbers that you are asking for, so I apologise, but it is true that the government has plans to build storage, electrolysers and generation.

Mr PATTERSON: From that response you are saying, in terms of the storage component, there has been money spent on the design but no money spent even on a deposit or for any materials?

The Hon. A. KOUTSANTONIS: I cannot give you a breakdown. I will have to refer you to my previous answer.

Mr PATTERSON: Maybe if we go to the turbines, as you said, because you said you have spent some money on that. How much money has been spent on the turbines?

The Hon. A. KOUTSANTONIS: I think we have placed a preorder with General Electric to make sure that we are in the appropriate queue to be available by 2025. The government announced that they were the successful tenderer to provide the generator. I understand that the prepayment has been in the order of \$25 million, but I will double-check that and get back to you.

Mr PATTERSON: In terms of the electrolysers as well, of that \$126 million, has any money been spent on a preorder of electrolysers or a deposit?

The Hon. A. KOUTSANTONIS: Like I said, we are in an engineering stage now.

Mr PATTERSON: In the engineering stage for the electrolysers? So no preorder on the electrolysers?

The Hon. A. KOUTSANTONIS: Well, we have a consortium that are working with BOC Linde and ATCO going through the engineering phase and design phase with their supply partners.

As I said to you earlier, it is too hard for me to give you a breakdown of exactly how much we spent on the electrolyzers and the generation, and the breakdown of it, so I will try to go away and find out what that is.

Mr PATTERSON: So you will commit to coming back to the committee with that?

The Hon. A. KOUTSANTONIS: If I am able to, yes, but of course it might be difficult for me to do so. I am not trying to be difficult for the member—this is all going to be laid out anyway in future budgets—but I may not be able to do that in this number.

Mr PATTERSON: In terms of money spent on the connections to the transmission lines or any substations, how much money has been spent of that \$126 million on that?

The Hon. A. KOUTSANTONIS: We have spent some money on connections with ElectraNet and SA Power Networks. I do not have that breakdown here, but I can get that for you.

Mr PATTERSON: So when you say money is being spent, we have not been able to spend money to build the generators or electrolyzers, but you have spent money on the transmission. Is that to do with a substation? Or is it—because how can it connect? Where are transmission lines going into? Are they built and running into the site at the moment?

The Hon. A. KOUTSANTONIS: The site is next to the GFG site, I understand, and there is ample infrastructure nearby. But obviously, when we are building generators we are going to need to make sure that we have the appropriate connections in place. I will get you a breakdown of those.

Mr PATTERSON: Thank you. In terms of that \$126 million, how much money has been spent on water infrastructure or pipeline connections?

The Hon. A. KOUTSANTONIS: Again, I will come back to you with that.

Mr PATTERSON: In terms of that breakdown, if you can also break it down in terms of the design work as well. Are you able to break down the components of the design in terms of the money?

The Hon. A. KOUTSANTONIS: I will do what I can, but we are still in the procurement phase. This is going to be a difficult task for the agency, so we will do what we can.

Mr PATTERSON: I appreciate that, and thank you in advance to those who have to do the work on that. From what I am seeing, there is a lot of money being spent on the design. If we then move forward to the estimated spend for 2024-25, we have the budgeted amount there of \$388.8 million. You have an estimate there. How much of that is budgeted to be spent on the generators? You said you already have a deposit; how much would it then be for the final payment?

The Hon. A. KOUTSANTONIS: I am not going to announce the breakdown here in the parliament because we are in a procurement stage with the rest of the program. It would be inappropriate of me and could disadvantage the state. What we are saying is that we have \$388 million to be spent in 2024-25 on this project.

Mr PATTERSON: It just seems extraordinary that there is that much money and yet so little information that you can provide this committee.

The Hon. A. KOUTSANTONIS: It would be no different to any other infrastructure program: when you are in a procurement stage, our job is to protect the state's interests.

Mr PATTERSON: I am mindful of that. One way of protecting the state's interests is transparency so we know things are being done transparently.

The Hon. A. KOUTSANTONIS: I am trying to be transparent with you. If you would like me to do the procurement in public, where everyone bidding for any state project can see what everyone else is bidding, I think that would do us a great disservice. I am sorry, but some things need to be done in an appropriate way with the appropriate probity around it. It would be inappropriate for me to give you that breakdown here. But ultimately, to the member's point about transparency, the final numbers will be published—of course they will be. What we have given you is the number we are spending this year.

Mr PATTERSON: Since the initial costings we have had massive inflations: construction inflation, especially, and supply chain disruption. Is it still the department's cost estimate that the overall cost will be \$593 million?

The Hon. A. KOUTSANTONIS: That is the budgeted amount we have in the budget, \$593 million. Obviously, we are still in procurement so I cannot give you the answer to that, but the advice I have is that is something we have budgeted and that is what we are sticking to.

Mr PATTERSON: Have you been advised that it might change?

The Hon. A. KOUTSANTONIS: That it might change?

Mr PATTERSON: Yes, that it might be more than—

The Hon. A. KOUTSANTONIS: Other than from you? You are regularly advising me it is going to change. I am not sure where you are getting your information from. We want it to come in on budget.

Mr PATTERSON: Is there any contingency being put on this project for cost escalations?

The Hon. A. KOUTSANTONIS: Every project has contingencies.

Mr PATTERSON: What is the contingency for this project?

The Hon. A. KOUTSANTONIS: We do not announce our contingencies. Again, my interests are in protecting the state, and I would assume so are the opposition's.

Mr PATTERSON: Are you able to say if the contingency has changed since the first budget that was handed down—

The Hon. A. KOUTSANTONIS: That would be inappropriate while we are in a procurement.

Mr PATTERSON: I refer to the same budget paper, page 118, Office of Hydrogen Power SA. I am looking at the program summary. We have here the actuals for 2022-23. I just preface that by saying in the original budget measure that was announced in the 2022-23 budget, it budgeted \$2 million per annum for the Office of Hydrogen Power SA, and eight full-time staff. Last year's estimated result, the 2022-23 result, had expenditure blowing out above this to \$7.8 million and 23 FTEs, and now we find that what was reported to us and this parliament in June, of \$7.8 million—now the actual—has come out, and we have \$13.6 million as the actual. Why is there such a difference between last year's estimated result and the actual? What happened in that short time between the budget and 30 June?

The Hon. A. KOUTSANTONIS: You are including supplies and services as part of the FTE increase?

Mr PATTERSON: I am talking about the budgeted amount here, the dollar amount.

The Hon. A. KOUTSANTONIS: Within a program, as work is undertaken you spend it. It is no different from the north-south corridor or any other procurement project. Money can be brought forward and spent or money that is work that you plan to do that is not done is deferred to a following year. This is no different.

Mr PATTERSON: I think I have made the point that it is a massive change from the \$2 million that was budgeted for. If we look at last year's budget of 2023-24, it points out in these papers that expenditure will be \$6.8 million and 23 FTEs. That is what was budgeted. In fact, what we find is that expenses are now \$35 million and FTEs are 55. Why is there such a difference between last year's budget and the estimated result in terms of expenses?

The Hon. A. KOUTSANTONIS: If you look at the note beneath it, it states:

The increase in expenditure and revenue between the 2023-24 Estimated Results and the 2023-24 Budget is primarily due to—

wait for it—

the commencement of the Port Bonython Hydrogen Hub State-Commonwealth Agreement.

Commonwealth grants have come in, so we are spending more money.

Mr PATTERSON: So that is commonwealth. Where you see in the same budget government transfers of \$35 million, that is money to do with Port Bonython. In terms of Port Bonython, the project was based around funding for common user infrastructure at the hub, so what common user infrastructure has been decided on for the hub?

The Hon. A. KOUTSANTONIS: The \$28.5 million increase in operating expenditure from \$6.9 million to \$35.4 million is due to an increase of \$24 million on the commencement of the Port Bonython Hydrogen Hub state-commonwealth project. It has an operating budget of \$2.1 million—there was a MoG change transferring the Port Bonython Hydrogen Hub from DTF to the Office of Hydrogen Power SA—and \$2.4 million for the reprofiling of OHPSA's total expense budget to align with an increase in activity in promoting hydrogen production in South Australia, and there was a once-off establishment cost. Of course, the increase in operating revenue is due to matching funding from the commonwealth government, which is explained in the dot point under the table. I am not quite sure what the member is looking for.

The advice I have is that there have been a number of works on some marine studies about berthing at Port Bonython. There has been, obviously, a lot of survey work done and studies in conjunction with Santos about the delivery of and export of facilities off the jetty. There will need to be augmentations to that. Obviously, there have been some civil works—I imagine—and other associated works that go with it. I am happy to get you a more detailed breakdown on those.

Mr PATTERSON: That would be appreciated. So that would break down physical works, as opposed to design works, but for the common user infrastructure it was unclear in your answer, minister: is it jetty augmentation?

The Hon. A. KOUTSANTONIS: That is the most important piece of common user infrastructure down there. That jetty is one of the most important assets in the state.

Mr PATTERSON: There was \$37 million from DIT for that as well. So this is outside of what was provided from DIT?

The Hon. A. KOUTSANTONIS: You have to remember this: the DIT money was about restoring some of the dolphins on the jetty, a lot of repair work, replacement of steel, a lot of routine maintenance and infrastructure upgrades. That is separate. The work that we are doing here is about facilitating common user infrastructure to make sure that people who want to export off that jetty are able to do so without interrupting any petrochemical export. It is a complex piece of work.

Mr PATTERSON: Going forward, we have here that the budgeted amount for expenses is \$23 million. How much confidence do you have that next year when we have the budget handed down, those expenses will be that figure and not a similar blowout?

The Hon. A. KOUTSANTONIS: You have to be careful with your terminology here. I understand you are in opposition, but it is not a blowout, it is only an increase because we are doing works and we have matching commonwealth government funding. In terms of the one-year budget, you are categorising it a certain way; when you look at the overall budget, it has not exceeded that. So I do not think you can categorise it the way you have.

What we are doing is: as we are getting works done, the commonwealth government is giving us money and we are funding things and we are doing the works, and if the commonwealth government gives us extra money, that is reflected in the budget. So getting extra revenue in cannot be categorised as a blowout. That is just not right.

Mr PATTERSON: Can the minister outline how many of the 55 FTEs are working on the Port Bonython project and how many are working on the hydrogen plan?

The Hon. A. KOUTSANTONIS: My advice is that work is one team across all the projects.

Mr PATTERSON: So what you are saying, minister, in terms of this money—the \$140 million for the Port Bonython Hydrogen Hub for infrastructure—what we are seeing is a lot of it being used up in operational costs and design costs, so we are not actually getting the full \$140 million going into infrastructure?

The Hon. A. KOUTSANTONIS: No. With any piece of infrastructure, when you allocate capital—and this is true of the last budget the former government delivered—the money that you had allocated towards Port Bonython included money for studies. Not all of that money was going to be delivered in terms of infrastructure; it was always planned to do the studies. You just do not go out and build multi-user common user infrastructure without doing the design work and without doing the studies.

With marine berthing, we are talking about exporting ammonia and we are talking about cryogenic frozen hydrogen down to minus 253°: two very different types of shipping. From what you are telling me, we should hypothecate that \$140 million and do no studies on marine berthing—no studies.

Mr PATTERSON: No, I never said that so don't try and say that.

The Hon. A. KOUTSANTONIS: Okay, good. We are spending some money on studies, which is the appropriate thing you do in each and every infrastructure program—north-south corridor. There is money allocated towards the bidders who are doing the design work. We do not say the entire budget is just for construction. There has got to be an allocation within the entire budget for the appropriate design works. That happens in every infrastructure program, including the ones that the Marshall government delivered. I am not quite sure why there is that confusion.

Mr PATTERSON: The same program summary. In terms of the \$30 million spent on supplies and services, can you provide a breakdown of how much of that was spent on contractors and how much was spent on consultants?

The Hon. A. KOUTSANTONIS: That is all published in the annual reports, and I refer the opposition to those.

Mr PATTERSON: A detailed breakdown of each contractor—

The Hon. A. KOUTSANTONIS: Yes.

Mr PATTERSON: —and the services they provide?

The Hon. A. KOUTSANTONIS: Yes.

Mr PATTERSON: Similarly, what value of tenders commissioned by the Office of Hydrogen Power can you provide out of that figure?

The Hon. A. KOUTSANTONIS: Sorry, can you explain the question?

Mr PATTERSON: Of that figure, how much was related to paying for tenders, and what were the tenders?

The Hon. A. KOUTSANTONIS: What part was that?

Mr PATTERSON: Of the \$30 million in supplies and services.

The Hon. A. KOUTSANTONIS: In terms of paying the tenders, what do you mean? Do you mean in terms of the final successful tenderer, or do you mean the tender cost? What do you want?

Mr PATTERSON: The final successful tenderer.

The Hon. A. KOUTSANTONIS: For each and every tender? If those tenders are completed, we can provide them.

Mr PATTERSON: Thank you. If we go to page 117 of the same budget paper, in the highlights and the first dot point talking about awarding contracts. These are for early works contract involvement for the electrolyser. That was for BOC.

The Hon. A. KOUTSANTONIS: What are you asking?

Mr PATTERSON: Yes, just to confirm. I will say that and then, if it is not, you can correct me. Can you also specify what the value of that contract was?

The Hon. A. KOUTSANTONIS: We will not disclose the contract cost just yet because it is still in procurement for early contractor involvement. The early contractor involvement contracts were for ATCO, BOC Linde and Epic Energy.

Mr PATTERSON: Just to confirm, this contract for BOC did not involve a deposit or payment at this stage for the electrolyser?

The Hon. A. KOUTSANTONIS: I am not going to divulge the government's procurement tactics and estimates with our contractors.

Mr PATTERSON: Surely your contractor would know if you have placed an order with them or not. Have you at least placed an order for the electrolyser?

The Hon. A. KOUTSANTONIS: We are in early contractor involvement now. I am confident that we can get through the final procurement relatively quickly. I will report back to the house more generally about it once we have completed it. While we are in the ECI phase of this procurement, I think it is appropriate and responsible for government to do everything we can to protect the taxpayer.

Mr PATTERSON: What electrolyser models have been put forward as part of the early works?

The Hon. A. KOUTSANTONIS: The two we could have chosen were PEM or alkaline. The government's preferred option is alkaline.

Mr PATTERSON: When will the design associated with the early works be completed?

The Hon. A. KOUTSANTONIS: It is going to happen this year.

Mr PATTERSON: Have you a narrower time frame than this year?

The Hon. A. KOUTSANTONIS: I am not going to put an expectation while we are in early contractor involvement that could impact price.

Mr PATTERSON: There is talk at the same page around the early contractor involvement with ATCO Australia. Can you disclose what the value of this contract was, seeing you have placed on order?

The Hon. A. KOUTSANTONIS: Again, it is ECI so I am not going to be talking about contract values.

Mr PATTERSON: Who are you competing against? You are not going to award another ECI. You have said you have put your stake in the ground and said, 'We are going with ATCO,' so I am not quite sure how that does not allow you to talk about the price of that.

The Hon. A. KOUTSANTONIS: We are down to the final group. I do not want to lock in costs in public statements that I make while we are in procurement. I do not want contractors banking prices when they can move on. As far as I am concerned, until the procurement is finished, there is a potential for savings. I am not locking in prices just to satisfy a political inquiry. I am interested in protecting the state taxpayer.

Mr PATTERSON: Just on that, you have said to the committee you have paid a \$25 million deposit for the model. Which model of generator did you choose?

The Hon. A. KOUTSANTONIS: Aeroderivative. Like the ones you privatised that we owned, that you sold to two consortiums.

Mr PATTERSON: That now operate more than once every two years. You are not prepared to say what actual model it is?

The Hon. A. KOUTSANTONIS: I just told you: alkaline.

Mr PATTERSON: No, it is not. It is a generator.

The Hon. A. KOUTSANTONIS: The turbines?

Mr PATTERSON: Yes.

The Hon. A. KOUTSANTONIS: I told you: Aeroderivative, General Electric.

Mr PATTERSON: No, the actual model number. You have put an order in for it. What is the model number?

The Hon. A. KOUTSANTONIS: You want the model number?

Mr PATTERSON: Yes.

The Hon. A. KOUTSANTONIS: We can get you the model number. Do you want the colour?

Mr PATTERSON: If you have that available.

The Hon. A. KOUTSANTONIS: Okay. I will get you the colour. What colour would you prefer? Silver or red?

The CHAIR: Order! We are getting off the track a bit here.

Mr PATTERSON: We know what the deposit is. Can you tell us what the value of the contract is for electrolyzers because presumably you have made an order for them so you know what the full price is going into that order.

The Hon. A. KOUTSANTONIS: I think I have given you my answer on this. We are just going around in circles.

Mr PATTERSON: Will the Auditor-General have access to this to go through it?

The Hon. A. KOUTSANTONIS: The Auditor-General has access to all government contracts on my understanding.

The Hon. D.G. PISONI: Not cabinet documents.

The Hon. A. KOUTSANTONIS: Of course he does not get cabinet documents. Why would he?

The CHAIR: Order! Questions!

The Hon. A. KOUTSANTONIS: Why would the Auditor-General have access to cabinet documents?

The Hon. D.G. PISONI: They had ours, they had access to ours if he wanted them.

Members interjecting:

The CHAIR: Order!

The Hon. A. KOUTSANTONIS: If the opposition is making a commitment to have their cabinet meetings held and open once they are elected, that's a courageous move.

The Hon. D.G. PISONI: We practised handing over cabinet documents to the Auditor-General—but you say no.

The CHAIR: Member for Unley!

Members interjecting:

The CHAIR: Members on my right, I don't need your assistance, thank you. Not at this point in time, anyway.

The Hon. A. KOUTSANTONIS: I will get you the model number and the colour.

Mr PATTERSON: I really care about the model number. In terms of the storage, that is with Epic Energy. I know you are reluctant to give the value of the contract, but have you made a decision on which option you are going to use at the site?

The Hon. A. KOUTSANTONIS: We are still in the competitive process for storage so I am not going to be adding any more details to that.

Mr PATTERSON: But at this stage you have not made any prepayment or deposit for the storage component of the plan?

The Hon. A. KOUTSANTONIS: Other than, I imagine, tender costs. We are involved in early engineering and contractor involvement. We are progressing with works to get up to a design standard where we can make then a choice between proponents and make an understanding at the best possible price, so I am not going to jeopardise that process.

Mr PATTERSON: In terms of the contracts, has the government signed any co-ownership agreements with BOC in relation to the electrolyzers?

The Hon. A. KOUTSANTONIS: We will be ultimately the owners of the electrolyzers once they are built. We are in—

Mr PATTERSON: I said 'co-ownership'.

The Hon. A. KOUTSANTONIS: Sorry?

Mr PATTERSON: Co-ownership.

The Hon. A. KOUTSANTONIS: Co-ownership?

Mr PATTERSON: Yes.

The Hon. A. KOUTSANTONIS: What do you mean?

Mr PATTERSON: Have you signed co-ownership between the government and BOC Linde?

The Hon. A. KOUTSANTONIS: Co-ownership?

Mr PATTERSON: Yes, for the electrolyzers.

The Hon. A. KOUTSANTONIS: Not to my knowledge, no.

Mr PATTERSON: Have you signed any co-ownership agreements with ATCO Australia in relation to the turbines?

The Hon. A. KOUTSANTONIS: The turbines?

Mr PATTERSON: Yes.

The Hon. A. KOUTSANTONIS: Not that I am aware of, no. We will own the turbines.

Mr PATTERSON: Have you signed any co-ownership agreements with Epic Energy in relation to the storage?

The Hon. A. KOUTSANTONIS: We are in a procurement process for that, so I am not going to comment any further on the procurement process for the storage.

Mr PATTERSON: Has any money from the Port Bonython Hydrogen Hub been put towards the storage component?

The Hon. A. KOUTSANTONIS: No.

Mr PATTERSON: In terms of statements out, AEMO put out a statement of opportunities report that looked at reliability forecasts and stating they had not included the hydrogen power station being in operation until 2026-27. Will the plant be operational by December 2025, as promised before the election?

The Hon. A. KOUTSANTONIS: My advice is that what AEMO do is they are very conservative with their forecasts and they always allow time for slippage. It is my anticipated view that the generation will be available for the period of 2025-26.

Mr PATTERSON: When will construction of the plant start?

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

Mr PATTERSON: You said that you have not signed the contracts, they will be some stage this year, but will construction commence before any contracts are signed?

The Hon. A. KOUTSANTONIS: There will be early civil works, of course.

Mr PATTERSON: At that stage, to do early civil works, you would have made a decision around what the electrolyser will be, what the turbines will be, so why would you not have signed the contract before doing early civil works?

The Hon. A. KOUTSANTONIS: Because it is our site, we will own it and we are entitled to do civil works in preparation. For the same reason on any other procurement project, we can anticipate works in advance.

Mr PATTERSON: What circumstances would delay the plant starting?

The Hon. A. KOUTSANTONIS: The scenarios that might see a delay are any EPBC referrals that could delay the project, any shipping issues in terms of transport to get materials here, any engineering issues or design issues could cause delay, any international unforeseen occurrences could cause delay. I think there have been very good preparatory works done by the department to try to make sure we get a good line of sight with EPBC, and we are doing our work there to get our approvals. We have self-referred. That takes a process; that is completely out of our hands.

Ultimately, these projects, when they are built, if something occurs while the generator is being built in the United States in Ohio that could cause an issue. They could paint it a colour you do not like and we would have to get it resprayed; that could cost some time. But generally, they are the same sorts of issues that could occur at any type of project that is relying on imports. There are shipping delays, there are component delays that could occur. Whether these things pop up or not, you try to manage them, which is why you have a consortium.

Mr PATTERSON: Have there been any delays in the design and engineering to date?

The Hon. A. KOUTSANTONIS: I would not characterise them as delays rather than prudent questioning by government and contractors, the normal to-and-fro of what you would do. I am convinced that the generators will be here and we will have an operational plant in 2025-26 of a functional generation capacity. If there is a delay, I will have to come back to the house and tell you that, but we are still in procurement, so I cannot tell you there is going to be a delay.

Mr PATTERSON: Has the government started the process of getting the generators commissioned by AEMO?

The Hon. A. KOUTSANTONIS: I am confident we can meet all those expectations. It is a well-worn path. AEMO are very keen to see our generator operational in the appropriate time given the interconnector's massive blowout and delay and its cause of shutting Torrens Island earlier. The previous government has left us saddled with potential shortfalls of generation, so our 200-megawatt generator now is, I think, essential for system security.

Mr PATTERSON: What measures are you taking in relation to environmental considerations? You talked about going to the EPBC Act. Are there any state environmental considerations?

The Hon. A. KOUTSANTONIS: We have met all of the state environmental considerations. We have an obligation to, obviously. We will meet all the federal ones as well, but ultimately that is a regulatory process that is out of our hands.

Mr PATTERSON: In terms of offtake, what plans does the office have for hydrogen offtake from the power station?

The Hon. A. KOUTSANTONIS: Hydrogen offtake from the power station? Well, the state prosperity plan. I am glad the member has asked because, if he has seen the prosperity plan, what we are attempting to do is—stay with me here for a moment. We chose Whyalla for this facility because of the magnetite resources that are alongside it. The generator and the magnetite and Whyalla are key. For me, I think ultimately hydrogen's biggest benefit to the state will not just be about a form of storage of renewable energy but it will be the beneficiation of ore into green iron, which we can then export or use here.

They are the offtakes that we are seeking to advance, whether it is with GFG. Yesterday, the government launched its expression of interest for green steel and green iron in South Australia. We

are going out globally and saying, 'If you want to build a direct iron reduction facility in South Australia, what are the gaps? What is it you need?' The government is putting in an electrolyser. The government is undertaking a feasibility study on Northern Water. The government has a permissive regime on mining for magnetite and other resources.

We have collapsed all of our approvals processes for the Hydrogen and Renewable Energy Act, six acts into one, to try to stimulate renewable energy generation being built. We are slowly and systematically and sequentially getting everything lined up for green iron. So the offtake opportunity for us is initially going to be the generator, but ultimately what we see as the big benefit for the state is the beneficiation of our own raw materials here, like magnetite, to green iron, because we want to go up the value chain.

I would encourage the opposition to consider this as a bipartisan policy because this will take generations, and decades. There was a very good decision made by the Tonkin government to insist that BHP smelt their copper here. That was an excellent decision taken by that government. It was also one that was essential given the uranium requirements that are in the ore there but, ultimately, BHP smelting copper is good for our state because it adds complexity to our state, and, of course, that is now why we want that second stage smelter built at Roxby Downs.

What we want to do now is lock in that value-add in Whyalla and Port Pirie, where we have another smelter, to make sure that we can decarbonise that value-add and use our own raw materials. So that is the offtake plan that we have in the Upper Spencer Gulf.

Mr PATTERSON: When does the minister envisage these offtake agreements being signed?

The Hon. A. KOUTSANTONIS: I cannot give you a time frame, but I am hoping relatively quickly once the electrolyzers are operational, but of course the problem we have now—

Mr PATTERSON: So you are talking 2025, 2030, 2035?

The Hon. A. KOUTSANTONIS: I cannot give you a time frame, but one of the things that has concerned me, and you talked about delays earlier, is Mr Sanjeev Gupta's delay on his electric arc furnace to 2027, which has caused a lot of concern in Whyalla, and within the government and nationally as well. Obviously, an electric arc furnace and a DRI plant would be ideal for offtake arrangements, and the longer he takes the longer it will be for these offtake arrangements.

Mr PATTERSON: Have you modelled a percentage of hydrogen produced by the electrolyser anticipated for offtake?

The Hon. A. KOUTSANTONIS: We have done a lot of modelling, and I am not prepared to release that yet.

Mr PATTERSON: Is there at least a minimum hydrogen offtake volume that you would consider?

The Hon. A. KOUTSANTONIS: Well the minimum offtake is going to be from the generator.

Mr PATTERSON: Is there a minimum amount of hydrogen volume that is going to be set aside for the generator to use?

The Hon. A. KOUTSANTONIS: I will get back to you on that, but, yes, ultimately there will need to be, to operate the generator. If your point is: will there be sufficient capacity for other offtakes, we believe that there can be.

Mr PATTERSON: Talking to the plan, so at this stage will the plan have 250 megawatts of electrolyser? Is that still the intention of the design?

The Hon. A. KOUTSANTONIS: That is the intention of the government, yes.

Mr PATTERSON: Is it still the intention that the cost of that would be \$220 million?

The Hon. A. KOUTSANTONIS: Yes, that is what we have budgeted.

Mr PATTERSON: What will be the capacity factor on a yearly basis for these electrolyzers?

The Hon. A. KOUTSANTONIS: That will depend on the capacity factor of the generator and depend on conditions that we get in the market for purchasing electricity.

Mr PATTERSON: Okay. We will get to that generator. Will the hydrogen plan have 200 megawatts of generation capacity?

The Hon. A. KOUTSANTONIS: Yes.

Mr PATTERSON: Will the turbines be combined cycle turbines?

The Hon. A. KOUTSANTONIS: No, they are aeroderivative, as I said earlier.

Mr PATTERSON: Why has the government walked away from its commitment to combined cycle turbines?

The Hon. A. KOUTSANTONIS: We did a tender process. We are getting our 200 megawatts, and the technology improvement that we got from General Electric made the case compelling.

Mr PATTERSON: Now, of course, combined cycle turbines are more efficient than open cycle turbines, so why would you have chosen open cycle?

The Hon. A. KOUTSANTONIS: We worked through a procurement process and found that it would be advantageous for us to have aeroderivative generators.

Mr PATTERSON: Will those turbines cost \$342 million as budgeted?

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

Mr PATTERSON: Is that the reason that you chose open cycle turbines over combined cycle, because the open cycles were cheaper—and so you couldn't meet your election commitment of combined cycle in the budget?

The Hon. A. KOUTSANTONIS: No, we want to have the ability to run these things on dual fuel. These things can run on gas and 100 per cent hydrogen. An aeroderivative would be the best way for us to respond as a peaking generator into the market quickly.

Mr PATTERSON: Talking of that, there is a provision for hydrocarbon supply into the plant, so are you looking at running them on gas as well?

The Hon. A. KOUTSANTONIS: No, we want to run them on hydrogen but they will be able to run on gas. It is the same way with the backup generators that we bought. They can run on natural gas or they can run on diesel. These things can run on natural gas or they can run on hydrogen.

Mr PATTERSON: Previously, you have said to the committee that you are only using the hydrocarbon to start the turbines. Now you are saying, 'Actually, we're looking at using them—'

The Hon. A. KOUTSANTONIS: No, you are saying that.

Mr PATTERSON: That is what you said to this committee last time. You said the hydrocarbon will only be used just to start the turbine and then after that it is 100 per cent hydrogen.

The Hon. A. KOUTSANTONIS: You are misinterpreting what I said. I said to you that these generators will have the capacity to run on both fuels. It is our intent to run it on hydrogen.

Mr PATTERSON: Okay, so we will talk about that capacity factor. What will be the capacity factor of these generators?

The Hon. A. KOUTSANTONIS: That will depend on conditions.

Mr PATTERSON: Surely you have an envisaged range?

The Hon. A. KOUTSANTONIS: They can run at 100 per cent or they can run at 20 per cent or they can run at 2 per cent. It is an operational decision. It is not something you plug in at the beginning.

Mr PATTERSON: We were talking about running on natural gas or hydrogen. Are they going to be running on 100 per cent hydrogen? Are they going to be running on a blend of gas and hydrogen?

The Hon. A. KOUTSANTONIS: They can do either. This is the beauty of what General Electric have been able to do, and this is why we are so keen on what General Electric are doing. We are able to showcase that these things can be 100 per cent renewable, run on zero emissions, which is what we are attempting to do. The benefit of that means that other kit that is in the field now could be potentially augmented to run either on blends or on hydrogen, which will mean that rather than having to rebuild infrastructure and rebuild kit—rebuild transmission lines, rebuild pipelines—you could have gas-fired turbines around the country operating on blends of hydrogen from decarbonising or going to complete hydrogen. That is why we want to showcase that our generator can operate on 100 per cent hydrogen and make a virtue of it, despite you calling it experimental.

Mr PATTERSON: Is it your intention to run on 100 per cent hydrogen all the time, not just as a showcase?

The Hon. A. KOUTSANTONIS: That is our intention, yes.

Mr PATTERSON: In terms of storage, is it still your intention for 3,600 tonnes of hydrogen storage?

The Hon. A. KOUTSANTONIS: We will try to optimise as much storage as we possibly can.

Mr PATTERSON: The tender put out was for 100 tonnes. Is that—

The Hon. A. KOUTSANTONIS: We will optimise as much as we possibly can.

Mr PATTERSON: Will the solution have at least 100 tonnes of storage, as claimed?

The Hon. A. KOUTSANTONIS: We are still in early contractor involvement and we are still doing the engineering and we are still out to procurement, so it would be inappropriate for me to make these broad statements.

Mr PATTERSON: That was what you promised. The election commitment was to have that storage. You have changed it and now you are looking to change it again.

The Hon. A. KOUTSANTONIS: What we have said we are going to do is we are going to have a form of storage, we are going to have a generator, and we are going to have electrolyzers. We aim for them to be certain sizes. We are doing all that, and we are trying to get it done. We are out to procurement now. We are doing it; we are out there. This is not something that is a concept.

Mr PATTERSON: Will the storage be liquefied, the hydrogen?

The Hon. A. KOUTSANTONIS: That will depend on the procurement process.

Mr PATTERSON: So you are still aiming to have liquefied hydrogen now? Previously you have said that it is not going to be, so that is back in the mix, is it?

The Hon. A. KOUTSANTONIS: We might get a better solution some other way. Why wouldn't we accept that?

Mr PATTERSON: Are the early contractor works working on that at the moment?

The Hon. A. KOUTSANTONIS: They are working on delivering their tender outcomes.

Mr PATTERSON: Are you able to at least advise how many hours of storage of hydrogen there will be at the site?

The Hon. A. KOUTSANTONIS: That will depend on the operation and the capacity factor you operate at.

Mr PATTERSON: So we have spent \$126 million this year and we are still really none the wiser about what is going on?

The Hon. A. KOUTSANTONIS: No, you are getting a generator, electrolyzers and storage, and you are getting a renewable plant built at Whyalla that will facilitate for us the ability to

decarbonise steel and decarbonise power production and soak up renewable energy in the middle of the day—when your plan was simply just to turn it off.

Mr PATTERSON: You said before you were considering either pipes or storage. In regard to the option of pipes, where are those pipes modelled to go?

The Hon. A. KOUTSANTONIS: In and around the facility.

Mr PATTERSON: Are they going to be connected to any other third parties?

The Hon. A. KOUTSANTONIS: Well, we will wait to see how the procurement goes. There is the potential for uptakes, there is the potential for others who want to get access to this; it is a valuable commodity. We will optimise the ability of the government to maximise its operational revenue—of course we will.

Mr PATTERSON: I refer to page 117, dot point 6, talking about the State Prosperity Project, which you have alluded to in some way, so I do not want to go over that old ground, but what are the timelines involved around the expansion of Olympic Dam?

The Hon. A. KOUTSANTONIS: Olympic Dam—that is a matter for BHP. Ultimately, what we want them to do is we want them to start the decline at Oak Dam, we want them to ultimately purchase a second-stage smelter for Olympic Dam and we would like them to obviously increase their operations dramatically at Olympic Dam. That is why they spent \$10 billion on purchasing Oz Minerals. That purchase gives them the ability to create a province. Oak Dam is going to be one of the great discoveries in South Australia, and so those timelines for BHP are their own but we are trying to work to make it as hard as possible for them not to press the button.

Mr PATTERSON: I was going to ask about Oak Dam separately, but you have brought that in together. So Oak Dam, at the moment, they are doing exploration on that. Can you give us some idea about timelines? I know it is for BHP, but the media commentary has been around 2030. Is that feasible?

The Hon. A. KOUTSANTONIS: Edgar Basto said at a Committee for Adelaide event that he would like to have Oak Dam potentially operational by 2030. That would be record-breaking. We are willing, ready and prepared to go through a very, very good regulatory process to make sure we can do what we can to improve that but, again, it depends on them. The encouraging thing for me is that they are very keen on starting the decline.

Along with the Premier, the Treasurer, the education minister and the Deputy Premier, I was able to visit the site at Oak Dam where their exploration was going, and actually drove past where the decline would begin for Oak Dam. So they are in that process now. It is hard for me to give you a time frame on what they are claiming they are going to do. 2030 seems really, really fast—that is six years away—but if there is a company that can do it, it is them; if there is a company that can let you down, it is them.

Mr PATTERSON: You talk about the opportunities of the expansion of Oak Dam. Would that be before 2030 or is that also after Oak Dam?

The Hon. A. KOUTSANTONIS: It would not be an expansion, it would be the beginning of mining.

Mr PATTERSON: Did I say Oak Dam? Sorry, I meant Olympic Dam when I said that. My apologies. So with Olympic Dam and the opportunities there, could that precede Oak Dam?

The Hon. A. KOUTSANTONIS: Yes, that is the advice I have. The advice I have is that we would like to see the expansion beginning now, as quickly as possible.

Mr PATTERSON: Is that expansion dependent on water? Can these projects go ahead without the Northern Water project?

The Hon. A. KOUTSANTONIS: They do have water coming out of the Great Artesian Basin and they have their own reverse osmosis facility in place there, but ultimately they are going to need more water, and they are going to need more water quickly. We recently had a MoG change, where

Northern Water was brought into my office as an attached office to the Department for Infrastructure and Transport, and I am very keen to try to get that first stage done as quickly as possible.

But, ultimately, we are walking a tightrope here, because we have to build it and make sure that the capital costs are not so high that it requires an operational subsidy, and that the water is affordable for BHP to actually use and maintain, with some redundancy in place, depending on copper prices and how they move—that they can actually produce copper at a competitive rate out of Australia. So it is a very, very challenging task.

Mr PATTERSON: In terms of the goals of the state plan that you have put in place it says it can add a significant amount to the gross state product, upwards towards \$5 billion and support about 4,000 full-time jobs. How much of that \$5 billion is based upon these terrific opportunities at Olympic Dam and Oak Dam?

The Hon. A. KOUTSANTONIS: I think a large part of it is, but also the opportunity for green iron. There are two major streams here, there is copper and there is iron, and ultimately I would like to see our gross state product grow more than just the \$5 billion from this State Prosperity Plan, because in my recent visit with Danieli their view was that the Middleback Ranges could host five 2½ million tonne per annum DRI plants. That is a lot of processing of ore into a beneficiated product, which is lots of jobs, which would add a lot to gross state product. There is plenty of capacity there for it. Like I said, we have done that sequentially: the Hydrogen and Renewable Energy Act, Northern Water, the electrolyser, getting hydrogen there; the Prosperity Plan and the EOI. This is all about a sequential approach to developing a beneficiation model for our ores.

Exporting ore gives you a good standard of living—I am not opposed to it, I think it is a good idea. If you can add value to it in your own state you can actually create a lot more jobs. So I actually think the Prosperity Plan is the type of plan that the state has been waiting for. It is a plan that a lot of people in Adelaide might not be able to ever see, but the truth is the wealth it could create for the state in the Upper Spencer Gulf could be dramatic and it could be a boom for regional South Australia, the Eyre Peninsula, the Upper Spencer Gulf and the Mid North.

Unlocking the Gawler Craton has always been an aspiration of mine and the former Rann government, the Weatherill government and now the Malinauskas government. We believe copper and our copper production is linked to our future prosperity and we have got to do everything we can to try to unlock it. That is why we started the plan to seal the Strzelecki Track, that is why we started the plan to put roads in the Upper Mid North, that is why we encouraged OZ Minerals to move their headquarters here to Adelaide, despite criticism by former Premier Marshall for doing so. Those plans were all about getting more copper investment, more exploration in South Australia. That is why in my last year as Treasurer I spent over \$20 million in aeromagnetic surveys over the Gawler Craton, which found anomalies like Oak Dam. We want to open up South Australia for more mining. We think mining is a good part of good diversified industry for our state, and I know members, some members, support it.

Mr PATTERSON: Getting back to the crux of the question: how much of that \$5 billion at the moment is based upon Olympic Dam and Oak Dam?

The Hon. A. KOUTSANTONIS: I think I have answered that, haven't I?

Mr PATTERSON: You haven't. Is it 80 per cent, 90 per cent, 50 per cent?

The Hon. A. KOUTSANTONIS: I think I have answered your question.

Mr PATTERSON: If we go to Budget Measures Statement, Volume 5, page 28, it has got there 'Whyalla Steelworks transformation'.

The Hon. A. KOUTSANTONIS: Yes.

Mr PATTERSON: We are in the process—obviously Whyalla has been through a lot of challenges the last few months with the steelworks there and it seems like they have overcome one of the hurdles in terms of that furnace. So this money that is allocated here, \$800,000 in 2023-24, \$800,000 in 2024-25, is that mostly to help out with getting the steelworks back online, or is this for a separate project?

The Hon. A. KOUTSANTONIS: It is the Steel Task Force. The Steel Task Force was established by me, I think in 2015. As you will see at the dot point below, we are putting more money into it. It is case management. It is understanding exactly what is occurring at the steelworks and trying to offer expertise. It will inform the government. A lot of it will be consultancies and advisory services; we are not experts in blast furnace technology.

We have a \$50 million fund that we put into contingency when I was Treasurer. That money is sitting there. Obviously, if GFG want to expend that money, we are going to need to get some advice about its effect and its impact, so this is about making sure the Steel Task Force has the resources it needs to manage that transformation.

Mr PATTERSON: It would be fair to say that with the challenges that Whyalla is going through at the moment with the furnace, a lot of the focus is on that, so maybe if you can give an update on the proposed electric arc furnace that was meant to be there and also the direct reduction iron plant?

The Hon. A. KOUTSANTONIS: Sure. That is not mentioned in the budget papers but I think it is important that the committee be made aware of it. I think it is a good question by the shadow minister and I know he has a concern about this as well. The blast furnace will not go through a reline again, so this is the last blast furnace that will service Whyalla. It needs to get back up to temperature. We need to get it producing steel again. Families in Whyalla are hurting through the loss of work and shiftwork, and it is causing a lot of disruption in Whyalla.

The electric arc furnace, through the big reveal—one of the many big reveals that Mr Gupta has given South Australians and Australians—was meant to be in place by 2025. That electric arc furnace costs about \$80 million, with an associated infrastructure taking the total to \$250 million for an electric arc furnace, in today's money. That, obviously, will escalate as time goes on.

As time goes on, Mr Gupta has now said that he is planning 2027 for an electric arc furnace. I look forward to that investment by Mr Gupta. The state government stands ready to assist him, as does the commonwealth government. The commonwealth government has allocated over \$62½ million, I think, or \$63 million, around that. We have \$50 million. That is \$112 million of taxpayer money that we are prepared to put into the steelworks to get this thing producing steel long-term.

The problem with an electric arc furnace is that it requires to operate on scrap, and there is insufficient scrap steel in this state to operate at a million tonnes per annum or 2½ million tonnes per annum. You would need to have more scrap, so that would require some—

Mr PATTERSON: That is a big range—not to cut you off. So is it one million or 2½ million?

The Hon. A. KOUTSANTONIS: The electric arc furnace?

Mr PATTERSON: Yes.

The Hon. A. KOUTSANTONIS: That is a matter for Mr Gupta. I am hoping for a 2½ million tonne electric arc furnace; he might build a million tonne electric arc furnace. I would have thought it would be cost-effective to do a 2½ million tonne electric arc furnace, for which Danieli are renowned for their technology. The state government's policy has always been—from the very beginning, from the receivership of Arrium—that the virgin ore must be linked at all stages to the steelworks. We can never allow that separation. That is critical for us, to make sure that the magnetite mines and the hematite mines that are in the Middleback Ranges are linked always to the steelworks. We do not want them separated at any time.

For an electric arc furnace, we want to see a DRI plant built as well. A DRI plant is a much bigger expense: it is close to over a billion dollars, I understand, a DRI plant. There would need to be works done at the mines as well, for brand-new pellet plants. They are a considerable investment. My understanding is that the GFG operations in Australia are the most profitable and the jewel in the crown of his operations globally. From what I can tell, from reading their annual reports and what we see, there are sufficient funds within that operation to begin this transformation.

I think we are all sick of the big reveals and I think it is time now we started seeing some action. I think that is what this government and the Prime Minister are very keen to see. We are keen to see some action and we are keen to see some investment. The DRI plant is about, obviously,

direct reduction iron, which I think is the holy grail. That is exactly what we want. We want direct reduction iron occurring in South Australia, using either hydrogen or natural gas. Obviously, there are shortages of gas at Whyalla. The lateral is at capacity, so that, potentially, could need upgrade. There are lots of moving parts here to sustain the long-term operation. I can see the member for Unley eager to read out the questions on notice.

Mr PATTERSON: The omnibus questions? You are okay; you are off the hook.

The Hon. A. KOUTSANTONIS: We are okay?

Mr PATTERSON: We will do it another time, because this is very important for the state. I think we need to spend the last minutes on this. You said that the government has put up \$50 million. Is that the extent of it, or is there a possibility that you will have to provide more? That seems like a lot of money to get the whole electric arc furnace DRI in place.

The Hon. A. KOUTSANTONIS: The electric arc furnace is \$80 million, the associated crane works and infrastructure around it take it to a total cost of \$250 million. These are public figures. I have not seen any actual tender figures that GFG have conducted on this, so they could potentially get a better price; I do not know. If you think about it, the state government has put up \$50 million and the commonwealth government have put up \$63 million. That is nearly half the total cost for an upgrade of an electric arc furnace.

Mr PATTERSON: Are you putting that up on completion or before?

The Hon. A. KOUTSANTONIS: Yes, of course.

Mr PATTERSON: So, it has to be completed?

The Hon. A. KOUTSANTONIS: Yes.

Mr PATTERSON: Will the governments provide the guarantee to allow GFG to raise capital or loan funds to purchase the electric arc furnace or the direct reduction iron?

The Hon. A. KOUTSANTONIS: He has made no such request.

Mr PATTERSON: Good to see. In terms of the electric arc furnace, you have been over to Italy. The promise now is for it to be operational by 2027. What evidence do you have that that is going to be the case and that we are not going to be faced with further delays in the future?

The Hon. A. KOUTSANTONIS: I have a press release from Mr Gupta.

Mr PATTERSON: We know in that press release he advised one of the reasons was because hydrogen will not be available before 2027. I am just trying to work it through. You have the electric arc furnace that relies on scrap steel. Can that operate in the absence of a DRI plant?

The Hon. A. KOUTSANTONIS: Yes.

Mr PATTERSON: Without using scrap steel only, or can it only operate if there is scrap steel?

The Hon. A. KOUTSANTONIS: If you read Mr Gupta's press release, they claim the cause for the delay is that they have changed their model to a hybrid model of DRI, virgin ore and scrap. Their conclusion is that the delays have been caused by a lack of availability of scrap so, therefore, they need a hybrid option, and the hybrid option is virgin ore, DRI and an electric arc furnace.

Mr PATTERSON: In terms of the cost you outlined to the committee, would that potentially cost more? It sounds like it is more advanced.

The Hon. A. KOUTSANTONIS: That would cost a lot more, yes.

Mr PATTERSON: But that would then allow the opportunity to use the ore that is currently used in the process without DRI.

The Hon. A. KOUTSANTONIS: That is right.

Mr PATTERSON: Have you been provided with an update or has the department been advised when an expected DRI plant would come online at Whyalla?

The Hon. A. KOUTSANTONIS: That was 2027 in the press release that Mr Gupta released.

Mr PATTERSON: Is there any indication around this DRI plant that the process will run on natural gas or hydrogen? Were there any indications around that as well?

The Hon. A. KOUTSANTONIS: The beauty of the Danieli facilities is that they can operate on both. Using traditional coking coal to beneficiate iron, you will get, with every tonne of steel, two tonnes of carbon. If you use natural gas, you can drop that to about 400 kilograms of carbon, so a dramatic reduction, down to 0.4. If you use hydrogen, you get that right down to zero. So, two tonnes, 2,000 kilograms, down to 400 kilograms of carbon for every 1,000 kilograms of steel is still a dramatic reduction in carbon. Then, you can either blend hydrogen, or use hydrogen, which can get your numbers right down as well.

The CHAIR: Have you finished your answer, minister?

The Hon. A. KOUTSANTONIS: Yes.

The CHAIR: The allotted time having expired, I declare the examination of the Department for Energy and Mining and the Office of Hydrogen Power SA complete. The examination of the proposed payments for the Office of Hydrogen Power are now complete. The examination of the proposed payments for the Department for Energy and Mining are adjourned until Monday 24 June. I thank the minister and his advisers for their contribution, and I also thank the member for Morphet for his questions.

Sitting suspended from 10:31 to 10:45.

DEPARTMENT FOR INFRASTRUCTURE AND TRANSPORT, \$1,167,341,000
ADMINISTERED ITEMS FOR THE DEPARTMENT FOR INFRASTRUCTURE AND
TRANSPORT, \$7,946,000

Membership:

Hon. V.A. Tarzia substituted for Hon. D.G. Pisoni.

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.

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

Mr G. Jackson, Executive Director, People and Corporate Services, Department for Infrastructure and Transport.

Mr W. Buckerfield, Executive Director, North-South Corridor Program, Department for Infrastructure and Transport.

Mr S. Morony, Executive Director, Infrastructure Delivery, Department for Infrastructure and Transport.

Mr B. Seidel, Director, Financial and Procurement Services, People and Corporate Services, Department for Infrastructure and Transport.

The CHAIR: The new lines are the portfolios of Infrastructure Planning and Management, and Roads and Marine. The minister appearing is the Minister for Infrastructure and Transport and minister for regional roads. I declare the proposed payments open for examination. I just advise committee members that the current ratings are up by 30 per cent on yesterday and we are almost doubling committee B. Minister, you have a standard to maintain now.

I now invite the minister to make some introductory remarks up to 10 minutes, if he wishes to, or introduce his advisers. Then I will call on the lead speaker for the opposition, which I assume is the member for Hartley, to make some comments, if he wishes to, or go straight into questions. Minister.

The Hon. A. KOUTSANTONIS: Thank you sir. I will, of course, adhere to my usual gold-class standards. To my left is Jon Whelan, the Chief Executive of the Department for Infrastructure and Transport. Behind me is Mr Andrew Excell, wearing a tie today, who is the Executive Director of Transport Strategy and Planning. Alongside him is Graeme Jackson, Executive Director, People and Corporate Services.

Behind Andrew Excell, not wearing a tie, is Wayne Buckerfield. It is actually his last estimates after a very long and distinguished career in the public sector. He is in charge of the north-south corridor program. Alongside Mr Buckerfield is Simon Morony, Executive Director of Infrastructure Delivery, who is a world-class provider of on-time and on-budget projects. Behind him is Ben Seidel, Director, Financial and Procurement Services.

I give all my time to my young friend to ask as many questions as his little heart desires.

The CHAIR: Member for Hartley, the floor is yours.

The Hon. V.A. TARZIA: Thank you Chair, thank you minister, and thank you Mr Whelan and your team for coming today. We will get on with it. I will kick off this morning and then I will hand over to Mr Pederick at about 11:25 to move to some regional-specific questions.

We will start with Budget Paper 4, Volume 3, page 113 in regard to Hahndorf. Is the minister able to please outline what works will be completed as part of the \$9.97 million allocation for the Hahndorf traffic improvements in 2024-25?

The Hon. A. KOUTSANTONIS: The department has quite helpfully put this in a very easy to use folder. On 26 October 2023, the speed on River Road between Mount Barker and Strathalbyn was reduced from 80 km/h to 60 km/h for enhancement of safety for users. You will notice that there were a number of trucks over 15 metres, that do not have a destination in Hahndorf, taken off the main road of Hahndorf. There was money spent on advance warning signage, and obviously road works were done on River Road as part of the River Road upgrades to make sure that that went from a one-star to a three-star road. There are also some design works being done for the Balhannah traffic signals and the Pioneer Women's Trail.

The Hon. V.A. TARZIA: How many trees were cut down as part of those improvements?

The Hon. A. KOUTSANTONIS: 27.

The Hon. V.A. TARZIA: I refer to Budget Paper 4, Volume 3, page 113. Is the minister able to explain what appears to be a two-year delay on that Level Crossing Removal Planning Program?

The Hon. A. KOUTSANTONIS: Which program?

The Hon. V.A. TARZIA: The Level Crossing Removal Planning Program. It has an estimated completion at quarter June 2026, which seems to be a later date than previously estimated to be completed.

The Hon. A. KOUTSANTONIS: We completed the four that we wanted to on time. We have been given more money, so we have extended the program and we are doing an additional four. So there is no delay: we have just increased the program.

The Hon. V.A. TARZIA: So there will be more level crossings removed.

The Hon. A. KOUTSANTONIS: Yes.

The Hon. V.A. TARZIA: Where will they be removed from?

The Hon. A. KOUTSANTONIS: We are doing the planning studies now to identify them.

The Hon. V.A. TARZIA: Okay, so you are doing the planning studies now to identify them.

The Hon. A. KOUTSANTONIS: That is right. So there is no delay. What we have done is expand the program.

The Hon. V.A. TARZIA: I refer to Budget Paper 4, Volume 3, page 111, regarding net cost No. 5. Is the minister able to explain why it appears the department is estimated to spend \$617,000 more than budgeted for the net cost of services for infrastructure planning and policy?

The Hon. A. KOUTSANTONIS: Increased revenue from the commonwealth government has provided us a bit more in planning services for more grants, community grants that have been issued; that requires more work to be done. There have been some intergovernmental transfers as well. These budgets vary from time to time depending on commonwealth revenues.

The Hon. V.A. TARZIA: Similarly, at Budget Paper 4, Volume 3, page 111 and net cost No. 4, it appears the department is estimated to spend \$8.241 million more than budgeted for the net cost of services for the provision and management of across-government services. Is that a similar answer again?

The Hon. A. KOUTSANTONIS: I imagine that is for an increase in costs as a result of the privatisation of across-government services, but I will double-check. There were additional revenues from some of the leases through that process, there was some additional depreciation through that process, there were some intergovernmental transfers throughout the process, but I am advised that they are minor in scope and nature.

The Hon. V.A. TARZIA: I refer to Budget Paper 4, Volume 3, page 114 in regard to the north-east public transport park-and-rides. Why is it that that project appears to have been delayed until June 2025?

The Hon. A. KOUTSANTONIS: They are finished.

The Hon. V.A. TARZIA: Why does it say June 2025?

The Hon. A. KOUTSANTONIS: We had this conversation last year. You could probably find projects that have been completed for a while but are still listed in here. They have been finished, but for accounting purposes, they are kept in the budget.

The Hon. V.A. TARZIA: So that is one of those?

The Hon. A. KOUTSANTONIS: Yes.

The Hon. V.A. TARZIA: Do you have any data on the usage rate of that facility, if it has been completed and is up and running?

The Hon. A. KOUTSANTONIS: It is relatively new, so not yet, but I will write that down for next year.

The Hon. V.A. TARZIA: I might even drop an FOI in, just to add to it.

The Hon. A. KOUTSANTONIS: To keep us on our toes.

The Hon. V.A. TARZIA: Exactly right; you never know. We will move on to Budget Paper 4, Volume 3, page 114. Can the minister outline what works will be completed in 2024-25 as part of the \$951.724 million allocated in this year's budget for the north-south corridor River Torrens to Darlington project?

The Hon. A. KOUTSANTONIS: There will be acquisitions. There will be design work, tender costs, our costs, works, legal costs. We will award the contract in August, so the works will begin. So there are a number of costs. There will be pre-purchase of equipment, and there will be demolition and service relocations as well.

The Hon. V.A. TARZIA: On the same budget paper, Volume 3, page 115, I notice there is \$965,000 allocated for the Tea Tree Plaza park-and-ride. What works will be completed in 2024-25? Is that also completed now?

The Hon. A. KOUTSANTONIS: Yes, that is finished.

The Hon. V.A. TARZIA: That is the accounting rationale as well?

The Hon. A. KOUTSANTONIS: Yes.

The Hon. V.A. TARZIA: Is the minister then able to please explain the reasonings as to why the Mike Turtur Bikeway project appears to have been delayed by 12 months, now to be completed in June 2028, from the budget papers? That is on page 114.

The Hon. A. KOUTSANTONIS: You might remember the controversy around the Mike Turtur Bikeway through an overpass, where the former transport and infrastructure minister had highlighted a large number of tree removals and loss of open space and park. That program, the Mike Turtur Bikeway, was put out to review. That has now been halted. Those works will now be reassigned to open up access through the underpass to make it larger, to allow walking and running, and improve safety under the rail underpass and the stop.

The Hon. V.A. TARZIA: So it is a rescope of the project?

The Hon. A. KOUTSANTONIS: That is right, at the request of local residents and the local member of parliament. It was also an election commitment to stop the works being done by the previous government, and to review it. It probably explains the outcome in the local booth, too.

The Hon. V.A. TARZIA: A minister that listens, you are saying. Okay. Budget Paper 4, Volume 3, page 114: is the minister able to explain the reasoning for the Penneshaw and Cape Jervis Ports project? Now it is listed at, I believe, \$73.019 million compared to \$37 million in last year's budget.

The Hon. A. KOUTSANTONIS: It is because the previous government had completely under-scoped the cost of this. I also understand that you had signed a contract extension with SeaLink with their boats, and the use of their boats, without having spoken to your infrastructure agency about what infrastructure they would require. When I came to office, I understand that that entire procurement had to be put on hold and re-tendered because of the way it had been handled initially.

I have to say it has been very frustrating from my perspective that we could have a contract signed, and negotiated by the previous government, and the infrastructure works that were required were not fed into the tender as a result of that work being done, so it was very frustrating for me to have to go back to the budget and make sure that we get this right for the people of Kangaroo Island.

The Hon. V.A. TARZIA: Budget Paper 4, Volume 3, page 115: is the minister able to outline what works will be completed in 2024-25 as part of the \$11.8 million allocated for the SA Aquatic and Leisure Centre?

The Hon. A. KOUTSANTONIS: The aquatic centre?

The Hon. V.A. TARZIA: Yes.

The Hon. A. KOUTSANTONIS: It is a design and construct, and operation of the new world-class aquatic centre. It will deliver more aquatic and waterplay areas, wellbeing facilities and outdoor landscaped areas. The project budget of \$135 million provides additional features compared to the existing facility. The state government and the City of Adelaide have agreed the existing aquatic centre will be closed in 2024. The Office for Recreation, Sport and Racing is leading the relocation works. Sarah Constructions has been awarded the contract. Early demolition works are being planned, excavation works are underway, the area has been cleared, piling is being done, works are being ordered, and plant and equipment is being ordered, so I imagine what you are seeing in the budget is that the commencement of works has begun on the Parklands. If you go past the site, I think you can see it, and we will be setting up, for the benefit of the shadow minister, a live screen where you can actually watch the works being undertaken. It is in real-time.

The Hon. V.A. TARZIA: It sounds high-tech. I believe there is \$11.8 million for the SA Aquatic and Leisure Centre, then \$85 million for the Adelaide Aquatic Centre, but nonetheless you have answered the next question anyway, so thank you for that.

In Budget Paper 4, Volume 3, page 115, in relation to the Truro freight route or bypass (depending on who you ask), is the minister able to outline what works will be completed in 2024-25 as part of the \$6.868 million allocated for that bypass?

The Hon. A. KOUTSANTONIS: We had begun early works on that before the commonwealth government decided to take money away from it. This is basically a reimbursement for those works.

The Hon. V.A. TARZIA: I do not want to steal the member for Hammond's thunder at all, but there would be a number of acquisitions that probably have already occurred. Just in a practical sense related to that, what happens to those acquisitions? What happens to those paddocks or whatever land has been acquired?

The Hon. A. KOUTSANTONIS: We keep them because we think the Truro bypass has merit.

The Hon. V.A. TARZIA: Yes.

The Hon. A. KOUTSANTONIS: We will be keeping those acquisitions, ones we have completed, and it would be my expectation that in the future we will continue to ask the commonwealth government to fund. You might have seen from the most recent commonwealth budget that they returned funding for Mount Barker and Verdun, an 80:20 split as we requested.

Truro is still a bypass; trucks can still use Truro if they choose and come off the highway. We think it has merit. We think it was underscoped by the previous government—only one lane rather than dual lanes. I think that was a mistake, but that is something for the previous government to contemplate. I do think it has merit and it is something we should look at.

Mr PEDERICK: I have a supplementary linked to that question: at Halfway House Road off the Sturt Highway there are major roadworks going on. Is that to facilitate triple road trains in the future?

The Hon. A. KOUTSANTONIS: Halfway House Road is a road that I get regular complaints about by the freight industry, especially livestock and others. They all want to use it. They do say it needs a lot of works. There is shoulder sealing being done there now. I think it does have merit for us to do an upgrade. It is part of, now, a strategic business case for our High Productivity Vehicle Network that is currently taking place. That planning phase should be completed by the middle of this year, in the third quarter. We are doing works there. The works we are doing are part of the High Productivity Vehicle Network access study. I am not sure what the total cost is of those works. It is still operating on permit. We have not gone to a full open access regime yet. We would like to go to the A-triple road trains at 53.5 metres in length, ultimately, which is what my ambition is.

Mr PEDERICK: So you are confirming that the roadworks that are being done there with the intersection will be the right specification for triples? That was my main question.

The Hon. A. KOUTSANTONIS: Yes, that is my understanding.

The Hon. V.A. TARZIA: I go to Budget Paper 4, Volume 3, page 115, regarding small projects. Is the minister able to outline, please, what projects are included in the \$6.946 million allocated to small projects?

The Hon. A. KOUTSANTONIS: My understanding is that these are projects that are small in nature and would not justify their own line in a budget sense, so Treasury put them into a category of 'Small projects'. The total is large, I accept that, but this is DIT so \$6.9 million is a rounding error on most of their projects. I will endeavour to get a breakdown for the shadow minister through the estimates process.

The Hon. V.A. TARZIA: Yes, thank you; if the minister could take that on notice.

The Hon. A. KOUTSANTONIS: Sure.

The Hon. V.A. TARZIA: Certainly, I am not accusing any agency of any maltreatment or anything like that, but it just seems a little bit vague to say 'Small projects', that was all—so thank you for the clarification. We will move on to Budget Paper 4, Volume 3, page 112. Is the minister able to please explain the reasoning as to why the Brighton Road Intersection Upgrades project appears to have a delayed completion date of four years? That is now, it says, due to be complete by June 2028.

The Hon. A. KOUTSANTONIS: You might remember the commonwealth government announced this review.

The Hon. V.A. TARZIA: Yes.

The Hon. A. KOUTSANTONIS: These projects were implemented because of the previous government's axing of its Brighton grade separation. These projects were announced and supported by the Albanese government, the previous government and us, I think. They were put on hold by the commonwealth government pending their review, because they were jointly funded. Any project that had not yet begun was ordered to stop. This is one of those projects. We are working on Brighton Road and Edwards Street, which will be open in August, and we are doing the planning work for the Dunrobin intersection.

The Hon. V.A. TARZIA: I refer to Budget Paper 4, Volume 3, page 115 in regard to the school crossings program. Is the minister able to explain why it appears that only \$820,000 was spent in 2023-24 on the school crossings program, and it appears that there was initially \$2.121 million allocated?

The Hon. A. KOUTSANTONIS: Page 115?

The Hon. V.A. TARZIA: Page 115. The estimated result, \$820,000 and the budgeted was \$2.121 million.

The Hon. A. KOUTSANTONIS: The reason these works haven't occurred in the budgeted time frame is because of consultation with schools. Schools wanted some changes made to them to improve safety outcomes for children and also asked for works to be done outside school hours or during school holidays, which has considerably impacted the timelines.

The Hon. V.A. TARZIA: So you have taken the time to get it right?

The Hon. A. KOUTSANTONIS: I think what we are doing is we are listening to the people who will be using it.

The Hon. V.A. TARZIA: And that could not be done within the time period?

The Hon. A. KOUTSANTONIS: If they want changes to designs then designs have to be redone, and they want construction done only during the school holidays, not to impact school movements.

The Hon. V.A. TARZIA: It takes longer.

The Hon. A. KOUTSANTONIS: It makes it difficult—which I think is a reasonable ask of some of these communities because large equipment does not mix with schools. I also point out that some of these projects are being delivered by councils, not by us.

The Hon. V.A. TARZIA: Yes, okay. Is the minister able to provide a list of those projects, if that is appropriate, on notice would be excellent, thank you minister. Is the minister able to outline what works will be completed in 2024-25 as part of the \$1.842 million allocated for the Urban Growth Fund?

The Hon. A. KOUTSANTONIS: My understanding—the advice I have received from the agency—is that this is deed money that comes in from deeds signed by developers for urban growth areas. The money comes in, there is a schedule of works to be spent, and this is the accounting measure we have to replicate the money we collect and the project costs.

The Hon. V.A. TARZIA: In relation to one of your favourite topics, Majors Road on/off ramps, Budget Paper 4, Volume 3, page 114, it appears that there is an 18-month delay in regard to that

project which, according to the papers, is now due to be completed by June 2027; what is the reason for that?

The Hon. A. KOUTSANTONIS: No, there is no delay. It will be completed by the end of this year. This is again one of those accounting measures.

The Hon. V.A. TARZIA: Accounting treatment, okay.

The Hon. A. KOUTSANTONIS: It will be completed as scheduled.

The Hon. V.A. TARZIA: It will be completed—you are going to make sure of that, I am sure.

The Hon. A. KOUTSANTONIS: Well, I will look forward to the member for Black and his opponent—whoever that may be—at the event opening the road. I am sure someone will remind local constituents about his views on it.

The Hon. V.A. TARZIA: Related to page 113, Budget Paper 4, Volume 3, is the minister able to explain the apparent increase in spending—some would call it a blowout, but I want to understand more. These apply to Ethelton train station project and also Clarence Park train station project. With Ethelton it appears \$4.9 million more and 18 months later and then for Clarence Park it looks like \$3.9 million more and a 12-month delay, so if you could explain those two.

The Hon. A. KOUTSANTONIS: We increased both of those projects because we wanted to increase DDA compliance. We wanted to do a better job than had been originally planned, and so we are doing a lot more work than we had originally started to do. These stations will be completely DDA compliant now and I am very, very confident that the extra works that we are doing and the increased scope will give a better outcome for local residents. I reserve the right to increase scope on projects as budget becomes available any time, especially in areas of high need like Clarence Park.

The Hon. V.A. TARZIA: Budget Paper 4, Volume 3, page 124, FTE numbers. At the outset I notice that your office, minister, gets a few more staff than other ministerial offices. What is that about? Being such a veteran of this place I would have thought you potentially could do more with less.

The Hon. A. KOUTSANTONIS: With high office comes high responsibilities and I hope to be sitting back in my rocking chair one day seeing you in high office, eventually, and you will note when you are delivering the north-south corridor, Northern Water, the Hydrogen Jobs Plan and the largest infrastructure build in South Australian history, that along with it comes unbelievable amounts of correspondence and a lot of briefings. My office is appropriate for the size of the work being undertaken, no more no less, and I have never known Treasury to voluntarily give out more staff than is needed.

The Hon. V.A. TARZIA: That is true. Budget Paper 4, Volume 3, page 124 in terms of FTEs, just in relation to the delivery of transport projects, on that note, there appears to be 399 FTEs for the delivery of transport projects compared to 276.8 that was budgeted for in 2023-24, so are you able to shine some light as to those numbers and why the difference?

The Hon. A. KOUTSANTONIS: As we are getting closer to award the contract on the north-south corridor, obviously the department will be flexing up to deliver the project, so this makes intuitive sense, and I do not understand that it has a budget impact either because I think it is funded within the projects.

The Hon. V.A. TARZIA: Budget Paper 4, Volume 3, page 115, is the minister able to confirm what works will be completed in 2024-25 as part of the \$11.507 million allocated for the Wynn Vale Drive upgrade, or is that also just an accounting treatment?

The Hon. A. KOUTSANTONIS: John Rice Avenue and Haydown Road junction, Elizabeth Vale: in procurement with main works expected to commence in the fourth quarter of 2024. The project includes installation of traffic signals, including pedestrian crossings at the John Rice Avenue and Haydown Road junction, and installation of a dedicated right-turn lane from John Rice Avenue into Haydown Road.

Wynn Vale Drive and Bridge Road junction upgrade, Salisbury East: in design. Main works will commence in late 2024, with completion in mid 2025. This includes new traffic signals and installation of a dedicated right-turn lane from Bridge Road into Wynn Vale Drive. We are investigating the feasibility of indenting a bus bay at stop 43C which I think is very important, on the west side of Bridge Road; that is in planning. We are looking at channelised right-turn lanes into Wynn Vale Drive and Friendship Crescent, and planning investigations at the Wynn Vale Drive and Golden Way junction to identify improvements.

There is a whole series; do you want me to go through all of them? Yorktown Road and Adams Road junction, Craigmore: procurement commenced and tender released in May 2024. Main works will commence in the late quarter of 2024. It is an intersection upgrade with a roundabout. The other northern suburbs roads we are looking at include:

- Main North Road and Target Hill Road;
- The Grove Way and Canterbury Drive;
- The Grove Way and Green Valley Drive; and
- The Grove Way with Atlantis Drive and Aeolian Drive—upgrading it to a right-hand turn arrow from Atlantis Drive onto The Grove Way. Funding of \$242,000 has been announced by the Black Spot Program from the commonwealth government.

The Hon. V.A. TARZIA: In relation to rail at Budget Paper 4, Volume 3, page 128, targets 2024-25, dot point 7, a lot has been said about rail. When will the planning studies on metro and regional rail extensions begin and be concluded by, and do you have a particular focus area? Also, as part of that same questioning, I notice the federal budget states that the studies will be completed in mid 2026 but this budget says planning studies will be completed by December 2025, so which one is it, and are you able to explain where the thinking is on those rail studies?

The Hon. A. KOUTSANTONIS: December 2025 is in the same financial year as 'completed by financial year 2026', so it is the same thing. So the 'which one is it?' jibe was unnecessary.

The Hon. V.A. TARZIA: It is a different date, but it is the same financial year, I appreciate that.

The Hon. A. KOUTSANTONIS: Obviously, the focus for me and for the department is on Mount Barker and the Adelaide Hills; the Belair line; the Outer Harbor line; extension of the northern Gawler line; extension of the southern lines and what the capacities are there; and obviously I am very interested in the ability to get a turn onto the Outer Harbor line from the northern line through, I think it is Dry Creek—the Rosewater loop. With all the planning studies that Andrew Excell is doing, we have been looking at population movements, population growth, housing growth, public transport infrastructure and how to move people to and from where they need to go. So they are my particular focuses.

Osborne is going to be a very tricky one for us. Obviously, the line does not go all the way as far as it should, and it is not duplicated. It needs to be a dual line. It should be electrified. What the state will look at is whether we need to electrify the line the entire way, or whether we can use electric battery vehicles to move and just charge it at particular points and stops, which will allow us to go further and cheaper. Ultimately, we do not want 5,000 people driving to Osborne every day to work building our ships. It would make complete sense to electrify that line and then to extend it to Osborne. That is what the planning study will tease out. The commonwealth government want this finished by financial year 2026, obviously so they can consider it as part of their budget.

The Hon. V.A. TARZIA: A general question: in Budget Paper 4, Volume 3 there is a list of projects. We have seen what happened last week in relation to the AFL, and concerns have certainly been raised with the opposition. Has the minister been approached or is there any concern with potential blowouts in timeline or budget due to union activity that goes to places where it should not? I am talking about some of the tactics we have seen in Victoria. I am point blank asking you: are you concerned and have you been approached about the impact that might have if it is brought here to South Australia, with so many projects on the go?

The Hon. A. KOUTSANTONIS: No, I am not, and I will explain why. Labour is an important factor in all of our projects, but they make up between 30 per cent and 20 per cent of the total capital cost of a project, so if there are increases it impacts that smaller number rather than the entire cost. These are things that I would expect our tenderers to take into account when they tender for projects. I do not like the way the CFMEU conducts itself in Victoria and I certainly do not want to see that imported into South Australia. We have a very harmonious industrial relations regime here in South Australia. So, no, I am not concerned, and if there is an impact, it will be very, very minor and I would expect tenderers to honour their obligations under any public tenders.

The Hon. V.A. TARZIA: I will hand over to my friend, the member for Hammond, who has a robust set of questions regarding regional roads.

Mr PEDERICK: I refer to Budget Paper 1, Budget Overview, page 22. What does the \$200 million in additional funding for the South Eastern Freeway upgrade entail?

The Hon. A. KOUTSANTONIS: It will deliver:

...a managed motorway between the Tollgate and Crafers on the South Eastern Freeway, improving safety and traffic management through infrastructure improvements, lane management and incident response.

So, I imagine, gantries, services, power being moved to them, the ability for us to move traffic from other lanes, gates, allowing people to move across—that sort of thing.

Mr PEDERICK: Is that why that project has increased from \$150 million from last year's budget because of the managed motorway upgrade sections, or are there other parts to that?

The Hon. A. KOUTSANTONIS: If we extend the managed motorway it makes it longer.

Mr PEDERICK: With regard to the two interchange upgrades at Mount Barker and Verdun, what have the planning studies shown? How much congestion is expected to be alleviated by the two upgrades?

The Hon. A. KOUTSANTONIS: Dramatic—dramatic increases. Thank you very much for asking.

Mr PEDERICK: That's all right; happy to help.

The Hon. A. KOUTSANTONIS: Yes, you have. From my memory, before I look it up, I understand that the Verdun interchange alone will take 900 cars out of the main street of Hahndorf. So, in terms of its impact on traffic, it will take 900 cars off the main street of Hahndorf from the Verdun interchange. The key for us is that there is a lot of traffic that is still using other means to get to and from the freeway that are currently being bottlenecked at Mount Barker. The upgrade to the interchange at Mount Barker and the works we are doing at the roundabout will get a lot of vehicles on the freeway faster, hence avoiding having to go through other Adelaide Hills roads, and will deal with that congestion.

The Verdun interchange will get vehicles again able to get onto the freeway or avoid having to go through main streets of small regional towns, which are causing so much congestion. For Hahndorf in particular, that is nearly 900 cars a day off that road, as well as on top of our measure of banning trucks over 15 metres that are not destined for Hahndorf from using it.

What I think you will see is a dramatic improvement. It is very hard to model people's behaviour, but I suspect that once you improve that bottleneck at Mount Barker and you improve it at Verdun, you will get some dramatic improvements.

Mr PEDERICK: In regard to the upgrades, you do not have a specific number on what the Mount Barker interchange will alleviate as far as—

The Hon. A. KOUTSANTONIS: I will get that for you.

Mr PEDERICK: Has the design process been completed on those two projects or are they still going through a consultation process?

The Hon. A. KOUTSANTONIS: What happened is that the previous government were going to do an alliance on those. When we were in opposition, there was a lot of concern from South Australian contractors about the inability to win contracts under the previous government. What I

have instructed the department to do is to break these two contracts up in the hope that South Australian contractors get a better chance at them. These will be design and construct. It will be up to the tenderer to design the projects and then construct them.

Mr PEDERICK: I go to Budget Paper 3, page 95, the Regional Roads and Infrastructure Fund.

The Hon. A. KOUTSANTONIS: That is in a real budget.

Mr PEDERICK: There you go. How does the minister determine what projects and road maintenance the Regional Roads and Infrastructure Fund funding gets directed to?

The Hon. A. KOUTSANTONIS: On advice from my agency on a needs basis.

Mr PEDERICK: In regard to the agency, does the department keep a rolling list of priority works for this money to be used for?

The Hon. A. KOUTSANTONIS: The advice I have is that there is no generic list, global list, that is being used. What the department does is assess data it receives each and every year. Conditions change so there is a star rating, there are road-safety issues, there are crashes that occur, so the department compiles these, I think, annually. We get a certain amount of money. They do it on the basis of need.

By and large, I accept their recommendations. In the short time I have been in charge of this, I do not think I have intervened in the decisions they have made. I have questioned some of the costs incurred. Some of these roads are very expensive to upgrade and get up a star rating. We are spending on Yorke Peninsula \$44 million on one stretch of road that is 47 kilometres.

Mr PEDERICK: Bute to Kulpara or somewhere like that?

The Hon. A. KOUTSANTONIS: Yes. I am not saying it does not need it. That is a lot of money.

Mr PEDERICK: There are a lot of narrow roads on Yorke Peninsula.

The Hon. A. KOUTSANTONIS: There are, yes.

Mr PEDERICK: There is a lot of upkeep needed to be done. I go to Budget Paper 4, Volume 3, page 113, line 3. Last year's budget listed the estimated completion quarter for the critical road bridge maintenance project as June 2023, with a total project cost of \$20 million. The current budget has its estimated completion date as June 2025 with a cost of \$29.2 million. What has caused the critical road bridge maintenance project to go over time and over budget? I think we have costed them in projects.

The Hon. A. KOUTSANTONIS: My understanding is that the Junction Creek bridge on the Onkaparinga Valley Road was due for completion in late 2024. The delivery time frame was adjusted to allow for the sequencing of works to minimise the impact on the Tour Down Under.

Mr PEDERICK: Same budget line: why was the 2023-24 estimated result at \$15 million, significantly more than what was budgeted (\$2.9 million) in that year for the duplication of the Joy Baluch AM Bridge?

The Hon. A. KOUTSANTONIS: The resolution of the bridge was brought forward.

Mr PEDERICK: On the same page, line 9: is the government considering a Monarto to Mannum route as part of the Freight Highway Upgrade Program, or is that more part of the Greater Adelaide freight route change?

The Hon. A. KOUTSANTONIS: No, that program is for the Stuart and Dukes highways.

Mr PEDERICK: I think this has been rolled into the High Productivity Vehicle Network—is the government considering a Monarto to Mannum route as part of that northern freight route bypass?

The Hon. A. KOUTSANTONIS: The short answer is yes, we are. We are looking for multiple routes between Murray Bridge and Mannum, and this could be one of them.

Mr PEDERICK: Regarding line 18, in relation to the High Productivity Vehicle Network planning, has there been any progress in regard to duplication of the Swanport Bridge and the Murray Bridge to South-East link project, which is the first five kilometres out to the Mallee Highway of duplication?

The Hon. A. KOUTSANTONIS: We are currently doing the business case for that now, it is obviously in the planning stages, and we are planning for a duplication. But ultimately, the reason we do the business case is (1) to see if it stacks up, (2) we are planning for obviously what we think is the best case scenario, which is a duplication, and (3) we would want commonwealth assistance.

Mr PEDERICK: Line 8 of the same budget line: where or have the funds been reallocated that were to be used for the construction of the Hindmarsh Tiers Victor Harbor Road overtaking lane which was cancelled?

The Hon. A. KOUTSANTONIS: Where have they been allocated?

Mr PEDERICK: Have they been reallocated or just subsumed back into the budget? Obviously, the build of that overtaking lane was cancelled. It is very close to Victor Harbor.

The Hon. A. KOUTSANTONIS: That money, I am advised, is being held in contingency because we are looking for other options.

Mr PEDERICK: Same budget line: how much did it cost to purchase the land, compulsorily acquire it, at Hindmarsh Tiers Victor Harbor Road for the cancelled overtaking lane?

The Hon. A. KOUTSANTONIS: My advice is we did not take any of it. We just started the process and we ended it.

Mr PEDERICK: What was that, sorry?

The Hon. A. KOUTSANTONIS: My advice is we did not purchase any land. We started a compulsory acquisition process but once the project was cancelled the acquisition did not proceed.

Mr PEDERICK: The new fence has gone in, minister.

The Hon. A. KOUTSANTONIS: Are we talking about the same spot, same location?

Mr PEDERICK: Yes, just outside where you are going to do the roundabout work at Victor Harbor.

The Hon. A. KOUTSANTONIS: If it is roundabout work—

Mr PEDERICK: No, no, this is the overtaking lane on the entrance work. It must have been acquired because—

The Hon. A. KOUTSANTONIS: No, it is existing road reserve.

Mr PEDERICK: Well, okay.

The Hon. A. KOUTSANTONIS: That is the advice I have, Adrian. If it is not correct, I will get back to you.

Mr PEDERICK: I just find it a bit interesting because a brand new fence has been put in.

The Hon. A. KOUTSANTONIS: Well, good. Congratulations. That is good news.

Mr PEDERICK: Well, okay. Same budget line: what did it cost for underground services to be moved for the cancelled Hindmarsh Tiers Victor Harbor Road overtaking lane project?

The Hon. A. KOUTSANTONIS: Again, I go back to the initial point. Yes, there are incurred costs when projects are cancelled. You can either minimise the cost or you plough on and have a much larger cost and a blowout, and you would be here asking me why this project has blown out so dramatically. I have to say that governments, when they make an assessment that a project is becoming too costly to deliver and do not proceed, need to be recognised in terms of they are being prudent with people's money.

Relocating services—if any services were indeed relocated, given it is already a road reserve; I would have to check that. My point is that we acquire properties, sometimes in advance of

works being done. We do this regularly. If we anticipate works 10 or 20 years from now, the department is being prudent. If there are costs incurred, they are not lost costs. They are there, and they are futureproofing a potential outcome later.

Mr PEDERICK: I challenge that answer, minister, because on the same line, I understand the decision to scrap the overtaking lane was due to some members of the community's concerns about the extensive removal of trees in the area. Is the minister aware that 95 per cent of the trees in question were planted there and are not natural, native vegetation? So I do not think it has anything to do with cost; I think there was a green element here.

The Hon. A. KOUTSANTONIS: When you say 'green', you mean 'local community'. In my experience, locals have a right to be heard. If locals do not want to do a project that is being forced on them, I think they are entitled to have their government listen to them. I do not consider the idea of whether the trees were planted or otherwise to have a consequence. The question here is: do residents want this? I have tried very, very hard in my time as minister to be as responsive as I possibly can to local residents. This often causes other reactions from other residents who want a project to proceed, but on the balance of probabilities, I make the decision on the basis that I think this is what the local community wants.

Mr PEDERICK: It is a far different outcome to River Road, where 27 trees went. This project was well advanced and basically ready for building. If we are going to let some people get in the way of road safety due to some areas of native vegetation and planted trees not being taken down, that concerns me in the interest of road safety for greater South Australia.

The Hon. A. KOUTSANTONIS: A couple of things there. First thing first: we believe that not building the overtaking lane has not diminished the safety of the road. Secondly, River Road is an example of a project that the previous government said was ready to go, ready to award, ready to begin compulsory acquisitions, and they chose not to do so for a good few months because they wanted to get over an election. They did not want to publicly announce the compulsory acquiring of Beerenberg Farm and ripping out strawberry fields. River Road is a road that already had trucks using it. The very argument you just made about not improving roads for road safety—yes, we cut down trees to make the road safer. I think you just argued against yourself.

Mr PEDERICK: No. All I am saying is you might want to have a look at that project. It concerns me.

The Hon. A. KOUTSANTONIS: Okay.

Mr PEDERICK: I will go to line 20, on the same budget line. Why was only \$4 million of the budgeted \$20 million spent on the Horrocks Highway project in 2023-24?

The Hon. A. KOUTSANTONIS: Again, this is one of those projects that, because it was not under construction yet, the commonwealth government put on pause pending their review. Now that the review is over, we are back to getting on with it.

Mr PEDERICK: On the same budget paper, page 115, line 1, can you explain the difference between the 2023-24 budget amount of \$13.2 million and the estimated result of \$1.3 million for the Roads of Strategic Importance, the Cockburn to Burra initiative?

The Hon. A. KOUTSANTONIS: My chief executive reminds me this was a project that is partly funded by the commonwealth government—I think 80:20—so partly funded by us. It is a commonwealth government project. They put it on hold pending their review.

The CHAIR: The allotted time having expired, I declare the examination of Infrastructure Planning and Management complete.

Departmental Advisers:

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

Ms E. Kokar, Executive Director, Transport Policy and Regulation, Department for Infrastructure and Transport.

Dr A. Glavinic, Executive Director, Road and Marine Services, Department for Infrastructure and Transport.

Mr M. Lorenz, Director, Road Maintenance, Road and Marine Services, Department for Infrastructure and Transport.

Mr G. Jackson, Executive Director, People and Corporate Services, Department for Infrastructure and Transport.

Mr B. Seidel, Director, Financial and Procurement Services, People and Corporate Services, Department for Infrastructure and Transport.

The CHAIR: I now open for consideration Roads and Marine. The minister may wish to change advisers.

The Hon. A. KOUTSANTONIS: I have Mick Lorenz, Director of Road Maintenance sitting alongside me. Behind my chief executive is Emma Kokar, Executive Director of Transport Policy and Regulation, and Dr Ana Glavinic, who is Executive Director of Road and Marine Services.

The CHAIR: Thank you.

The Hon. V.A. TARZIA: I refer to Budget Paper 4, Volume 3, page 120, highlights, point 3. Is the minister able to please outline which areas on urban roads were resurfaced and rehabilitated as part of the 45 lane kilometres? Similarly, on rural roads, which rural roads were resealed and rehabilitated as part of the 163 lane kilometres?

The Hon. A. KOUTSANTONIS: You will excuse me if I take that on notice, but I can say we resurfaced a great deal of South Road, especially in the member for Elder's electorate.

The Hon. V.A. TARZIA: So you are taking the rest on notice? Thank you. Regarding Budget Paper 4, Volume 3, page 120, highlights, point 4, can the minister please outline how many people completed the road-user training for the ultra-high powered vehicle licensing scheme in 2023-24?

The Hon. A. KOUTSANTONIS: We brought the reforms in; in July 2023 we announced them. From December 2024, a new requirement to obtain a U licence classification to drive an ultra-high powered vehicle will commence; so that will start on December 1 of this year. It was introduced because of the Sophia Naismith tragedy. To obtain a U class licence drivers must undertake online training and assessment, and it is expected this course will be available in July 2024, but in operation from 1 December.

The Hon. V.A. TARZIA: Obviously there is a little bit of discussion, if you like, in the industry, from users of high-powered vehicles—I do not have one—to retailers. Do you think there are any changes in terms of the licensing scheme that the government is contemplating, or are you happy with it, and it will just proceed as initially planned?

The Hon. A. KOUTSANTONIS: Yes.

The Hon. V.A. TARZIA: On Budget Paper 4, Volume 3, page 120, the 2023-24 highlights, point 8, how many additional vehicles are eligible for cheaper car registration?

The Hon. A. KOUTSANTONIS: Total vehicles eligible?

The Hon. V.A. TARZIA: Yes.

The Hon. A. KOUTSANTONIS: I understand there are 44 vehicles that are eligible for ICVs.

The Hon. V.A. TARZIA: I refer to Budget Paper 4, Volume 3, page 120, 2024-25 targets, dot point 1, repair works to flood-damaged roads. When will that begin? Is there any information on that at all?

The Hon. A. KOUTSANTONIS: It is a \$75 million initiative from the Australian government, 80:20, towards investment that will improve resilience for the national supply chain in the north of the state. It will upgrade Eyre Highway west of Kimba, Stuart Highway, Glendambo, Woocalla Creek, Lake Windabout and Port Augusta to Pimba, shoulder resealing, and the Strzelecki Track between

Yerelina Creek and the dog fence. Completion time is by mid-2025 and we will award those contracts in late June 2024. That is the Eyre Highway.

The Stuart Highway-Glendambo procurement is in procurement, Pimba to Port Augusta is being delivered as we speak, Woocalla Creek will be January 2023, Lake Windabout is in procurement, Olympic Dam Highway will be completed in June 2023, and Strzelecki is to be completed in 2026.

The Hon. V.A. TARZIA: Thank you. I move to Budget Paper 4, Volume 3, page 120, 2024-25 targets, dot point 5 in relation to motorcycle Rider Safe reforms. It is much needed, obviously. When implementing those reforms, what other elements will be implemented other than the noted series of safety education and assessment components? I know governments of both persuasions were looking at this. Where are those motorcycle reforms at and what are you seeking to change and achieve there?

The Hon. A. KOUTSANTONIS: My ambition is to have this in place by December, hopefully 9 December. Do not hold me to 9 December, but it will be by the end of the year, pending any particular outcome. As we know, motorbike riders have a higher risk of death or serious injury than all other road users. They account for about 3 per cent of all registered vehicles but about 19 per cent of all lives lost and 24 per cent of all serious injuries on South Australian roads. Over the five-year period from 2019-2023, learner permit riders accounted for about 15 per cent of all motorbike rider deaths in South Australia. Year to date, seven motorbike riders have lost their lives.

Rider Safe is the practical training assessment component of the Motorbike Graduated Licensing Scheme delivered by DIT. Training occurs at a range of six locations: St Agnes, Murray Bridge, Millicent, Barmera, Port Pirie and Whyalla. It is designed to boost the existing program with a focus on safety awareness, judgement and decision-making, aiming to improve the skills of learner motorbike riders and reduce the number of crashes.

The development of the training program is progressing. It is going to be an on-road assessment to complement existing off-road training at pre-learner and pre-licensed stages. It is going to enhance assessment modules, including a pre-learner motorbike-specific hazard awareness test and rider knowledge test and extending training to a curriculum base and other practical training models.

There has been a lot of stakeholder feedback about this. The on-road assessment that I think is very, very important should minimise the risk posed to other road users, if we get this right. But again, ultimately, motorbike riders are very, very vulnerable, given just the very nature of what they are competing with in traffic.

The Hon. V.A. TARZIA: I refer to Budget Paper 4, Volume 3, page 121, explanation of significant movements. Can the minister outline what resources were received free of charge or otherwise from Shared Services SA and the Department of the Premier and Cabinet?

The Hon. A. KOUTSANTONIS: They are detailed there, are they not?

The Hon. V.A. TARZIA: I believe so.

The Hon. A. KOUTSANTONIS: You have an increase in revenue from driver's licences of \$12.5 billion, resources received free of charge from Shared Services was \$7.5 million, and Motor Sport Board, a contribution towards the event of \$6.1 million.

The Hon. V.A. TARZIA: On the Adelaide 500, is the minister able to explain what the contribution for the Adelaide 500 of \$6.1 million was for?

The Hon. A. KOUTSANTONIS: You have to resurface the road. They use a very different type of bitumen from what we do on our roads that encourages skids and sliding and grip, and different things around the track. None of these things will interest members to my right because they do not like the Adelaide 500, and they all voted against it.

The Hon. V.A. TARZIA: We did not say that.

The Hon. A. KOUTSANTONIS: Sorry, I withdraw that. The member for Narungga supports the 500, because I see him there every Sunday enjoying a light beer.

The Hon. V.A. TARZIA: I refer to Budget Paper 4, Volume 3, page 121. Can the minister outline what the current total road maintenance backlog is?

The Hon. A. KOUTSANTONIS: We have had a very good session where it has been quite—

The Hon. V.A. TARZIA: You started it.

The Hon. A. KOUTSANTONIS: It has been quite collegial.

The Hon. V.A. TARZIA: Always.

The Hon. A. KOUTSANTONIS: I think that the former Treasurer, the former infrastructure minister, and the former chief executive of the Department for Infrastructure and Transport have a lot to answer for here—a lot to answer for—especially with the privatisation of road maintenance contracts, the contract prices that were accepted and the savings that were taken by the then Treasurer and locked in to forward budgets. I have to say that the backlog in 2018, when you came into office, was \$750 million. When you left office in 2022, it was \$2 billion.

I think it is fair to say that \$750 million in backlog is still unacceptable in 2018, but it was more than doubled in four years. There are serious questions about our road maintenance contracts, whether they are fit for purpose and just how much the condition of our regional roads has worsened as a result of this failed privatisation.

I have asked the department to review these contracts to see what can be done about making them more fit for purpose. Of course, the big problem here is that all the equipment that we had to do our own road maintenance was sold to the people who won the tenders, at discounted prices, so we have lost the capability to do it ourselves and, of course, we are not getting value for money.

The member for Stuart did a good job to try to improve regional roads during his time as minister, but I am very, very concerned. There are approximately 13,000 kilometres of sealed roads in this state and 10,000 kilometres of unsealed roads, 742 bridges, over 100,000 electrical assets—signals, lighting and ITS devices, for example CCTV and variable message signs. This asset data is correct as of 2023. The replacement value of our road network is \$42.2 billion; that is how much it is worth if we had to replace it.

Now, the road maintenance backlog has grown to a point where we need to act, and I think the latest figure I have now is 2023, which is \$2.1 billion for sealed roads. That backlog, quite frankly, is unacceptable. A lot of that has to do with the previous minister and especially the previous Treasurer. I am still stunned that we have been able to keep it close to that \$2 billion figure from the \$1.9 billion we inherited. The question is whether we can make a dent in it.

The Hon. V.A. TARZIA: Budget Paper 4, Volume 3, page 121, explanation of significant movements: to that point, can the minister outline what is the total budget to fix the road maintenance backlog in 2024-25?

The Hon. A. KOUTSANTONIS: I think I just did that.

The Hon. V.A. TARZIA: You said it will take—

The Hon. A. KOUTSANTONIS: That is the latest figure we have. It is not the end of the financial year.

The Hon. V.A. TARZIA: —\$2.1 billion, but what is the total budget dedicated to fix that backlog?

The Hon. A. KOUTSANTONIS: What are we spending on road maintenance? We are spending about \$160 million a year, I think, if not more.

The Hon. V.A. TARZIA: So you would be aware, for example, of bodies like the RAA coming out with what they want to see invested in terms of that? That is the reason why I ask that question.

The Hon. A. KOUTSANTONIS: There has been an increase in the budget each and every year across the forward estimates to increase road maintenance funding for the first time. I think it has been frozen for a while under the previous government. Now it has gone up. We have increased

it by, I think, \$5 million in the first year, \$10 million in the second, then \$15 million and \$20 million ongoing from there.

The Hon. V.A. TARZIA: In your professional opinion, can the minister confirm which roads currently require the most repair work as part of that road maintenance backlog? Where do we really need a bit of help at the moment out there?

The Hon. A. KOUTSANTONIS: I think Anzac Highway is in need of a resurface. I can see the member for Morphett nodding. I think the section between Marion Road and South Road particularly needs a bit of a look.

The ACTING CHAIR (Mr Brown): I suggest a part of Montague Road could probably use a bit of tender loving care as well.

The Hon. V.A. TARZIA: Did you say Montacute, or Montague?

The ACTING CHAIR (Mr Brown): Montague.

The Hon. V.A. TARZIA: I think Montacute as well.

The Hon. A. KOUTSANTONIS: This is the point: when you have treasurers like Rob Lucas make these savings, the task gets worse. Thankfully, we have a Treasurer and a Premier now who are prepared to make more investments into road maintenance, but the state cannot afford to fix the backlog in one budget. All we can do is continue to increase that. There are lots of roads that I would like to see fixed. My friends in the regions, in the South-East—there are a lot of potholes because of the contract.

To give you an example, the previous government privatised a road maintenance contract for base road maintenance for one section which went from the Adelaide Hills to Mount Gambier. They allocated \$5.8 million in their tender: \$5.8 million from the Adelaide Hills to Mount Gambier. I am not going to be lectured on this. That tender should have come back at \$12 million to \$15 million. I do not know how a government that claimed to be representing regional South Australia could allow a Treasurer to do that to the regional road maintenance budget. That was disgraceful.

So I now have to try to fix that up. I know it is not the fault of members who are sitting here, other than the two who were in cabinet at the time, but the other two who are watching this happen, who are from the regions, must be scratching their heads thinking, 'How can any Liberal government think that they can maintain regional roads from the Adelaide Hills to Mount Gambier for \$5.8 million?' It was just disgraceful.

The Hon. V.A. TARZIA: On the same budget line, is the minister able to take on notice, regarding the \$2.1 billion backlog, a list of the roads and the work required as part of that backlog?

The Hon. A. KOUTSANTONIS: Could you ask that again, sorry?

The Hon. V.A. TARZIA: For the \$2.1 billion I would like to see, even if we have to take it on notice, a list of the roads that make up that backlog and the breakdown of that \$2.1 billion per road.

The Hon. A. KOUTSANTONIS: That is not an exercise I am going to ask the agency to undertake. That would take exorbitant amounts of resources. What the agency does is it takes an assessment each year from its scanning. We have got road maintenance crews out looking, we are doing the scanning of our roads to see what needs to be upgraded. I am not going to ask the agency to stop all that work just to give you a list. That would be an exorbitant amount of work. The data will be completed next year.

The Hon. V.A. TARZIA: Same budget line: can the minister confirm the total cost of the road maintenance backlog within metropolitan Adelaide and then within regional South Australia—so a breakdown of that \$2.1 billion? How much is regional and how much is metro?

The Hon. A. KOUTSANTONIS: We do not look at it that way. We treat all of our roads equally.

The Hon. V.A. TARZIA: They're all equal? Some are more equal than others, some would say.

The Hon. A. KOUTSANTONIS: If you live in Yorke Peninsula, some are more equal than others. He's doing quite well.

The ACTING CHAIR (Mr Brown): I note that the member for Narungga is waiting patiently. Would you like to continue on this budget line?

The Hon. V.A. TARZIA: No.

The ACTING CHAIR (Mr Brown): In that case, the Chair recognises the member for Narungga.

Mr ELLIS: It is actually on the same topic essentially, Budget Paper 4, Volume 3. One of the targets for 2024-25 is to resurface and rehabilitate approximately 362 lane kilometres on rural roads. You mentioned that you are not going to ask the department to itemise the full backlog, but is there a list of the planned rehabilitation/remediation that is scheduled to be undertaken?

The Hon. A. KOUTSANTONIS: It is happening in your electorate right now, of that 362, so that is a big chunk. The money we are spending on that road, Kulpara to Arthurton, is being spent in addition to our road maintenance money. So it is a dramatic level of money. I do not have a breakdown here with me and I am not sure that is something that I would want to release in advance of us going out to the market. If the member has roads that he thinks need to be worked on in his electorate, I would be more than happy to meet with him and discuss them with him.

Mr ELLIS: The angle I am trying to get at is: is there an objective list that the department keeps?

The Hon. A. KOUTSANTONIS: Yes. What the department do is they rate our roads by star rating, so there are conditions, and we allocate that on the basis of need and volumes. We try to allocate the worst, and there is a whole series of criteria that meet that: volume, crashes, condition of the road. They are all piled together, and then events occur. We might have a flood or a fire, we might need to go and intervene somewhere else, but, yes, we do prioritise and we do that on an annual basis because conditions change.

Mr ELLIS: Via the star rating system?

The Hon. A. KOUTSANTONIS: It is one of the inputs we use, as well as volume and crashes.

Mr ELLIS: I have one more question and it ties in again. The performance indicator for the department on page 122 mentions a road pavement surface condition and they aim to have a percentage of the travel taken on roads 'unacceptable' or 'better smoothness'. It is undertaken by a place called the National Association of Australian State Road Authorities. Do they publish their findings and that sort of stuff?

The Hon. A. KOUTSANTONIS: I suppose this is the only place where you get a published outcome, where our target is 92 per cent and our actual result is 90 per cent. It is probably the closest you will get to anything being published about this information.

Mr ELLIS: Do they undertake any other functions?

The Hon. A. KOUTSANTONIS: So NTRO do this work and Austroads are the ones who give us the results.

The Hon. V.A. TARZIA: We will go to Budget Paper 4, Volume 3, page 121, Expenses. Is the minister able to explain the reasoning for the department having 14.4 fewer FTEs than budgeted for in 2023-24?

The Hon. A. KOUTSANTONIS: From my understanding, and the advice I have received, this is general vacancies and attrition.

The Hon. V.A. TARZIA: Again, on expenses, is the minister able to explain please the reasoning for the additional \$1.017 million spent on employee benefit expenses in 2023-24?

The Hon. A. KOUTSANTONIS: Either pay increases or—I am not sure what that might be. I will get some details for you. It is just wages, it is just the actual cost. It is not necessarily an increase in wages, it is just the actual cost that we incurred.

The Hon. V.A. TARZIA: Budget Paper 4, Volume 3, page 122, explanation of significant movements regarding north-south, how many properties as at today have been acquired as part of the north-south corridor project? I know a figure has been given in the past, but how many properties have been acquired as part of the north-south corridor project?

The Hon. A. KOUTSANTONIS: There are 495 full and there are a partial 29 acquisitions.

The Hon. V.A. TARZIA: And any more to go?

The Hon. A. KOUTSANTONIS: Not unless someone wants to volunteer to sell us their property where they may find it inconvenient or if there might be a regard for there not being a partial acquisition, which we could return, but no, we think we are done for compulsory acquisitions.

The Hon. V.A. TARZIA: What is the current asset total of properties as part of the north-south corridor project?

The Hon. A. KOUTSANTONIS: We do not release that information.

The Hon. V.A. TARZIA: Therefore, you also will not total the asset base once property acquisition is completed as part of the project either?

The Hon. A. KOUTSANTONIS: No.

The Hon. V.A. TARZIA: Going to Budget Measures Statement, Budget Paper 5, page 45, in relation to the SA Jetties Renewal Program, why is the \$5 million allocated for the extension of that program—it appears it is not funded until 2027-28.

The Hon. A. KOUTSANTONIS: That is right because in the last budget there were four years, and this is adding \$5 million because we have just said we are going to make it ongoing rolling across the forward estimates. That means this project is going on in perpetuity.

The Hon. V.A. TARZIA: Again going to Budget Measures Statement, Budget Paper 5, page 45, was there any thought or consideration to perhaps double the funding to \$10 million as part of the SA Jetties Renewal Program instead of just extending it from 2027-28 onwards?

The Hon. A. KOUTSANTONIS: Let me understand this correctly. We have just mentioned that there is a \$2 billion road maintenance backlog.

The Hon. V.A. TARZIA: Yes.

The Hon. A. KOUTSANTONIS: You have not called on me to double my road maintenance money, but you are calling on me to double the amount of money we put into jetties.

The Hon. V.A. TARZIA: I want to see you spend more on both and spend it better.

The Hon. A. KOUTSANTONIS: I will tell you how much we are spending more than you.

The Hon. V.A. TARZIA: Me?

The Hon. A. KOUTSANTONIS: Yes, you.

The Hon. V.A. TARZIA: Actually me?

The Hon. A. KOUTSANTONIS: You were in the cabinet that set the last two budgets that you were in office for. Do you know how much you were spending on jetty renewal? Nothing. We are spending \$5 million a year, which is matched, which is \$10 million a year as you asked for, which is \$40 million over the forward estimates, which is \$40 million more than was being spent by your government.

This program is a good program that some regional councils are doing the right thing on. Yorke Peninsula has nine jetties to look after. They have come to us with a very sensible suggestion. We accept their circumstances and we are working with them to make sure we can get a good outcome. Other councils like Tumby Bay and Kingston jetty, they have very different perspectives on

how these things should operate. I also note how quiet they were when the former government was refusing to fund their jetties.

The Hon. V.A. TARZIA: Do you keep data on, if you like, the jetty maintenance backlog and what is that value expected to be?

The Hon. A. KOUTSANTONIS: Maintenance is the requirement of councils. They have signed leases when they have accepted these. It is for them to keep maintenance backlogs, not us. They have a legal requirement to return those jetties to the state government in the condition that they were.

A lot of these councils have taken these jetties, taken the assets on their books and have not spent on the required maintenance and, in fact, when they got these jetties were accepting big cash amounts to upgrade them for the life of the leases and now, where they have not done the regular maintenance on them, the costs have blown out dramatically and they cannot afford to upgrade them. Rather than upgrading them and keeping them open, they are turning up to the government with gold-plated plans for brand-new jetties that cost 10, 20 and 30 times the amount, or \$30 million more than it would have cost just to keep the jetty open another 10 to 15 years, which is what we should be doing—a prudent sweating of our existing assets as long as they are safe.

The Hon. V.A. TARZIA: On the Budget Measures Statement, Budget Paper 5, page 45, which jetties will be repaired and addressed as part of the \$5 million per annum funding for critical works on those jetties? I imagine there are a few that need it.

The Hon. A. KOUTSANTONIS: Port Lincoln, they received \$380,000 additional money. Port Elliot jetty has been completed. They received \$174,000. Port Vincent fishermen's jetty, it is fully closed. The council's funding offer is nearly \$200,000. Port Hughes, the offer is nearly half a million. For the Kingston jetty we have offered \$2.8 million. For Tumbay Bay we have offered \$2.4 million, which they just formally rejected. The Yorke Peninsula Piling Program, the offer to council is \$3.5 million, which I understand they will accept. They are the ones to date. I hope that Tumbay Bay, and especially their chief executive, give the appropriate advice to their council about the folly that they are conducting.

The Hon. V.A. TARZIA: In Budget Paper 3, Budget Statement, page 95, it is stated that the ongoing public access to jetties provides significant economic, social and environmental benefits for communities. Have you modelled the economic value that it provides to these communities?

The Hon. A. KOUTSANTONIS: I do not think you need to do—

The Hon. V.A. TARZIA: I know you do not need to, but I am just curious as to whether you have.

The Hon. A. KOUTSANTONIS: I do not think you need to waste money on modelling the economic value a jetty has to a regional community. I think we all know that they are invaluable. Given that we are all nodding our heads saying that, can someone please tell me why they are not maintaining them, just even a little bit each year? Given we know how important these things are and given that we are all nodding, there was no money at all for jetty maintenance to local council jetties while the former government was in office. We have put in money each and every year and now I have made ongoing. I think our commitment to jetties and our understanding of their value is pretty straightforward and set out. I think they are invaluable assets for tourism, for community, for mental health, for fishing, for general recreation, health and fitness, and commerce. They are invaluable.

The Hon. V.A. TARZIA: Just on that note, I will not get into a debate with you, minister, because it has been quite a respectful dialogue—and may that long continue this afternoon—but there must be a better way for the long-term interests of all parties for a better jetty maintenance and upgrade program. Is the government looking at a long-term program for that?

The Hon. A. KOUTSANTONIS: We are. That is why we have said that this program now is ongoing indefinitely. What you have just asked is exactly what we have done in this budget. Local government came out and said the money we put in was not enough, so we have said this is now an ongoing program of an extra \$5 million per year to be matched by local government. We can pick the areas we need to invest in. I think we have done that. We have answered that.

The Hon. V.A. TARZIA: Will there be a review on that to then establish the benchmarks and how that has gone after a point in time?

The Hon. A. KOUTSANTONIS: We review constantly all our programs. I know my team sitting behind me look for the best value for money we can possibly get. The criteria here is not to refurbish and rebuild jetties: it is to keep them open. That is a fundamental difference that we have with our local councils. Some local councils want new jetties. We want to keep the jetties we have open and exploit them longer and harder.

The Hon. V.A. TARZIA: Budget Paper 4, Volume 3, page 114: can the minister please outline what was delivered as part of the \$34.6 million Marine Package project?

The Hon. A. KOUTSANTONIS: Page 114?

The Hon. V.A. TARZIA: Yes, 114. Marine Package: the total project cost including operating expenses for Marine Package is \$34.6 million. I am just curious: what was delivered as part of that?

The Hon. A. KOUTSANTONIS: Do you want to know what is in the total project cost or do you want to know what we actually spent?

The Hon. V.A. TARZIA: The latter.

The Hon. A. KOUTSANTONIS: What we actually spent.

The Hon. V.A. TARZIA: Yes.

The Hon. A. KOUTSANTONIS: It was O'Sullivan Beach, Beachport and Southend.

The Hon. V.A. TARZIA: Budget Paper 4, Volume 3, page 121, Highlights 2023-24, at point 3. It is noted that dredging works were completed at Cape Jervis and O'Sullivan Beach. However, in the 2023-24 budget, I believe there was a target to complete dredging works at North Haven. Was that completed? If not, why not?

The Hon. A. KOUTSANTONIS: You are on Roads and Marine highlights on page 120?

The Hon. V.A. TARZIA: Page 121, highlights, point 3.

The Hon. A. KOUTSANTONIS: Page 121 is Program summary—income, expenses and FTEs.

The Hon. V.A. TARZIA: Sorry, it is page 120.

The Hon. A. KOUTSANTONIS: Page 120. Dot point 1 tells you where we spent that money. It was Beachport jetty, O'Sullivan Beach boat ramp, Southend jetty upgrades, and dredging works at Cape Jervis and O'Sullivan Beach. You say there was a line in the budget item about dredging at North Haven. Would you like to know if that is completed? Is that your question?

The Hon. V.A. TARZIA: Yes.

The Hon. A. KOUTSANTONIS: The delay at North Haven was due to an EPA clearance and that work will begin shortly.

The Hon. V.A. TARZIA: Budget Paper 4, Volume 3, page 120, regarding targets: is the minister able to please outline which flood damaged roads are currently being repaired and what still needs to be repaired? Obviously we had an unprecedented weather event, so I am curious as to how that is going, how that is being addressed.

The Hon. A. KOUTSANTONIS: So there are two lots of flood damage works that we have done. The first is the flood recovery program and National Supply Chain Resilience, and then the other was the flood damage to the Riverland.

The capital program in the Riverland is \$37 million, and that is works like the reseal of Stanitzki Road, Ral Ral Avenue asphalt, Kingston Road batter shoulder reconstruction, Ral Ral Avenue asphalt and bridge repair works, Bookpurnong Road reconstruction of the shoulder, Bookpurnong Road and Gurra Gurra Creek bridge scour repairs, Ral Ral Avenue phase 2, Hunter Road reconstruction of washed-out sections, East Front Road, Hunter Road resurfacing at the eastern ferry entrance and Hunter Road reseal between the eastern ferry entrance and the road

collapse repaired sections. That does not include the extra works we are doing on the ferry that we had to do because of the floods.

In terms of the other works, we have an initiative of \$75 million that gives us resilience works. I read those out to you earlier: the Eyre Highway, the Stuart Highway, the Port Augusta to Pimba shoulder resealing work, the Strez and the Yeralina Creek to the dog fence works, which I spoke to you about earlier. So there are two programs.

The Hon. V.A. TARZIA: I will now throw to the member for Hammond, Mr Chair.

Mr PEDERICK: I go to Budget Paper 4, Volume 3, page 114, line 9. What work has been done on the Mount Barker roundabout upgrade, noting that only \$500,000 has been spent of a budgeted \$3 million in 2023-24?

The Hon. A. KOUTSANTONIS: Planning, consultations and service relocation.

Mr PEDERICK: On the same budget line, does the department have a finalised proposed concept design that it is putting out for consultation or is this still ongoing, and how much compulsory acquisition is required?

The Hon. A. KOUTSANTONIS: In the second half of this year, so after July, we will go out with the design works that we are finishing off now and go out to a further consultation. There will be compulsory acquisitions required. Famously, I think it is the chicken shop that is under question.

Mr PEDERICK: Fish and chips.

The Hon. A. KOUTSANTONIS: Yes, whatever it is.

Mr PEDERICK: Same place.

The Hon. A. KOUTSANTONIS: It is something that needs to be done.

Mr PEDERICK: We will go to Budget Paper 4, Volume 3, page 112, 'Investing expenditure summary', 'New projects', line 5. Was there any consultation with the South Australian Road Transport Association regarding the location of the new heavy vehicle rest area at Salt Creek along the Princes Highway?

The Hon. A. KOUTSANTONIS: Yes.

Mr PEDERICK: On the same line, what work will be done on the heavy vehicle rest area in the 2024-25 financial year, noting that only a small portion, \$190,000, of the total cost of \$3.8 million is allocated?

The Hon. A. KOUTSANTONIS: My chief executive says we will finalise and complete the design work.

Mr PEDERICK: In light of that, what amenities will be included at the new heavy vehicle rest area at Salt Creek?

The Hon. A. KOUTSANTONIS: My guess is it will be, obviously, a rest area: seating, canopy, table, bin.

Mr PEDERICK: Are there going to be bathroom and toilet facilities built there, considering its location?

The Hon. A. KOUTSANTONIS: No.

Mr PEDERICK: That is interesting. On line 5, why are the two locations stated for parking bays on the Barrier Highway announced to receive \$1.7 million from the commonwealth for a total project worth \$2.12 million but they do not appear to be mentioned in the state budget directly?

The Hon. A. KOUTSANTONIS: Which?

Mr PEDERICK: These parking bays on the Barrier Highway.

The Hon. A. KOUTSANTONIS: Where do you say they are referenced in the state budget?

Mr PEDERICK: In relation to line 5 on Budget Statement—

The Hon. A. KOUTSANTONIS: The Adelaide Hills Productivity Safety Package or the—

Mr PEDERICK: No, this is Barrier Highway.

The Hon. A. KOUTSANTONIS: Where is Barrier Highway in existing projects?

Mr PEDERICK: There are parking bays slated there. I am assuming the money is allocated in the budget, but I could not find it.

The Hon. A. KOUTSANTONIS: Oh, right, so you cannot find it in the budget.

Mr PEDERICK: Yes. Is there a direct allocation budgeted, is what I am asking.

The Hon. A. KOUTSANTONIS: No, it is part of a program.

Mr PEDERICK: Yes, for the two parking bays.

The Hon. A. KOUTSANTONIS: The commonwealth government want these funding streams to be in programs, so that, I think, is the disconnect between your question and what the commonwealth government are viewing to try to articulate what these programs are.

Mr PEDERICK: I will go to Budget Paper 2, Budget Speech, page 7.

The Hon. A. KOUTSANTONIS: Budget Speech?

Mr PEDERICK: Yes; it is part of the budget. Regarding dot point 1, have the locations of the three overtaking lanes on Main South Road between Normanville and Cape Jervis been identified?

The Hon. A. KOUTSANTONIS: They have and will be going out to consultation soon.

Mr PEDERICK: In regard to that, has the scope of that project been narrowed as previously the project stated the overtaking lanes would be between Myponga and Cape Jervis?

The Hon. A. KOUTSANTONIS: My advice is no, the scope has not changed.

Mr PEDERICK: Budget Paper 3, Budget Statement, page 93: I know we have talked a lot about regional road resurfacing. Under dot point 9, has there been a list collated of regional roads that have been identified as needing safety barriers replaced?

The Hon. A. KOUTSANTONIS: Like I said, we do all of our assessments on a needs basis. We do not go out and collate roads we would like to put safety barriers on. We collate roads that need safety barriers, and we do that as funding becomes available.

Mr PEDERICK: On the same Budget Statement, page 94, paragraph 2, I note that the 2024-25 capital program for regional roads and transport projects is \$743 million compared to \$915 million in last year's budget. What has led to the \$172 million decrease?

The Hon. A. KOUTSANTONIS: Because we have delivered a lot of the projects.

Mr PEDERICK: Can you identify the projects that have been completed?

The Hon. A. KOUTSANTONIS: Sorry, is this now a policy of the opposition that you will continue to index these regional road funding programs? Are you saying that, rather than once you have delivered a project, there should be a flat—

Mr PEDERICK: No, I am just asking what has led to the decrease. That is all I am asking.

The Hon. A. KOUTSANTONIS: It is not a decrease. It is not a capital program decrease. Capital has increased in this budget. This is a program.

Mr PEDERICK: On Budget Paper 4, Volume 3, page 113: I know you have branched—

The Hon. A. KOUTSANTONIS: Are we back to the Agency Statements?

Mr PEDERICK: Yes, it would be; Budget Paper 4. You have branched along some of this funding before, but I will just get some particulars. Regarding line 7, what did the estimated \$2.5 million in 2023-24 go towards under the ex-Tropical Cyclone Tiffany severe weather event—road repairs project?

The Hon. A. KOUTSANTONIS: I will get you an answer, but my understanding is it was culvert design, designing where the culverts would go.

Mr PEDERICK: Design work?

The Hon. A. KOUTSANTONIS: Yes.

Mr PEDERICK: On the same budget line, has the Stuart Highway maintenance upgrade and rebuild been completed following that Cyclone Tiffany weather event?

The Hon. A. KOUTSANTONIS: I have already answered that—

Mr PEDERICK: In regard to the outback roads that were damaged in that weather event, what outback roads still require remediation and betterment following the ex-Tropical Cyclone Tiffany weather event, and do you have a schedule for these works?

The Hon. A. KOUTSANTONIS: I have already read those out as part of the—

Mr PEDERICK: Okay. I go to line 8 talking about the Fleurieu Connections freight project.

The Hon. A. KOUTSANTONIS: Yes.

Mr PEDERICK: Is the discrepancy between what was budgeted, \$21.1 million, and what was estimated to have been spent, \$19.5 million, in 2023-24—

The Hon. A. KOUTSANTONIS: I will correct you right now. That is \$145 million and \$195 million, not \$19.5 million.

Mr PEDERICK: I am not sure why I have those figures here.

The Hon. A. KOUTSANTONIS: No, because whoever read it forgot to add the three zeros on top of the column. It is not your fault.

Mr PEDERICK: I get how to read a budget.

The Hon. A. KOUTSANTONIS: It is not your fault, it is the fault of whoever wrote it for you.

Mr PEDERICK: We are all human.

The Hon. A. KOUTSANTONIS: We are, and you are a good one.

Mr PEDERICK: I go to line 9. What will the annual allocation under the Freight Highway Upgrade Program go towards in the 2024-25 year?

The Hon. A. KOUTSANTONIS: What we have discovered is that this is a 10-year program to improve safety, with \$500 million from the commonwealth government, 80:20, to improve the safety and reliability of national freight routes. The weighted annual daily average traffic volumes on Dukes and Augusta highways are about 4,000 vehicles each, of which about 40 per cent and 22 per cent, respectively, are heavy vehicles.

The upgrades will improve freight productivity by reducing travel times for the delivery of goods to businesses and communities, which reduces operating costs for commercial vehicles. They will also improve rest areas to improve and assist with fatigue management. The three we have commenced work on are the Stuart Highway, Augusta Highway and Dukes Highway. Approximately \$52 million has been invested so far across three freight corridors undertaking upgrades of pavements, safety barriers, lighting and shoulder works.

On the Stuart Highway we have done culvert and batter works at various locations between Pimba and Coober Pedy to improve resilience; that is finished. Cattle grid replacements are complete. Pavement improvements, asphalt, and the works on Yorkeys Crossing and Richardson Crescent are in delivery as we speak.

On the Augusta Highway there are shoulder improvement works on various sections between Lower Light and Inkerman; that is complete. There are resurfacing works on the south-bound lane between Frost Road and Wiley Road; that is complete. There are service relocation works in readiness for construction of the Flinders View Drive junction upgrade; main works commence in the middle of next financial year. Pavement improvement through Port Augusta is in

delivery. Shoulder works and a moisture barrier to increase road pavement lifespan between Snowtown and Redhill is in delivery. Lighting improvements near Port Augusta are in delivery now.

On the Dukes Highway, we are removing undulations between Bordertown and the South Australia-Victoria border; that is complete. The pavement upgrade of the rest area west of Keith is complete. Planning studies are underway to define the future program of works to be able to remain in the 10-year program. If the member has suggestions, I am all ears.

Mr PEDERICK: I have jumped around a bit. I will go to Budget Paper 4, page 120, program 2, roads and marine, targets 2024-25, dot point 4. Does the minister have a timeline for the rebuild of the Mallee Highway between Geranium and the Victorian border, seeing the other section is being worked on now between Taillem Bend and Geranium?

The Hon. A. KOUTSANTONIS: That is not part of the scope of these works.

Mr PEDERICK: The reason I am asking the question is because obviously only half of the highway is being done. Are there any thoughts inside the department, because the other section is actually in worse condition?

The Hon. A. KOUTSANTONIS: It would be in worse condition because the other one is being upgraded.

Mr PEDERICK: It was in worse condition before the upgrade is what I am saying. Anyway, I will leave it there.

The Hon. A. KOUTSANTONIS: Obviously, we take into consideration volumes of traffic as well and who would benefit. I would imagine the department would have chosen that section because I thought they would get a better benefit for South Australian operations.

Mr PEDERICK: But it is not budgeted for on the forward works is what you are saying.

The Hon. A. KOUTSANTONIS: No. The rest of the section you are talking about, no it is not.

Mr PEDERICK: I will go to the same dot point, dot point 4. In relation to roads and marine, is the Southern Ports Highway part of the approximate 362 lane kilometres of rural roads that will be resealed and rehabilitated?

The Hon. A. KOUTSANTONIS: There are two programs there that we are looking at. Some parts had been identified out of our regional road maintenance fund that we do anyway, and some out of the \$168 million road safety scheme that we have operating with the commonwealth government. There are sections of that road that we have identified. Some are being funded under our regional road maintenance program, others are being funded out of our road safety package.

Mr PEDERICK: I refer to Budget Paper 4, Volume 3, page 115, line 11. Only an estimated \$10 million was spent out of the \$55 million that was budgeted in 2023-24 for the Strzelecki Track project. What were the issues that meant that we did not get that \$45 million invested?

The Hon. A. KOUTSANTONIS: I will give you some context. Obviously, it is 470 kilometres of unsealed outback road from Lyndhurst to Innamincka. By May 2024, 40 per cent of it was done. Over 113,000 hours of construction were undertaken on the road and 27 per cent of the hours were done by Indigenous people.

From September 2020 through to May 2024, the Strez has been impacted by 47 separate inclement weather events, three of which resulted in significant flooding and damage to both the sealed and unsealed sections of the road. These events resulted in the Strez being closed to all traffic for a total of 106 days, with a further 226 days where restrictions were in place while the track was progressively opened to traffic.

As a result of the January 2022 weather event, and to mitigate the impact of future weather events, a decision was made by the previous government to obtain a survey and design of the 50-kilometre section between Moomba and Della Road and an 18-kilometre section of the flood plain between the dog fence and Yeralina Creek. Then ex-Tropical Cyclone Kirrily dumped significant

rainfall across the Cooper Basin on 4 and 5 February 2024, with a subsequent isolated storm on 12 February 2024 and further weather events in late March, April and May causing further damage.

Remediation works and maintenance grading were undertaken south of the Strez Crossing to Yeralina Creek and the interim repairs were undertaken on Adventure Way. The Strez Creek, which crosses Della Road approximately 10 kilometres west of the T-junction of Della Road and Dillons Highway, flowed with a channel of water estimated at three kilometres wide. Extensive full width scale damage was evident at various locations along Della Road. There were several creeks overflowing between Lyndhurst and Mount Hopeless, and significant debris and silt at several locations. Dreary Creek, approximately 100 kilometres north of Lyndhurst, was dramatically impacted. Unsealed sections of Della Road were underwater and inaccessible to all traffic.

Following dewatering, assessments from Moomba to Innamincka were progressively undertaken as water subsided. The contractor completed priority maintenance and grading on the unsealed section north of Yeralina Creek to the Strez Creek crossing in April of this year, and remediation works on Della Road heading east from Moomba towards Dillons Highway were completed on 24 April 2024. Work crews then moved north to complete works on Dillons Highway.

Following the flooding events of early 2024, the department will continue to assess a number of impacts to remaining works, including a loss of materials that we had up there and deterioration to sections not yet sealed. The cost and time impacts are still being understood.

I want to make it clear: I am just as committed to this as you are. I was the Treasurer who first put money into this. This is an important piece of infrastructure that needs to be upgraded. Regional communities rely on it, the oil and gas industry relies on it and it can unlock a lot of freight, so I want it done too. But we have been hit by unprecedented weather events, and I fear it may happen again this year.

The CHAIR: The time allotted having expired, I declare the examination of Roads and Marine complete.

Sitting suspended from 12:46 to 13:45.

Membership:

Mr Batty substituted for Mr Pederick.

Departmental Advisers:

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

Mr G. Jackson, 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 B. Seidel, Director, Financial and Procurement Services, Department for Infrastructure and Transport.

Mr J. O'Grady, Senior Manager, Service Delivery, Service SA, Department for Infrastructure and Transport.

The CHAIR: I open the portfolios of Service SA and Public Transport. The proposed payments remain open for examination. From 1.45 to 2.15 we will deal with Service SA, and from 2.15 to 3.15 we will do Public Transport. Minister, you have the call. Please feel free to introduce your advisers and make any opening remarks if you wish, followed by the opposition spokesperson, which I presume is the member for Hartley, to do the same.

The Hon. A. KOUTSANTONIS: To my right I have Emma Kokar, who is the Executive Director of Transport Policy and Regulation. Behind me is Mr James O'Grady, Senior Manager for Service Delivery, Service SA, and the other officers remaining have already been introduced.

The CHAIR: Member for Hartley, the floor is yours.

The Hon. V.A. TARZIA: Welcome Mr Whelan and staff. I refer to Budget Paper 4, Volume 3, page 120, Highlights 2023-24, in relation to 'Koala State number plates'. How many plates were issued in 2023-24?

The Hon. A. KOUTSANTONIS: More than I anticipated, anyway.

The Hon. V.A. TARZIA: I heard you had one, minister. Is that incorrect?

The Hon. A. KOUTSANTONIS: No. A total of 1,950 plates have been sold as of 28 May 2024. I do not have an up-to-date to end of financial year figure because it has not ended, obviously, but it has been very successful.

The Hon. V.A. TARZIA: How much is raised from those plates?

The Hon. A. KOUTSANTONIS: \$97,500.

The Hon. V.A. TARZIA: I refer to Budget Paper 4, Volume 3, page 120, again highlight point 7 in relation to 'Japanese special number plates'. I am seeing them around the place. How many were issued and how much was raised from that plate issue?

The Hon. A. KOUTSANTONIS: Twelve hundred and forty seven Japanese plates have been sold, 545 premium plates were sold, and the one-off custom plates have been issued, generating a total revenue of \$306,125.

The Hon. V.A. TARZIA: Supplementary to that: obviously, these types of plates—

The Hon. A. KOUTSANTONIS: Sorry to interrupt the shadow minister, I should add that there were also 10 special edition Japanese plates that were auctioned in March, and they raised revenue of \$54,177.

The Hon. V.A. TARZIA: Special edition? Which ones are they?

The Hon. A. KOUTSANTONIS: The special edition ones.

The Hon. V.A. TARZIA: They sound so special I want to know what I am looking for when I see them.

The Hon. A. KOUTSANTONIS: They are the JDM logo number ones.

The Hon. V.A. TARZIA: Obviously, it is the prerogative of government to issue these types of plates from time to time or for certain causes, for example, raising money for the bushfires, etc. Is there any other appetite to issue any other plates? Obviously, they are quite popular.

The Hon. A. KOUTSANTONIS: Yes, we have number 8 going up for auction soon. My favourite number, my lucky number. Yes, absolutely.

The Hon. V.A. TARZIA: How much are you expecting to fetch for that one?

The Hon. A. KOUTSANTONIS: I am not going to pre-empt the market, but I think we are talking about six zeros after the number, no matter what it is.

The Hon. V.A. TARZIA: Wow. Excellent. We look forward to that with keen anticipation.

The Hon. A. KOUTSANTONIS: Are you putting your name forward?

The Hon. V.A. TARZIA: We will see how we go. Moving on to Budget Paper 4, Volume 3, page 122 in relation to performance indicators. I understand that the 2023-24 target for the percentage of customers with simple transactions served under 20 minutes was to be greater than 90 per cent in 2023-24; however, that was estimated to be, I think, only 60 per cent. Is the minister able to outline the reasoning for that? That is a third.

The Hon. A. KOUTSANTONIS: My assumption is that we always set a very high target and it is very difficult to ever reach that target, but we should always aim for it. I understand part of the issues are the complexity of the transactions that are processed by Service SA. A lot of the simpler transactions are now being done online, so the more complex transactions are the ones that are being done in the Service SA centres, which is seeing a deterioration in the ability for us to report these higher numbers.

The Hon. V.A. TARZIA: Coming back to the koala plates and the Japanese plates, in relation to the revenue from those plates, does that go back into general revenue or is there another aspect of the budget that goes into?

The Hon. A. KOUTSANTONIS: It's the department's. The department raises the money. Treasury can set targets for us, if they like. These are things I will teach you once you are a minister and I will show you how to keep the money you raise yourself, for your department I mean, not for yourself personally.

The Hon. V.A. TARZIA: I imagine that some Treasurers come and go, but some of the themes remain the same, minister.

The Hon. A. KOUTSANTONIS: That's right, but you will have me as a coach, so I will get you through it.

The CHAIR: He would be a meritorious transport minister then, would he?

The Hon. A. KOUTSANTONIS: I want him to do well.

The Hon. V.A. TARZIA: He is here to help. He is always here to help. Free advice.

The Hon. A. KOUTSANTONIS: I am a mentor to many Liberals. They come to me and talk to me at length and tell me their problems, and I listen.

The CHAIR: There is so much I could say when you say that, minister.

The Hon. V.A. TARZIA: In terms of Budget Paper 4, Volume 3, page 122, performance indicators again, the targets for 2024-25 are significantly lower than the 2023-24 targets. Why is that the case? Should not we be getting better over time, not worse? Could you just talk us through why some of those targets are what they are.

The Hon. A. KOUTSANTONIS: I would say that the percentage of calls answered under five minutes, the target we set was 90 per cent. The result we achieved was 24 per cent. We are setting a target of increasing that by 10 per cent. I want to be able to set the staff, and I think the agency wants to set the staff targets that we can actually achieve so we can show improvement year on year, otherwise if it is a target they can never achieve I do not want people to give up. So I want to be able to set targets people can meet. I think that is a sensible target they have set. I will just check if there is any other reason. Again it goes to the point that people are now working on more complex transactions.

The Hon. V.A. TARZIA: I want to dig a bit deeper into that. Again I am talking about Budget Paper 4, Volume 3, page 122, when the department here talks about 'simple transactions', what do you define as a simple transaction?

The CHAIR: Not complex.

The Hon. V.A. TARZIA: Not complex.

The Hon. A. KOUTSANTONIS: Rego, for example, can be sorted out in under a minute. That is one example. A complex transaction might be a car that has not been registered for five years, defects are issues, accreditations for specific licences, those sorts of things.

The Hon. V.A. TARZIA: Okay, got you. In terms of—in the same budget area—the 'Bridge health index', I find that fascinating. What goes into the bridge health index? What makes up the health of a bridge; what factors do you consider in that?

The Hon. A. KOUTSANTONIS: We have moved on. We are in now Service SA.

The Hon. V.A. TARZIA: Yes, it is in the same sort of performance area.

The Hon. A. KOUTSANTONIS: I have sent the officials home. We do bridge strength analysis, we check permits, what weight they can carry over the bridge, the age of the bridge, they are regularly inspected, we look at corrosion and other things—all the things you would expect of bridge health. Obviously the boffins within the agency and the engineers have come up with an index that is easily transferable and usable.

The Hon. V.A. TARZIA: Budget Paper 4, Volume 3, page 122, Performance indicators: is there any concern regarding poor performance within those performance indicators by percentage of customers with simple transactions served under 20 minutes? What sort of review is put in place to ensure that that metric improves?

The Hon. A. KOUTSANTONIS: No, I am not concerned. I have faith in the work that my agency is doing in Service SA. We are expanding its delivery options, we are obviously increasing services to Saturdays, we are maintaining the operations of Service SA. South Australians want someone they can go meet, see and speak to in person. We continually review all of our operations. The staff, obviously, set themselves their own internal targets and they want to continually improve.

It is getting hard for us in an area where there is full employment in the state to recruit people to work in Service SA. It can be a difficult line of work, especially when you have complex transactions, where often the last person they see after a large number of interactions with other state government offices, potentially police and alike, which can mean tempers can flare and we have to protect our staff and their wellbeing. I think on a whole Service SA do an exceptional job with the resources that they are given, in an area of full employment, and the customers that they are dealing with can sometimes be very, very difficult.

Given that we have moved a lot of these simpler transactions to online transactions, often what they are left with are people who have been given statutory notices by other offices in government that have to be executed and worked out at a Service SA centre, so they are dealing with some people who have been—

The Hon. V.A. TARZIA: Just on that note, obviously I am sure, as all members of parliament, from time to time we encounter residents who perhaps have eyesight issues later in life and the department might have a view about whether they should or should not have a licence. I am just wondering, how many residents have had their licence not extended or not renewed as a consequence of poor health; does Service SA keep that data?

The Hon. A. KOUTSANTONIS: That is not done by us. We do that on the advice of their medical practitioner. We ask medical practitioners to do the assessment. If the medical practitioner does not pass them, we do not issue them a licence.

The Hon. V.A. TARZIA: Sometimes I will—like many members of parliament, I am sure—have residents coming in complaining, but it is obviously DIT that administers the licence ultimately. You do not keep any data on that?

The Hon. A. KOUTSANTONIS: If a doctor has not certified that they are fit to drive we cannot issue them with a licence, but in terms of the data that we keep I do not know that we keep data on the basis of whether a medical practitioner has ruled someone ineligible to drive.

The Hon. V.A. TARZIA: Budget Paper 4, Volume 3, page 122: is the minister able to outline how many staff work across all Service SA sites?

The Hon. A. KOUTSANTONIS: The advice I have is 223.

The Hon. V.A. TARZIA: Same budget line: how many vacancies are there still for job roles across Service SA across the state? I appreciate it is a tight work market at the moment.

The Hon. A. KOUTSANTONIS: It is a dynamic number, it goes up and down, so I could not give you a snapshot. It would be unfair for me to give you a number because it would not be accurate because they could have filled positions today, someone could have resigned today.

The Hon. V.A. TARZIA: Do you have a ballpark?

The Hon. A. KOUTSANTONIS: I would say 20 to 40.

The Hon. V.A. TARZIA: Budget Paper 4, Volume 3, page 122, Performance indicators: do you believe the performance indicators for Service SA 2024-25 will be met? Do you anticipate any issues achieving any of those performance indicators?

The Hon. A. KOUTSANTONIS: Yes and no.

The Hon. V.A. TARZIA: And what are they?

The Hon. A. KOUTSANTONIS: Yes, I believe we will make them and, no, I do not think we will have any problems meeting them—if that was your question.

The Hon. V.A. TARZIA: Yes. Okay, we will move on. Budget Paper 4, Volume 3, page 111, regarding ministerial resources: how many of the 16 FTEs allocated to the minister are allocated to liaise and assist with Service SA-related matters?

The Hon. A. KOUTSANTONIS: These staff—obviously there is an MLO from each agency, an FOI officer, an office manager, and correspondence staff. I think, other than the Premier, I receive the second-most amount of correspondence of any other minister in government. I think the Premier refers a great deal of his correspondence to me because they are about the same sort of thing. In terms of whether I hypothecate these FTEs towards Service SA, I think we work as a team across all portfolios.

The Hon. V.A. TARZIA: Budget Paper 4, Volume 3, page 122, regarding performance indicators in relation to Service SA centres on Saturdays: does the minister believe that opening various centres on Saturdays would allow staff to answer queries in a quicker time frame? I would have thought—

The Hon. A. KOUTSANTONIS: It is not about the staff being able to answer questions in a quicker time frame. It is about convenience for our citizens, who might work Monday to Friday and have to do a transaction in person, who cannot get to a Service SA centre. There are shift workers, people with jobs that just do not allow them to get in to a Service SA centre. Offering people the ability to access Service SA centres on weekends is about convenience. The advice I have is that since commencement of Saturday operations across five sites the average wait time on a Saturday is five minutes and 31 seconds, and the average transaction time is eight minutes and 13 seconds. That is pretty good.

The Hon. V.A. TARZIA: I am glad you mentioned five minutes—referring to Budget Paper 4, Volume 3—because on that note there is a clear KPI in percentage on page 122, regarding the percentage of calls answered under five minutes. The estimated result for the percentage of calls answered is basically one-third of the target. That is a metric where we are way off there. Why is that? Why are we so far off on that one there?

The Hon. A. KOUTSANTONIS: Because they are complex. If you want to talk to someone—

The Hon. V.A. TARZIA: Okay, so that is an example where they are obviously not simple; they are complex.

The Hon. A. KOUTSANTONIS: One of the problems we have is a lot of companies that transact in South Australia use our ID verification systems and they store them on their databases—driver's licences, for example. When there is a data breach, people spend a lot of time calling in. People obviously have a lot of anxiety about the idea that their personal information has been breached and where that is available, whether it is on the dark web or wherever it might be.

There are family relationship break-ups that we are dealing with, people trying to hide their addresses and where they are so they do not get found, domestic violence issues. There are people who can use those driver's licences to access finance, which is very difficult for us to make sure we can maintain. So when these breaches occur, we are overwhelmed with people calling in to try to deal with this.

Here we are in June, sitting in estimates, talking about how we have not met this metric, and we forget that companies like Optus and other companies have had tardy mechanisms in place to protect the data that they use to verify people's identification, and then that cost is thrown on us to

fix for people. That is why you are seeing a lot of these metrics not met well. I would anticipate that there will be future breaches as well because of the increased hacking coming out of some countries.

The Hon. V.A. TARZIA: At Budget Paper 4, Volume 3, page 120, highlights, I want to delve a bit deeper into mySAGOV. Is the minister able to confirm how many driver's licences there are in South Australia, how many were renewed online in 2023-24 via mySAGOV and then how many were renewed in person? I am trying to understand that data and how that is changing. Do you have any data on any of that?

The Hon. A. KOUTSANTONIS: So you want to see the percentage of people doing this online?

The Hon. V.A. TARZIA: Yes. Who does it online, who goes in, and how is that changing?

The Hon. A. KOUTSANTONIS: The total number of licences in South Australia, including heavy vehicle licences, is 1,188,868. There are 23,000 active provisional licences and 75,592 active learner's permits, and there are 150,439 active motorcycle R class licences. I am trying to get you the stats now on how many of those are being done online; the question is whether we can get a comparison between previous years or not. That might be a bit difficult for us.

For example, I have last week's. Last week, there were 616 done online. I am not sure how many in total were done through mySAGOV. I am not sure how many were done in total. Again, it depends on whether you need a new photograph or not. There would be some who would be forced to go in; there would be a percentage who would be forced to go in to get a new photograph. There would be others who could use their existing photograph who could do it through the mySAGOV site. I can try to get you a breakdown of those and how that is trending up.

The Hon. V.A. TARZIA: On Budget Paper 4, Volume 3, page 120, highlights, is the minister able to confirm how many downloads the mySAGOV app has? Personally, I find it very easy to use and convenient.

The Hon. A. KOUTSANTONIS: I understand that data is held by the Department of the Premier and Cabinet, not by us, because they are the ones who run that app.

The Hon. V.A. TARZIA: And therefore they would also be appropriate to tell us how many people use that online service through mySAGOV daily? That would be a question for them?

The Hon. A. KOUTSANTONIS: I would say so, but that is something I can undertake to get for you—

The Hon. V.A. TARZIA: On notice.

The Hon. A. KOUTSANTONIS: —and get back to you on notice.

The Hon. V.A. TARZIA: Thank you. Same budget line: what delivered increased services have been provided through mySAGOV? Is that also a question for the Premier's department?

The Hon. A. KOUTSANTONIS: I can only give you the stuff that we are doing.

The Hon. V.A. TARZIA: Budget Paper 4, Volume 3, page 122: Performance indicators. Is the minister able to confirm, please, how many transactions have occurred at Service SA on Saturdays since some of those sites began opening on Saturdays?

The Hon. A. KOUTSANTONIS: I am advised that the total transactions undertaken on Saturday for the 12-month period 6 May 2023 to 4 May 2024 is over 90,000. In fact, it is 90,765.

The Hon. V.A. TARZIA: What criteria do you use to determine that some sites are open on Saturdays and then other sites are not open on Saturdays?

The Hon. A. KOUTSANTONIS: They were election commitments made by the incoming Malinauskas government. I have now asked the department to look at what other sites could be commercially viable, along with budget and in terms of operating costs, and staffing is also an issue, so we will keep on looking at. I would like to offer this service more and more because I think people value their Service SA centres.

The CHAIR: Places like Gawler would be good.

The Hon. A. KOUTSANTONIS: I can rule out Gawler. No, I'm joking.

The CHAIR: Sorry to hear that, minister.

The Hon. A. KOUTSANTONIS: I'm joking.

The Hon. V.A. TARZIA: The impartial Chair is not arguing from the chair, but it did cross my mind, Mr Chairman, to the minister, seriously, because obviously we have certain pockets of the city that are growing substantially—down south, up north of the city—so you took the words out of my mouth, and that is why I was asking a legitimate question in terms of whether there is any appetite. The next question is Budget Paper 4, Volume 3, page 122: are you looking to open up new centres where there is obvious demand?

The Hon. A. KOUTSANTONIS: We are not closing any. We have undone a decision of the previous government to close Service SA centres. We have kept those open, and we have increased our hours of operation to weekends. I am always looking to improve and increase the ability for us to open them up, so I don't know if I can give you that answer in this estimates, but there are future budgets, and who knows what the government will decide. But I think this is a service that is worthy of expansion.

The Hon. V.A. TARZIA: On the same budget line, you mentioned cyber as an issue and risks, and there was obviously that substantial cyber attack with those reported issues. That obviously came to the detriment of the state, and the state had to open up extra hours, and people were massively inconvenienced. Did you end up sending a bill to Optus or any other company?

The Hon. A. KOUTSANTONIS: My understanding is Optus reimbursed us for the cost of the reissuing of the licences.

The Hon. V.A. TARZIA: Good, and do you remember what that cost was?

The Hon. A. KOUTSANTONIS: I can get that for you.

The Hon. V.A. TARZIA: Are we talking hundreds of thousands or millions?

The Hon. A. KOUTSANTONIS: It was \$2.3 million.

The Hon. V.A. TARZIA: Wow. Talking about increased security in Budget Paper 4, Volume 3, page 120: when it talks about as a highlight delivered increased online services with increased security, are you talking about physical security or are you talking about increased cybersecurity there?

The Hon. A. KOUTSANTONIS: Yes, we want multifactor authentication protocols in place. It is about cybersecurity and making sure that licences can be secured, ID can be secured, and that the app is secure to stop data breaches. But in my experience, data breaches are not necessarily at our end, although we are vulnerable to them because we are a government and we are constantly under threat of cyber attack. It is banks; it is when people use their identification that the state government issues for other purposes. That is the concern that I have.

The Hon. V.A. TARZIA: In terms of Service SA, I just want to ask one final question before we kick on to public transport. In terms of Service SA, there was some discussion a while back about increased services and transactions that may be able to be facilitated through Service SA centres. Has that been furthered in any way?

The Hon. A. KOUTSANTONIS: There is a constant piece of work that Emma and her team do about what transactions we can make easy and streamlined online. That work is always being updated and worked on. But there are some services that just need to be done in person, so it was always going to be a mixture of them both. We keep on legislating in this place requirements on people to use Service SA centres, so we have to maintain that. Yes, we are constantly doing work to see how we can streamline it and get things online, but that does not mean a rationalisation of Service SA centres.

The CHAIR: The allotted time having expired, I declare the examination of Service SA complete. We now move to Public Transport. I will give an opportunity to the minister to change his advisers if he wishes to do so.

Departmental Advisers:

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

Mr G. Jackson, Executive Director, People and Corporate Services, Department for Infrastructure and Transport.

Ms E. Kokar, Executive Director, Transport Policy and Regulation, Department for Infrastructure and Transport.

Mr Q. Swann, Acting Executive Director, South Australian Public Transport Authority.

Mr B. Seidel, Director, Financial Procurement Services, People and Corporate Services, Department for Infrastructure and Transport.

Ms E. Cavaggon, Program Lead, Public Transport In-house Program, South Australian Public Transport Authority.

Ms M. Spagnoletti, Manager, Integrated Service Planning, South Australian Public Transport Authority.

The CHAIR: Michelle is a very important person, especially for the north.

The Hon. A. KOUTSANTONIS: Yes.

The CHAIR: Minister, do you wish to make any opening remarks?

The Hon. A. KOUTSANTONIS: No.

The CHAIR: Member for Hartley, the floor is yours.

The Hon. V.A. TARZIA: Thank you very much, Chair. Thank you, minister, Mr Whelan and staff. Just to pre-empt the omnibus questions, the member for Bragg will do that at about 3.10. Thank you for your assistance today, one and all. We will kick on to public transport. We will start off with Budget Paper 4, Volume 3, page 117, Highlights 2023-24, dot point 3. Is the minister able to confirm which metropolitan train stations were upgraded in 2023-24?

The Hon. A. KOUTSANTONIS: Nurlutta Railway Station, pedestrian access, upgrade the passageway adjacent Commercial Road, Salisbury, at a cost of \$1.8 million; Clarence Park train station upgrade, \$6.5 million, which will be completed by the end of 2025; Noarlunga Interchange upgrade, \$2 million for amenity at station and installation of a new escalator; West Croydon train station, \$2 million for CCTV and a refresh of the station; Jane Street, West Croydon, \$4.8 million for a safety pedestrian crossing; Woodlands Park station, \$4.5 million for the installation of a new shorter platform surface, including facilities and CCTV; Alberton Railway Station; Ethelton Railway Station, \$9.9 million for a full rebuild of its station.

Pedestrian crossings: Parklands crossing, War Memorial Drive, North Adelaide station, Islington station, Parafield Gardens station, Chidda station, at the Adelaide end and the Gawler end, Brown Terrace, Salisbury, Salisbury Oval, Ovingham station, both ends Gawler and Adelaide, Smithfield station, Adelaide end, Broadmeadows, both ends, Adelaide and Gawler, Beadnell Terrace, Lawrence Avenue.

The Hon. V.A. TARZIA: Thank you. I go to Budget Paper 4, Volume 3, page 119: Performance indicators, regarding total boardings. Related to that are obviously fare evasions, which has been quite topical in the media a lot. Does the minister know the number of fare evasions that have occurred in the public transport network in 2023-24? I imagine that is hard to estimate because you are not getting the fare. I am not trying to be cute here.

The Hon. A. KOUTSANTONIS: I know. We think it is 2 per cent of all patrons, but do you call a fare evader a patron? It is very hard for us to estimate. I get a lot of correspondence from people who are furious with fare evaders, so I resist calls for public transport to be free for all users because there is a value to public transport, and the ticket box is quite valuable to us for discretionary spending on public transport facilities. So, yes, it is about 2 per cent. Some of it is inadvertent, some

of it is people thinking they have validated when they may have inadvertently not validated, to the deliberate.

The Hon. V.A. TARZIA: How do you come up with that 2 per cent? You obviously have officers who conduct operations; how do you come up with that 2 per cent? How do you estimate that data?

The Hon. A. KOUTSANTONIS: The department, internally, would do its own body of work. We obviously catch people who fare evade, and we extrapolate out from that what percentage we think we catch, and I am sure they do a body of work on that. It could be a real-world experience. There are many methodologies in place that they apply and they have come up with this number. I do not want the department spending time on trying to determine how many people evade fares. I would rather they spend their time on catching people who evade their fare.

I am not that fussed about the methodology that they use, and I am not trying to be flippant here. I think we are better off putting our resources into collecting the maximum amount we can from the fare box. The alternative to that, of course, is that we are collecting 98 per cent of all eligible fares that we should be, which is a very, very good outcome. One hundred per cent would be fantastic, but I do not think there is a jurisdiction anywhere in the world that can claim 100 per cent back.

The Hon. V.A. TARZIA: Are you looking at better measures to reduce fare evasion? For example, I forget which jurisdiction it was where they were talking about some sort of doors that you have to scan on the outside of a bus to get in, for example.

The Hon. A. KOUTSANTONIS: I have had these conversations as well with my staff and the department. That would slow the passenger transport system down dramatically. We are trying to do two things here. What gets people on a bus, train or tram? It is frequency and amenity—frequency most often. If buses are stopping for long periods of times at stops and you decrease that frequency, you lose passengers. We have to make sure we do this in a way that is fast.

For example, on the O-Bahn we allow boarding at both ends of the bus to try to maximise getting people on there as fast as we possibly can to get that frequency happening. So there is a balance that we are trying to get here. Spot inspections are, I think, a very good way. Some ticketed stations work, some ticketed stations do not work. So there is a mixture here, and the agency is working well to try to minimise that, but I think enforcement is probably the best way.

The Hon. V.A. TARZIA: I refer to Budget Paper 4, Volume 3, page 119, performance indicators, total boardings. In the minister's opinion, how much is fare evasion then costing the South Australian taxpayer per year?

The Hon. A. KOUTSANTONIS: Well, 2 per cent of our total ticket book; 2 per cent of \$80 million. I am not doing maths live.

The Hon. V.A. TARZIA: I refer to the same budget line, Budget Paper 4, Volume 3, page 119, performance indicators, total boardings. How many departmental resources are allocated to ensure that minimal fare evasion? I appreciate what the minister is saying, and there are all those arguments, but what departmental resources are allocated to minimise that fare evasion?

The Hon. A. KOUTSANTONIS: There are 175 prescribed officers across the public transport network who are prescribed under section 57 of the Passenger Transport Act to undertake certain compliance activities within Passenger Transport Regulations. The majority are employed by the public transport providers—Keolis Downer, Torrens Transit, SouthLink, Busways, Torrens Connect—and some are employed by Wilson Security.

The Hon. V.A. TARZIA: Does the department plan on putting on additional resources to reduce the amount of fare evasion on public transport?

The Hon. A. KOUTSANTONIS: We have prosecution teams within the department that prosecute fare evaders.

The Hon. V.A. TARZIA: Excellent. How many prosecutions were attempted and succeeded in the financial year?

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

The Hon. V.A. TARZIA: That is excellent; that is really good. Before I get to the next question, we all talk to the drivers, who are great people, and there is obviously a level of frustration not only from the drivers but also from commuters who see these things allegedly occur, so it is great that you are doing that.

I will move on to Budget Paper 4, Volume 3, page 119, performance indicators, metropolitan public passenger services, point 1. Is the minister able to explain why the total number of boardings for public transport services is estimated to be around 6.9 million less than forecast for 2023-24?

The Hon. A. KOUTSANTONIS: We have had a 9 per cent increase, year on year, of boardings on public transport, but we are not back to pre-COVID levels. We keep on setting targets to increase the level of boardings and we are doing lots to try to encourage and incentivise that: increased security, bringing trains and trams back into public hands, increasing public transport services in the Adelaide Hills. We are trying to incentivise and encourage as much as possible.

I fear that from COVID and from the shutdown of the Gawler line there may have been a period where people have found alternative forms of transport to get to and from work, and changing work habits. So we are increasing each and every year, but we are not back to where we were previously. I do not know what the trajectory is until we can get back to pre-COVID on the current rates of increases. We are getting there, but we are not back to those pre-COVID numbers just yet.

The Hon. V.A. TARZIA: Similarly, Budget Paper 4, Volume 3, page 119, performance indicators, total boardings: you will see there that the total number of boardings is estimated to be 9.7 million less than forecast for 2023-24. Could the minister explain that as well, in his opinion?

The Hon. A. KOUTSANTONIS: Why there are fewer boardings?

The Hon. V.A. TARZIA: Yes.

The Hon. A. KOUTSANTONIS: What we are doing is allowing people to use their EFTPOS cards on buses, trains and trams. We are doing our best to try to become as convenient as possible. We had this bizarre situation where you had to go somewhere else to charge up your Metrocard or do it online; now we can allow people to use their iPhone or their Apple Watch or their EFTPOS card to get on buses, trains and trams. We are now allowing the app to allow people to validate that way as well. So we are trying to get more and more people on.

With the targets we are setting, I think we are trying to be realistic about change of habits. Adelaide has more car parks in the city per capita than any other capital city in Australia, so we are competing with the amenity of cars. South Australians like driving their cars to work. We are trying our very best to incentivise more people onto public transport. We are building more car parks in and around major interchanges. We just opened up one at Tea Tree Plaza as part of an election commitment. We are doing park-and-rides around the state. We are aiming to get these numbers up, but at the same time the South Australian public is either working from home—there is a cohort that continue to work from home—or they have found alternative ways into the CBD to where they work, or their travel choices have changed.

We are increasing; we are not going backwards, we are going up each and every month year on year. I am confident we will get back there and surpass pre-COVID levels. The thing for us is time and investment, but we are getting there. It was never going to be an instantaneous swing back to where we were pre-COVID; it was just not. Do not forget, we have now made it free for people who are seniors. That is an entire range of people who are not paying anything, which we have forgone forever.

The Hon. V.A. TARZIA: I refer to Budget Paper 4, Volume 3, page 119, performance indicators, total boardings. It appears that none or very few of the total boarding projections are being met in 2023-24. They are the facts. It is obviously not a great outcome. What are we doing, what is the government doing, to address that and try to improve it?

The Hon. A. KOUTSANTONIS: My chief executive and my head of SAPTA, my executive director, was saying we have set targets, so the actual result was \$60 million and the target we set was \$77 million. The estimated result was \$68 million, so we are pushing them and the targets we set—

The Hon. V.A. TARZIA: Your targets are ambitious; that is what you are saying.

The Hon. A. KOUTSANTONIS: Sorry?

The Hon. V.A. TARZIA: Your targets are ambitious.

The Hon. A. KOUTSANTONIS: Good, they should be. We set a target to win back government in one term. Some said that was ambitious.

The Hon. V.A. TARZIA: I refer to Budget Paper 4, Volume 3, page 119, performance indicators, on-time running. We all like running on time. Is the minister able to explain why the forecast percentage of 91 per cent for bus services arriving within four minutes and 59 seconds of their scheduled arrival time is not met?

The Hon. A. KOUTSANTONIS: Good question for the privatised operators of the service that your previous government privatised. I will put that to them. We do set this as criteria for them, and there are abatements within the contract for them not meeting this. We have so far, against contractors, given them abatements of about \$1 million across the entire bus network already. We do penalise them for not meeting the criteria that are set. There is no public transport system outside of North Korea where the buses and trains are on time every time. Human factors get in the way. There are crashes on roads, buses break down and traffic can congest, so there are lots of factors that can implicate this. Where we think it is about service delivery, we use the powers we have under the contracts.

The Hon. V.A. TARZIA: I refer to Budget Paper 4, Volume 3, page 119, performance indicators, on-time running. Let's talk about trains. Can the minister explain why the forecast percentage of 98 per cent of train services arriving within four minutes and 59 seconds of their scheduled arrival time was not met? Do you think, with the changeover, that will improve?

The Hon. A. KOUTSANTONIS: The result we got was 97 per cent. The estimated result for 2023-24 was 97 per cent, and the target is now up to 98 per cent.

The Hon. V.A. TARZIA: Do you think that number will improve with the changeover?

The Hon. A. KOUTSANTONIS: I do not know; we will wait and see. I hope so.

The Hon. V.A. TARZIA: Are you bold enough to say that it will?

The Hon. A. KOUTSANTONIS: I am bold enough to say that now we are taking the middleman out we can actually run an essential utility in the interests of our patrons, and with that we can further invest into our public transport network. Let me be clear about this: the undoing of the privatisation of our train networks is not about just one metric. It is about the belief that the government should control essential services, like public transport, like trains and trams, and we want them to be in public control.

The Hon. V.A. TARZIA: In relation to Budget Paper 4, Volume 3, page 119, performance indicators on-time running, is the minister able to confirm how many, if any, metropolitan bus services were cancelled in 2023-24?

The Hon. A. KOUTSANTONIS: When you say 'cancelled,' what do you mean?

The Hon. V.A. TARZIA: Routes that are not running or anything along those lines?

The Hon. A. KOUTSANTONIS: We have a dispute notice in place with Torrens Transit. It is commercial-in-confidence. I do not think I can give you the actual number until we resolve the dispute we have. There have been some routes that they have not delivered and we are doing our very best to understand why that is occurring. We are in a process now to ensure that the government gets a satisfactory answer from Torrens.

The Hon. V.A. TARZIA: Are you also able to provide that data for tram and train services as well that were cancelled that year?

The Hon. A. KOUTSANTONIS: Only if it is not commercial-in-confidence, yes.

The Hon. V.A. TARZIA: In regard to industrial action, there was obviously a fair bit of that during the year that would have affected some of these numbers. Does the department keep any data on the amount of routes and boardings affected by industrial action in the last financial year?

The Hon. A. KOUTSANTONIS: When there are industrial relations disputes, we have taken off them, in terms of payments they would have received, nearly \$60,000 because of industrial action.

The Hon. V.A. TARZIA: In relation to Budget Paper 4, Volume 3, page 119, activity indicators, can the minister explain why the 2023-24 projection of total service kilometres for metropolitan public passenger patronage is estimated to be 8.6 million kilometres below forecast?

The Hon. A. KOUTSANTONIS: This goes back to your earlier question about our dispute with Torrens Transit and services not run.

The Hon. V.A. TARZIA: In relation to that, in Budget Paper 4, Volume 3, page 119, activity indicators, is the minister able to explain why the number of railcars used for Adelaide metro services will be reduced from 172 in 2023-24 to 152 in 2024-25.

The Hon. A. KOUTSANTONIS: All the new electric EMUs are operational so that means we can take 20 of the diesel railcar sets out of service.

The Hon. V.A. TARZIA: Budget Paper 4, Volume 3, page 119 in relation to program summary expenses, is the minister able to explain please why the department is budgeted to spend \$58.454 million more in 2024-25 than was budgeted in 2023-24?

The Hon. A. KOUTSANTONIS: We are bringing back rail into public hands.

The Hon. V.A. TARZIA: And what specifically is that money due to though?

The Hon. A. KOUTSANTONIS: We will be operating our rail line.

The Hon. V.A. TARZIA: That is what makes up the \$58 million. Budget Paper 4, Volume 3, page 118, program summary expenses, can the minister confirm what positions will make up the additional 260.8 FTEs budgeted for in 2024-25, which totals 470 FTEs?

The Hon. A. KOUTSANTONIS: Train drivers and tram drivers. We are bringing back people into the public sector, you know the ones you privatised after promising not to ever do it—ever, ever.

The Hon. V.A. TARZIA: He is talking about you, Chair.

The Hon. A. KOUTSANTONIS: No, I am talking about you and your mate next to you and your young friend behind you.

The Hon. V.A. TARZIA: All your remarks should be going through the Chair, minister.

Mr PATTERSON: Don't talk about the trees.

The Hon. A. KOUTSANTONIS: The trees?

The Hon. V.A. TARZIA: Budget Paper 4, Volume 3, page 117, Highlights 2023-24, point 5: can the minister outline how many downloads the Adelaide Metro Buy & Go app has?

The Hon. A. KOUTSANTONIS: There are 500,000 people who use that app each month. So, 50 per cent of our regular customers on buses and trains are now paying with a bank card or digital device equating to half a million trips per month. Customers who do not have a plastic Metrocard with funds loaded have convenient payment options to access public transport. In terms of the downloads, for those of you on Android it is 13,011, and for those of you on Apple it is close to 40,000.

The Hon. V.A. TARZIA: Excellent. Budget Paper 4, Volume 3, page 117, Program summary—income: can the minister explain why the sale of goods and services is \$16.44 million below budget for 2023-24?

The Hon. A. KOUTSANTONIS: What page, sorry?

The Hon. V.A. TARZIA: That is 117, Program summary—income, regarding the sale of goods and services.

The Hon. A. KOUTSANTONIS: I am assuming that is because we have not met our patronage, our ticket box targets, but I will double-check. It is Metrocard receipts that we anticipated getting that we did not get.

The Hon. V.A. TARZIA: Budget Paper 4, Volume 3, page 117, Program summary—income: is the minister able to explain why the total income for 2023-24 is estimated to be \$16.703 million below budget?

The Hon. A. KOUTSANTONIS: This is the same program summary on page 117?

The Hon. V.A. TARZIA: Yes.

The Hon. A. KOUTSANTONIS: And you are saying net gain or loss on disposal of assets, or are you saying other income or are you saying—

The Hon. V.A. TARZIA: Total income.

The Hon. A. KOUTSANTONIS: Total income?

The Hon. V.A. TARZIA: The estimated result—

The Hon. A. KOUTSANTONIS: As I said, it is probably due to a decrease in Metroticket sales revenue and a reduction in special events revenue.

The Hon. V.A. TARZIA: I just saw you standing up. I thought you might be getting more information.

The Hon. A. KOUTSANTONIS: I was. I did. I gave it to you and I sat down again.

The Hon. V.A. TARZIA: Okay, excellent. Thank you.

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

The Hon. V.A. TARZIA: Thank you very much, much appreciated, to the Father of the House. Budget Paper 4, Volume 3, page 117, Targets 2024-25, and I am looking at point 2. I am interested in the Regional Bus Passenger Services Procurement. When will phase 2 of the Regional Bus Passenger Services Procurement be completed by?

The Hon. A. KOUTSANTONIS: Phase 2?

The Hon. V.A. TARZIA: Yes.

The Hon. A. KOUTSANTONIS: It is anticipated that phase 2 contracts will be awarded in September of this year, with four of the contracts commencing on 1 November 2024 and the fifth contract commencing on 1 January 2027. Currently, in procurement—and we got those back. The phase 2 contracts are: Murray, Port Pirie, Spencer, Whyalla and eastern Riverland. The preferred bidders, the determination and the tender evaluations have not yet been completed.

The Hon. V.A. TARZIA: On Budget Paper 4, Volume 3, page 117, I am looking at target point 3. Can the minister confirm the cost for implementing the next-generation smart validators on the Adelaide Metro network?

The Hon. A. KOUTSANTONIS: For the next financial year, we are going to spend \$1 million. The budget provided \$7 million across three years.

The Hon. V.A. TARZIA: When will every single bus, tram and train have the smart validators? When will that be completed by? I appreciate there has been progress and it is taking time.

The Hon. A. KOUTSANTONIS: All of our buses are done. All of our trams are done. We have started with the diesel fleet, and once they are completed, we will move on to EMUs. That will be done by the completion of 2025.

The Hon. V.A. TARZIA: Great. Well done. On Budget Paper 4, Volume 3, page 117, target point 3 again, how many next-generation smart validators are currently in operation on the public transport network?

The Hon. A. KOUTSANTONIS: All of our buses, all of our trams. That is over 1,000 buses and 24 trams, so that is getting up there. It is over 1,000. There are 152 trains, which we will get done by the end of 2025.

The Hon. V.A. TARZIA: On Budget Paper 4, Volume 3, page 117, in terms of the 2024-25 targets and again on target point 3, if I were to ask how many next-generation smart validators will be installed on the public transport network in 2024-25, you are saying it is the remainder?

The Hon. A. KOUTSANTONIS: We will do the diesels first then move on to the EMUs, completed by the end of 2025. We are spending \$1 million next financial year.

The Hon. V.A. TARZIA: I will move on to Budget Paper 4, Volume 3, page 117, the 2024-25 targets, looking at point 6. You have there:

- Finalise the business cases for new zero emissions trains to replace diesel train fleet and continue planning for zero emissions buses.

I know you have that H20 that I see in my own electorate coming past from time to time, which is very much appreciated. Sometimes I think you did it on purpose so that I do see it. When will the business case for the new zero-emissions trains to replace the diesel trains be completed by?

The Hon. A. KOUTSANTONIS: Just to give the committee some background, the last diesel fuel only bus entered the fleet in September 2022. The previous government continued ordering diesels; we have put an end to that. All of the buses we purchase now are either hybrid or zero-emissions battery electric, either through a hydrogen fuel cell or electric charge. We have two hydrogen fuel cell buses from Foton Mobility in a two-year trial that started in August. The first diesel train converted to battery diesel hybrid went into full service, and the full fleet will be converted in December 2024. The first battery electric bus entered the fleet service in November 2023. The bus fleet planning steps:

- we have to do the business case to understand the upgrades to SA Power Networks;
- electrical network infrastructure connections to depots;
- depot layouts and concept design to support zero tailpipe emission fleet, which is going to be challenging in itself;
- civil and electrical infrastructure to establish charging capacity on site;
- upgrade to maintenance facilities to align with new technology; and
- bus-controlled management systems to manage the charging and deploy the buses.

That work is due to be completed by the end of July 2024. In terms of the rail fleet planning steps, the diesel fleet is nearing the end of its serviceable life, which is a good thing. As I said earlier, we are doing planning studies on electrification of our rail lines. We are finalising a strategic business case, and that is about replacement of the diesel trains to either a battery hybrid model, where we can charge using batteries or full electric. So the business case plans I am hoping to be completed by June of next year, and that gives you an overview. The biggest issue we are going to face is, in my opinion, how do you charge a thousand buses at once?

The Hon. V.A. TARZIA: Yes.

The Hon. A. KOUTSANTONIS: It is a big problem.

The Hon. V.A. TARZIA: Lucky you know the Minister for Energy.

The Hon. A. KOUTSANTONIS: Unfortunately, I do not have any generators yet.

The Hon. V.A. TARZIA: Related to that in Budget Paper 4, Volume 3, page 117, targets, point 5, in respect of the conversion of the diesel railcars, do you have any data on when the conversion of 50 diesel railcars to the hybrid railcars will be completed by? What is your aspiration there?

The Hon. A. KOUTSANTONIS: There are 17 trains—diesel railcar sets—to go. As of June this year, there are 28 in service, and the remaining 22 will be available by the end of this year.

The Hon. V.A. TARZIA: Budget Paper 4, Volume 3, page 118, talking about Program summary and expenses: why was it that the employee benefit expenses seem to be \$2.477 million over budget for 2023-24?

The Hon. A. KOUTSANTONIS: Employee benefit expenses?

The Hon. V.A. TARZIA: Yes.

The Hon. A. KOUTSANTONIS: The advice I have from the agency is that is the insourcing team.

The Hon. V.A. TARZIA: Could you just explain what that does or means? I see Mr Jackson has some information.

The Hon. A. KOUTSANTONIS: The advice I have is that \$1.5 million of additional funding in 2023-24 was associated with the Port Dock rail budget measure to ensure that we can have a level of service, and a \$700,000 increase in the allocation of corporate overheads. The remaining estimated result is increased due to a higher cost of diesel and some other rats and mice issues about the reclassification of expenditure from capital to operating basis on the associated way we do the overhauls of our rail stock.

The Hon. V.A. TARZIA: Just to clarify—referring to Budget Paper 4, Volume 3, page 118, again Program summary and expenses,—it looks like the department does have, when you look at the FTEs, budgeted \$209.2 million, estimated result \$253.2 million, so it is around 44 FTEs over budget for 2023-24. Why that difference?

The Hon. A. KOUTSANTONIS: When the previous government privatised the across-government facilities management program, and the road maintenance and rail services, we allocated these excess staff across the entire agency and this is the allocation for SAPTA, so these people here are courtesy of you three.

The Hon. V.A. TARZIA: Budget Paper 4, Volume 3, page 118, Program summary—expenses: is the minister able to explain why the total expenses are estimated to be \$35.686 million more than budgeted for in 2023-24?

The Hon. A. KOUTSANTONIS: I think I have already informed you of the additional funding with Port Dock rail spur. The part that I have not spoken to you about is there is nearly \$14.5 million of depreciation and amortisation under the revaluation of track assets and the like, which are included in those numbers. We have spoken to you about the drivers and the people who are allocated to us; they are a cost. The increased services we are doing on the Port Dock rail spur are another cost. But half of that expenditure you are talking about is depreciation and amortisation.

The Hon. V.A. TARZIA: Budget Paper 4, Volume 3, page 119, Performance indicators, regarding total boardings: obviously the department aims to achieve their total boardings figure of \$74.2 million in 2024-25. What else have you got in the toolkit? You have mentioned it is free for seniors and other concession holders; what else have you got in the toolkit to try and get these boardings up?

The Hon. A. KOUTSANTONIS: There is a clear signal from the government that the services will not be privatised. I think that is quite the incentive for people to catch public transport.

We are doing a body of work now about what you could save per year if you caught a piece of public transport rather than driving your car, to the cost comparator. I remember then Minister Mullighan did a study in 2014-15 where he was able to show you could pay your mortgage off a certain number of years faster by catching public transport. There are significant savings to be made.

The other things we are doing are, obviously, when we bring these services back we will be increasing security on our trains and trams over a period of time, improving amenity at railway stations and increasing CCTV operations. Obviously, in the way you can pay and board on trains, we will be making the amenity a lot easier, faster and quicker; not having the cumbersome Metrocard. I am sure Metrocard will still be available, but you will be able to use your credit card or your EFTPOS details.

Ultimately I would like to move to the ability to take advantage of all the discounts that are in place using other forms of rather than just your Metrocard. We have got the app now. I would like that extended to credit cards and debit cards and electronic devices, so you can actually buy concessional rates of transport using that and have it recognised.

The electrification of the fleet obviously improves boardings if it is a nicer drive. We have expanded our rail line for the first time with the Port Dock rail services. Obviously we want to see people catching them more. This is the first expansion of the rail line since we went out to Seaford and Gawler. We are trying to increase the level of services available to people. I think we are also interested in making these things safer, plus new bus services to the Adelaide Hills, which has been a dramatic increase in Mount Barker—the largest increase to the Adelaide Hills, I think, in its history.

The Hon. V.A. TARZIA: In Budget Paper 4, Volume 3, page 112, in relation to the planning study—

The Hon. A. KOUTSANTONIS: Page 112, yes.

The Hon. V.A. TARZIA: Yes, the planning study. Can the minister confirm whether the Adelaide tram network will be part of the Adelaide rail network extension planning project?

The Hon. A. KOUTSANTONIS: Not potentially—yes, of course. Would you like a tram up in Hartley, would you?

The Hon. V.A. TARZIA: I think you and I were at one against the Greens recently on radio when we ruled out The Parade and also Payneham Road options. Do you have any other areas in mind as part of the planning study program?

The Hon. A. KOUTSANTONIS: Ultimately, I will not pre-judge what the work does.

The Hon. V.A. TARZIA: They might surprise you.

The Hon. A. KOUTSANTONIS: They might surprise me, but it will not be The Parade.

The Hon. V.A. TARZIA: Access Taxis—I have not asked any questions about taxis, and obviously there has been a fair bit through the media and otherwise about Access Taxis. In the remaining 10 minutes I have, I will go to Budget Paper 4, Volume 3, page 120 in relation to Access Taxis, highlights 2023-24, implemented measures to improve Access Taxi services. I think we all agree that that area, that service can be improved. Is the minister able to outline what measures in 2023-24 were implemented to improve the service of Access Taxis to help people get around?

The Hon. A. KOUTSANTONIS: In December of last year we expanded the \$25 lifting fee to cover trips undertaken by people with a disability who are not part of the South Australian Transport Subsidy Scheme (SATSS) and do not have a SATSS Access Taxi Card. We are also increasing that to regional areas. Information provided by the Central Booking Service indicates a reduction in the number of booking declines in the last four months, so that has been, I think, quite good.

The problem we have, of course, is the hours of operation. We had some appalling scenarios where there was a young person left at the Pink concert unable to get home, who was taken home by their family on an e-scooter, which is appalling. I have had cases of people being left at football games or who have had to have ambulances take them to the Royal Adelaide Hospital because we cannot get access drivers to pick them up.

There is a major disconnect here; that is, I have access cab drivers telling me that there is insufficient work for them to do and that their plates are undervalued, yet there is an overwhelming demand and wait times for services. The two cannot be true.

What I suspect is happening is that some access cab drivers—I stress by saying 'some'—are arranging bilateral agreements at a larger cost than is legislated or regulated through the fare or the SATSS scheme. They are entering into bilateral arrangements with people with disability who can afford to do so, and are removing themselves from the Central Booking Service and doing those works—what is known in the industry as a 'sleevie'.

The Hon. V.A. TARZIA: Cashies.

The Hon. A. KOUTSANTONIS: Cashies, whatever you want to call them. There is, I think, considerable fraud in the system, and the review that is going to be released very soon into the point-to-point industry will outline the department's recommendations for changes to taxis, rideshare and access. It is a comprehensive review. It is in the cabinet process as we speak, yet to be released publicly. That will go out to consultation.

It is fair to say that one of my main focuses is on regulating for safety and making sure that people with disabilities can have the dignity that they deserve, and that when they go to a restaurant or they go to a family event and they get there, inside the defined hours of operation that are afforded in the act, they can actually get home.

Some of the anecdotal advice and correspondence I am getting is that people in nursing homes and people who have disabilities who are using access vehicles get access to vehicles to get them to the events in the early afternoon or early evening and when the events are over they cannot then get home. The stress and anxiety that causes for everyone involved is horrific and unacceptable. Having spoken with the Central Booking Service, they tell me that they offer cash incentives for drivers who are home to go out, get in their vehicles and go pick these people up and take them home, and they are not doing it, so there is a fundamental market failure here.

We have had a dramatic improvement in the hours of operation, which I think are 6.30am to 7pm. I think we have solved that with a lifting fee. The problem we have is with hours of operation outside of that and the north and south areas—especially in the north, in Gawler. People might want to go to a restaurant with their family and they cannot get there; a medical appointment. These are short trips but they cannot get there.

I think what has happened here is the access cab system can be so lucrative for some that they are making their income in a shorter period of time and then going home, and I think those people have crowded the market out. So I think you will see that there are some people who are earning over \$100,000 a year in subsidies alone from driving access cabs, yet we are getting reports that you are getting and I am getting of people who are unable to get an access cab. It is not making sense. So there is, I think, widespread corruption that we need to deal with, and that is hopefully what the report will outline and we can get to the part where we can fix this system once and for all.

The Hon. V.A. TARZIA: I refer to Budget Paper 4, Volume 3, page 120, access taxis. Is the minister able to outline any incentives that will be provided to Access Taxi drivers who are willing to work on public holidays and weekends in 2024-25, or are you saying that it will all be in the review?

The Hon. A. KOUTSANTONIS: I am not going to pre-empt anything. That is going through a cabinet process.

The Hon. V.A. TARZIA: And you will not breach cabinet confidentiality, minister—I understand.

The Hon. A. KOUTSANTONIS: No way.

The Hon. V.A. TARZIA: I refer to Budget Paper 4, Volume 3, page 120. Is the minister able to outline how many Access Taxi job requests were not fulfilled in 2023-24? Do you have any of that data?

The Hon. A. KOUTSANTONIS: Approximately 500 a month. Five hundred a month—that is a disgraceful number.

The Hon. V.A. TARZIA: Yes, agreed.

The Hon. A. KOUTSANTONIS: I have told the industry, repeatedly. We are happy to incentivise, but that is far too many.

The Hon. V.A. TARZIA: You have covered a lot of ground in your pretty comprehensive answers, so I am just going to make sure that we do not duplicate. I move on to the \$1 levy. I refer to Budget Paper 4, Volume 3, page 120 in regard to Access Taxis. What is the total revenue raised from the point-to-point transport service transaction levy in 2023-24?

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

The Hon. V.A. TARZIA: Referring to the same budget line, what is the amount of revenue expected to be raised from the levy in 2024-25?

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

The Hon. V.A. TARZIA: If possible, can we get a breakdown of what is Access Tax and all the other taxes; do you separate that data?

The Hon. A. KOUTSANTONIS: I will see what we can do to try to get that for you. I will be briefing the shadow minister personally on the reforms we want to put in place after the cabinet process, so we can discuss that in a much broader context and give you an understanding of what we think. There should be a lot of data in there that you can use to formulate your own opinions.

The Hon. V.A. TARZIA: Thank you for your help today and your answers all day, and thank you to your staff. Budget Paper 4, Volume 3, page 118, expenses: can the minister confirm how many assaults there were in 2023-24 on the public transport network by train, tram and bus that were reported to the department?

The Hon. A. KOUTSANTONIS: I am not sure that the figures I have are accurate, so what I will do is go away and consider what response we can give you appropriately through the on notice process.

Mr BATTY: The omnibus questions are:

1. For each department and agency reporting to the minister, how many executive appointments have been made since 1 July 2023 and what is the annual salary and total employment cost for each position?

2. For each department and agency reporting to the minister, how many executive positions have been abolished since 1 July 2023 and what was the annual salary and total employment cost for each position?

3. For each department and agency reporting to the minister, what has been the total cost of executive position terminations since 1 July 2023?

4. 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 since 1 July 2023, 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?

5. For each department and agency reporting to the minister, will the minister provide an estimate of the total cost to be incurred in 2024-25 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?

6. For each department or agency reporting to the minister, how many surplus employees are there in June 2024, and for each surplus employee, what is the title or classification of the position and the total annual employment cost?

7. 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 and, for each position to be cut, its classification, total remuneration cost and the date by which the position will be cut?

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

- What savings targets have been set for 2024-25 and each year of the forward estimates;
- What is the estimated FTE impact of these measures?

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

- What was the actual FTE count at June 2024 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?
10. For each department and agency reporting to the minister, how much is budgeted to be spent on goods and services for 2024-25 and for each year of the forward estimates?
11. For each department and agency reporting to the minister, how many FTEs are budgeted to provide communication and promotion activities in 2024-25 and each year of the forward estimates and what is their estimated employment cost?
12. 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 2024-25?
13. 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 June 2023 and budgeted expenditure for 2024-25, 2025-26 and 2026-27?
14. For each grant program or fund the minister is responsible for, please provide the following information for the 2024-25, 2025-26 and 2026-27 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.
15. For each department and agency reporting to the minister:
- Is the agency confident that you will meet your expenditure targets in 2024-25?
 - Have any budget decisions been made between the delivery of the budget on 6 June 2024 and today that might impact on the numbers presented in the budget papers which we are examining today?
 - Are you expecting any reallocations across your agencies' budget lines during 2024-25; if so, what is the nature of the reallocation?
16. For each department and agency reporting to the minister:
- What South Australian businesses will be used in procurement for your agencies in 2024-25?
 - What percentage of total procurement spend for your agency does this represent?
 - How does this compare to last year?
17. What protocols and monitoring systems has the department implemented to ensure that the productivity, efficiency and quality of service delivery is maintained while employees work from home?
18. What percentage of your department's budget has been allocated for the management of remote work infrastructure, including digital tools, cybersecurity, and support services, and how does this compare with previous years?
19. How many procurements have been undertaken by the department this FY, how many have been awarded to interstate businesses? How many of those were signed off by the CE?

20. How many contractor invoices were paid by the department directly this FY? How many and what percentage were paid within 15 days, and how many and what percentage were paid outside of 15 days?

21. How many and what percentage of staff who undertake procurement activities have undertaken training on participation policies and local industry participants this FY?

The CHAIR: The allotted time having expired, I declare the examination of Public Transport closed. Examination of the proposed payments for the Department for Infrastructure and Transport and Administered Items for the Department for Infrastructure and Transport is adjourned until Tuesday 25 June 2024. Thank you, minister and advisers, for your attendance today, and I thank the members of the committee.

At 15:16 the committee adjourned to Monday 24 June 2024 at 09:00.