

## HOUSE OF ASSEMBLY

## ESTIMATES COMMITTEE A

15 to 17 and 20 to 22 June 2005

## ANANGU PITJANTJATJARA POWER STATION

In reply to **Hon. D.C. KOTZ.****The Hon. M.D. RANN:** I have been advised:

- The APY Central Power Station budget estimates in June 2004 were consistent with construction predictions at that time and were contingent on receiving consent from the APY traditional owners for the proposed power line route.
- The budget estimates, published in June 2004, had anticipated a tender for the planned distribution system would be released in late 2004. Due to delays in obtaining anthropological clearances the tender has not yet been issued.
- The continued difficulties in obtaining anthropological clearances to enable the survey of the proposed power line route have impacted significantly on the project timetable.
- The delays experienced have required the budget carry overs detailed in the June 2005 budget estimates.
- The buoyant construction market prevailing during 2004 and 2005 has contributed to the increase in project costs for Stages 2 and 3 of the project. This buoyancy has been characterised by higher tendered volumes of construction work and consequential shortages of certain contractor trades. DAIS has reported average cost increases of 10 per cent during this period.
- Compliance with amendments to the Environmental Protection Act, proclaimed after the APY Central Power Station's inception, have added further to costs.
- The estimated project expenditure of \$5.66 million in 2005-06 is associated with the part construction of the distribution system.

## ADELAIDE FILM FESTIVAL

In reply to **Mr HAMILTON-SMITH.****The Hon. M.D. RANN:** I have been advised:

The Adelaide Film Festival receives \$500 000 per annum to run the biennial festival, which is a total \$1 000 000 per event. As you might be aware the 2003 festival was a pilot event, with only one financial year's funding of \$500 000.

In addition to these funds, the Adelaide Film Festival receives \$500 000 per annum for the Adelaide Film Festival Investment Fund (AFFIF), which is in total \$1 000 000 per event for the commissioning of films to premiere at the festival.

1. The Adelaide Film Festival has provided the following break down on its expenditure for both the 2005 Festival and the AFFIF.

## 1.1 The Festival

In 2005, the Festival's total income (grants, sponsorship, box office) was \$1 545 171.48.

Expenditure was broken down as:

Administration:	\$539 581.63
Marketing:	\$369 268.21
Program:	\$634 658.29
Surplus:	\$1663.35

## 1.2 Adelaide Film Festival Investment Fund

Over the two-year funding cycle, the Adelaide Film Festival Investment Fund's total income (grant plus interest) was \$1 019 770.40

Expenditure was broken down as:

Administration:	\$45 016.00
Contribution towards presentation costs:	\$16 000.00
Film Investment:	\$958 753.97

(of which \$624 000 has been expended and \$334 753.97 has been rolled over with \$160 000 already committed to projects premiering at future festivals). The investments have been expended on or committed to the following projects:

2005 AFF premieres:

*Look Both Ways*—(90 minute feature drama)*I Told You I Was Ill: Spike Milligan*—(90 minute feature documentary)*usmob.com.au*—(interactive multi-platform work)*Nascent*—(10 minute experimental video)*Azadi* (15 minute short)*Fritz Gets Rich* (7 minute animation)

2006 Adelaide Festival for the Arts

*Ten Canoes* (feature drama)

2007 Adelaide Film Festival

*Enta Omri: You Are My Beloved* (feature documentary)*Sounding the Future: The Music of Tristram Carey* (55min feature documentary)

2. The Adelaide Film Festival has provided these details comparing daily audience numbers at the 2003 and 2005 Festivals.

2003 Adelaide Film Festival

Total attendance at ticketed sessions over eight days was 15 366 or a daily average of 1921.

2005 Adelaide Film Festival

Total attendance at ticketed sessions over 14 days was 32 657 or a daily average of 2332.

## OFFICE FOR VOLUNTEERS

In reply to **Dr McFETRIDGE.****The Hon. M.D. RANN:** I have been advised:

The cost to stage the third annual state volunteer congress on International Volunteer Day in December 2005 was \$22 280.87

In reply to **Dr McFETRIDGE.****The Hon. M.D. RANN:** I have been advised:

Seven scholarships were awarded in the 2004-05 financial year. They were for 5 Diplomas and 2 Advanced Diplomas for Volunteer Management Studies at the Onkaparinga TAFE. Depending on the electives chosen, the Diplomas are valued at a maximum of \$2 958 and the Advanced Diplomas have a maximum of \$3 485. Minimum cost is \$1717. Therefore some flexibility is built in.

An advertisement promoting the scholarship was placed in the Advertiser, Saturday 28 August 2005 at a cost of \$820.00.

The scholarship was further promoted through the Office for Volunteers Website and Newsletter as well as through various websites and newsletters in a number of different Not For Profit Organisations websites and newsletters. This newsletter and website activity, focused directly at the volunteer sector, was at no cost.

In reply to **Dr McFETRIDGE.****The Hon. M.D. RANN:** I have been advised:

The indirect costs referred to are costs that are not directly related to the subprogram concerned, in this case the Office for Volunteers.

Examples of the costs include IT support services, financial services and human resource services.

Prior to the 2005-06 budget figures, these costs would have been included in Office for Volunteers' budget figures.

In the 2005-06 budget, the costs of the general support services are reported in subprogram 1.1, strategic advice and facilitation.

In reply to **Dr McFETRIDGE.****The Hon. M.D. RANN:** I have been advised:

To assist in meeting the government's efficiency dividend targets, the cost cuts directly allocated to the Office for Volunteers, in line with the savings measures apportioned across the Department of the Premier and Cabinet, will equate to a reduction in their 2005-06 operating budget of approximately \$22 000.

In reply to **Dr McFETRIDGE.****The Hon. M.D. RANN:** I have been advised:

The number of employees within the Office for Volunteers has not been reduced.

There are currently eight full time employees and one half time employee at the Office for Volunteers.

The reason for the difference between the budgeted employee entitlements of 2004-05 (\$857 000) and the actual result of \$589 000 is because the figure of \$857 000 included an allocation for indirect costs such as IT support or Human Resources.

Between the time of the publishing of the 2004-05 and 2005-06 budgets, there has been a change in accounting procedure whereby these indirect costs are no longer reported directly against a subprogram such as the Office for Volunteers.

Because of this change, budget figures published in 2004-05 and earlier will include the indirect costs allocation and therefore will be higher than the corresponding figures published in 2005-06.

In reply to **Dr McFETRIDGE.****The Hon. M.D. RANN:** I have been advised:

The difference relates to a recent change in DPC accounting procedure in how indirect costs such as corporate services, IT and

human resources support are displayed; not to a direct reduction in the Office for Volunteers' budget.

In relation to the Office for Volunteers, this is indicated by the footnote on page 1.15 of Budget Paper 4 Volume 1 which notes that "indirect costs previously allocated to the sub program are now included within subprogram 1.1"

Because these indirect costs are no longer included in figures displayed as the Office for Volunteers' budget, the 2005-06 Budget Paper 4, page 1.15 shows a lower budget figure (\$1.420 million) than the 2004-05 budget figure (\$1.787 million).

#### EXECUTIVE BANDS OF THE PUBLIC SERVICE

In reply to **Mr BRINDAL**.

**The Hon. M.D. RANN:** I have been advised of the following: Section 30 of the Public Sector Management Act 1995 states that the Commissioner for Public Employment may determine classes of positions that are to be executive positions for the purposes of the Act.

The Commissioner has determined that the following classes of positions are executive positions:

- Positions classified within the EX structure
- Positions classified within the EL structure under the previous Government Management and Employment Act, through the transitional provisions under Schedule 4 of the Public Sector Management Act 1995.
- Managers Legal Services (MLS)

The following table sets out the current untenured level of the Executive (EX) Remuneration Structure.

Level	Minimum Total Remuneration Package Value (TRPV)	Maximum Total Remuneration Package Value (TRPV)
EXA	\$108 445	\$151 876
EXB	\$142 870	\$181 968
EXC	\$173 220	\$220 745
EXD	\$211 274	\$269 375
EXE	\$238 809	\$304 556
EXF	Negotiable	

The current EL structure is:

EL1	\$86 269
EL2	\$96 407
EL3	\$109 926

The current MLS structure is:

Level	Minimum	Maximum
MLS1	\$145 955	\$145 955
MLS2	\$172 944	\$203 955
MLS3	\$230 829	\$249 105
MLS4	\$268 557	\$268 557

#### STRATEGIC INITIATIVES

In reply to **Mr HAMILTON-SMITH**.

**The Hon. M.D. RANN:** The Minister Assisting the Premier in Economic Development has advised of the following information:

I have been advised that this same question was asked of the Minister for Industry and Trade at the Estimates Committee hearing on 22 June 2005. The Minister for Industry and Trade was able to provide a response on the day and I direct you to the Hansard of that day's Estimates Committee for the response.

#### VENTURE CAPITAL BOARD

In reply to **Mr HAMILTON-SMITH**.

**The Hon. K.O. FOLEY:** I am advised that the increase in employee expenses and supplies and service of \$23 000 in the 2005-06 budget figures, over the estimated actual for 2004-05, represents the standard CPI adjustment to the budget figures for 2004-05.

In reply to **Mr HAMILTON-SMITH**.

**The Hon. K.O. FOLEY:** The VCB and the Office of the Venture Capital Board was only formally established in December 2003 and hence the financial information is for the 6 month period from 1 January 2004 to 30 June 2004. However, the financial information includes costs associated with the VCB for the full financial year.

Salaries including board fees for 2003-04 were \$384k and supplies and services \$376k for total net expenses of \$760k.

Cost of education activities, networking functions and sponsorship of other private equity functions totalled \$83k. This includes

costs associated with workshops/forums net of registration fees for delegates.

In the 2004-05 financial year, salaries, including Board fees, are \$819k and supplies and services \$546k for total net expenses of \$1 365.

Cost of education activities, networking functions and sponsorship of other private equity functions totalled \$145k. This includes costs associated with workshops/forums net of registration fees for delegates.

The 2004-05 figures are un-audited internal management account figures.

In reply to **Mr HAMILTON-SMITH**.

**The Hon. K.O. FOLEY:** The statistics used as a basis for information included in the VCB Annual Report for 2003-04 are sourced directly from the Australian Venture Capital Survey which was undertaken by PricewaterhouseCoopers for Private Equity Media, the publisher of the Australian Venture Capital Journal, for financial years 1997 through to 2004.

These statistics were collected and published on a quarterly basis, during that period, by the Australian Venture Capital Journal and was available to all subscribers of the Journal.

The statistics have been compiled as a result of an independent survey of private equity fund managers and consequently, the accuracy is dependent on the 'accuracy' of responses.

The VCB has had no involvement in generating or publishing the statistics.

There are currently two private equity funds based in South Australia, namely Paragon Equity Limited fund, managed by Paragon Advisory Pty Ltd and a Federal Government Building on IT Strengths (BITS) fund, managed by Playford Capital.

In addition, ANZ Private Equity has South Australian representation accessing the ANZ Bank private equity fund and locally based Rundle Capital Partners Limited is a representative for the Sydney based \$125 million Souls Private Equity Limited fund.

In reply to **Mr HAMILTON-SMITH**.

**The Hon. K.O. FOLEY:** Over 60 parties requested and received copies of the South Australian Private Equity (SAPE) program guidelines.

Whilst there was extensive interest in the program, the requirements were very comprehensive, specific and stringent. In addition, a non refundable application fee of \$5 000 was required to ensure only serious parties lodged applications which, for obvious probity reasons, required extensive assessment.

As a result of these restrictions, only two applications were received, compared with our initial expectations of maybe three or four formal applications.

A further \$5 000 fee was required from applicants that progressed to the second stage assessment.

No applicant withdrew from the process due to the cost or length of time of the process.

In reply to **Mr HAMILTON-SMITH**.

**The Hon. K.O. FOLEY:** The Venture Capital Board essentially finalised recommendations on the proposed SAPE Guidelines in early March 2004.

A pre-determined requirement was Economic Development Board (EDB) endorsement of the VCB recommendations prior to consideration by Cabinet.

The EDB undertook careful due diligence of the recommendations and assessed the options to ensure that the system would adequately protect taxpayers and maximise returns to Government.

Discussions between staff of the Office of the Venture Capital Board the Department of Trade and Economic Development resulted in EDB endorsement being achieved in mid June 2004.

Cabinet approved the SAPE Guidelines on 28 June 2004.

In reply to **Mr HAMILTON-SMITH**.

**The Hon. K.O. FOLEY:** The Venture Capital Board and the Office of the Venture Capital Board (OVCB) were only established in December 2003 and hence forward years' budgets have been formulated only relatively recently.

Consequently OVCB has not, at this stage, identified specific administration measures which will lead to a reduction in operating costs of this portfolio.

Also, given the reasonably small size of the operating budget, namely \$1.52 million for 2005-06, it is difficult to identify specific areas of savings.

### WORKERS COMPENSATION CLAIMS

In reply to **Mr BROKENSHIRE**.

**The Hon. K.O. FOLEY:** In response to the question on outstanding liability for long term worker's compensation claims, the South Australia Police advise that the Public Sector Exempt Workers' Compensation Liabilities actuarial assessment has been undertaken by Taylor Fry Consulting Actuaries. The actuarial assessment for the 2004-05 financial year is currently being compiled. The final report will not be available until August 2005.

### CONSULTANTS, SAPOL

In reply to **Mr BROKENSHIRE**.

**The Hon. K.O. FOLEY:** The Commissioner of Police has provided the following information on expenditure on Consultants by the SA Police for 2004-05:

Connell Wagner trading as Connell Mott MacDonald was appointed through "Request for Quotation" to conduct energy audits for numerous SAPOL premises at a cost of \$25 460 (GST exclusive).

Valcorp Australia Pty Ltd was appointed through "Request for Quotation" to conduct the triennial asset revaluation at a cost of \$32 630 (GST exclusive).

Sinclair Knight Merz was appointed through "Request for Tender" to assess SAPOL facilities in relation to code compliance and maintenance requirement at a cost of \$41 160 (GST exclusive).

### MAJOR CRIME REWARDS

In reply to **Mr BROKENSHIRE**.

**The Hon. K.O. FOLEY:** The Acting Commissioner of Police has advised that in the past three years a total of \$50 000 has been paid out for four rewards relating to information that led to the apprehension and conviction of the person responsible for committing a murder in South Australia. These rewards related to the one investigation and all occurred in June 2004 in the amounts of \$20 000, \$20 000, \$5 000 and \$5 000.

Only one \$100 000 reward has ever been paid out and this occurred in March 1995.

### VENTURE CAPITAL BOARD

In reply to **Mr HAMILTON-SMITH**.

**The Hon. K.O. FOLEY:** The main method of measurement of progress and success of all the initiatives of the Venture Capital Board (VCB), including education, training and networking is measurement of the stated VCB Key Objective of "to grow South Australia's share of the national private equity market to > 7 per cent (\$) and > 9 per cent (deals) by June 2009".

As stated in the budget papers, as at 30 June 2004, the three year average was 5.5 per cent share in \$'s and 7.0 per cent share in deals. This is above the trend line for the forecast targets by June 2009, for both measures. The respective figures for the year to 30 June 2004 were 7.1 per cent share of \$'s and 7.2 per cent share of deals. Statistics for the year to 30 June 2005 will not be available until September 2005.

The VCB decided on the above statistics as the key measurement, given that they are collected independently and are considered the most reliable statistics available. Rightly so, there is no obligation on business owners to advise the VCB when a transaction was a result of the VCB activities and consequently, formal statistics of this nature are not available.

With reference to the question regarding what specific activities have been conducted at "facilitating commercialisation opportunities in SA's educational and research institutions", the VCB has worked closely with a DFEEST led working party, as follows:

- DFEEST with the endorsement of the Higher Education Council oversaw the development of an optimal model of commercialisation of intellectual property in SA, focused primarily on the proposed greater integration of present activities undertaken by the three university commercialisation offices, being Adelaide Research & Innovation (ARI Pty Ltd), ITEK Pty Ltd and Flinders Technologies Pty Ltd.
- The report detailing the model has been provided to the universities.
- DFEEST is awaiting a response from the universities.

### CENTRAL BUSINESS DISTRICT, ASSAULTS

In reply to **Mr BRINDAL**.

**The Hon. K.O. FOLEY:** The Commissioner of Police advises that the policing of the Adelaide Central Business District (CBD) and the environs is undertaken by the Adelaide Police Local Service Area (LSA).

SAPOL appreciates the importance of reducing the fear of crime and maintaining Adelaide's reputation as a safe city. The issue of alcohol abuse and spasmodic criminal behaviour is always a focus of the LSA. Special operations are regularly conducted within the CBD utilising initiatives that target a variety of criminal offences. These special operations are in addition to the normal policing activity and represent a significant effort by SAPOL to ensure a high visibility of uniformed police utilising resources from the Adelaide LSA, STAR Group and the Southern Traffic Operations Motorcycle Section. SAPOL also maintains a close working liaison with the Adelaide City Council, Street to Home, Aboriginal Sobriety Group, Aboriginal Legal Rights Movement, Drug and Alcohol Services Council, Department of Child, Youth and Family Services, the Licensing Accord Group and various residential and business precinct associations. The Adelaide LSA also works closely with SAPOL's newly formed Licensing Enforcement Branch and the Office of the Commissioner for Liquor and Gambling to maintain a clear emphasis on the responsible service of alcohol. This holistic approach is necessary to reduce the likelihood of drug or alcohol affected people either committing crime or becoming victims of it. Whilst SAPOL recognises that crimes committed in the CBD do affect perceptions of safety, the feedback from the residential and business precinct groups and associations generally reflect a positive perception of safety.

The policing strategies employed by SAPOL with the assistance of developed partnerships are proving to be successful.

An analysis of serious assaults in the Adelaide Local Government Area has indicated there were 351 offences recorded for the 2001-02 financial year declining steadily to 266 offences in the 2004-05 period. This represents a reduction of 24.2 per cent.

### OPERATING COSTS, SAPOL

In reply to **Mr BROKENSHIRE**.

**The Hon. K.O. FOLEY:** As part of 2005-06 Bilateral Process, South Australia Police was not required to introduce specific administration measures which would lead to a reduction in operating costs in any forward estimate year in the agency.

### PITJANTJATJARA LANDS, POLICE PRESENCE

In reply to **Mr BROKENSHIRE**.

**The Hon. K.O. FOLEY:** The Commissioner of Police has advised that two units are in place at Umuwa and are due for completion in the near future. It is anticipated that these units will be occupied in August 2005.

A further unit and house are expected to be in place by November and available for occupation by December 2005.

Planning approval has been received from Anangu Pitjantjatjara Council, for four units to be placed at Murpatja, with a proposed completion date of February 2006. It is anticipated that these units should be occupied by March 2006.

### CONSULTANTS, EXPENDITURE

In reply to **Mr HAMILTON-SMITH**.

**The Hon. K.O. FOLEY:** The Office of the Venture Capital Board (OVCB) incurred one consultancy above \$5 000 in the 2004-05 financial year.

A gross amount of \$67 500 was paid to Macquarie Investment Management Ltd for independent external advice in relation to applications under the \$10 million South Australian Private Equity (SAPE) Program. This gross expenditure was partly offset by revenue of \$15 000, received as application fees under the SAPE Program.

### UNDERSPENDING, SALARY AND WAGES

In reply to **Mr BROKENSHIRE**.

**The Hon. K.O. FOLEY:** The Acting Commissioner of Police has advised that within SAPOL's salary and wages budget, a cash based underspend is expected which mainly reflects lower salaries and related costs associated with the workforce being below budget during 2004-05. Details are outlined below:

- Sworn Workforce

Sworn workforce FTE's are expected to be under budget due to a revised cadet intake strategy, higher levels of attrition than anticipated and more staff moving to inactive.

· Unsworn Workforce

Unsworn FTE's are expected to be under budget due to vacancies within Expiration Notice Branch in relation to Road Safety Reform—Phase 2 as workload is down, delays in legislation impacting upon the PSSB restructure and delays with the Paedophile Task Force. This is partly offset by additional graduates.

· Cadets

The underspend reflects savings as a result of shorter courses for UK recruits and a revised cadet intake strategy which lead to a shift in recruitment to later in the financial year.

It should be noted that an underspend on sworn workforce salaries does not indicate a reduction in strength.

#### DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT, OPERATION COSTS

In reply to **Mr HAMILTON-SMITH.**

**The Hon. P. HOLLOWAY:** The saving target for 2005-06 for the Department of Trade and Economic Development amounted to \$609 000. This saving target will be achieved by a rationalisation of administrative activities.

The savings have been allocated across all divisions of the Department and have focused on a reduction in general goods and services expenditure. For example the budget for 2005-06 for general expenditure such as stationery, printer and computer consumables, information technology charges, interstate/intrastate travel and sundry expenses have been kept at the 2004-05 budgeted levels.

No staffing reductions were required to meet these savings targets.

Support to industry and industry development activities have not been reduced to meet these targets.

In reply to **Mr WILLIAMS.**

**The Hon. P. HOLLOWAY:** The administrative measures, as

indicated in Table 2.18 on page 2.27 and 2.28 of the 2005-06 Budget Statement, Budget Paper 3, for Primary Industries and Resources have been allocated across the various divisions of the agency and will be achieved through efficiencies in general administrative processes. There is no planned reduction in service or program delivery.

#### EDS BUILDING

In reply to **Mr HAMILTON-SMITH.**

**The Hon. P. HOLLOWAY:** The Minister for Administrative Services has advised that:

The Government holds a 15 year head lease for the EDS Centre. The net cost to government, based on previous years trends, is in the order of \$1.2 million per annum, which will vary subject to changing market conditions and other building operational factors. The key time line with respect to the building is the head lease termination date of March 2014.

Agreement has been reached with EDS to surrender some floors that they occupied and to enter into a new lease from 6 July 2005 on the same terms and conditions as existing leases for a further two year period. I am advised that the decision by EDS to vacate some space on North Terrace was made prior to the announcement of decisions about the Future ICT contracts.

There has been interest shown by a number of parties for the floors that will be vacated by EDS. Formal negotiations are currently taking place with two of the parties.

Dependent on outcomes of the Future ICT procurement process, an appropriate disengagement from current arrangements and transition to new ones will occur. This will include any impact for the North Terrace building, as appropriate.

#### CONSULTANTS, EXPENDITURE

In reply to **Mr HAMILTON-SMITH.**

**The Hon. P. HOLLOWAY:** The expenditure on consultants in 2004-05 (to 31 May 2005) for \$5000 and above, in the divisions within Primary Industries and Resources SA that report to the Minister for Mineral Resources Development is summarised in the table below:

Consultant	Purpose	\$'000	Method
Hans Ohff	Advise Minister on SANTOS's rehab at Moomba after fire	45	Waive of Competitive Process
S Mackie	Conduct petroleum survey	21	Selective Tender
Advanced Geomechanics	Review WMC (Olympic Dam) technical reports on the Tailings storage facility at Olympic Dam	22	Direct Negotiation
McPhee Andrewartha	Mediation consultancy	7	Waive of Competitive Process
TNT Projects	Advice re fugitive dust control for OneSteel Magnet proposal	6	Selective Tender
Leadenhall Australia Ltd	Provide assessment of royalties for the southern Titanium mineral sands mining	6	Direct Negotiation
PROCOS	Review of Management Plan for Plan for Accelerating Exploration and Business Plan for Regulation and Rehabilitation Branch	9	Direct Negotiation
Total to 31 May 2005		116	

In reply to **Mr WILLIAMS.**

**The Hon. P. HOLLOWAY:** The following table summarises consultancies where costs (for \$5000 and above) have been incurred during 2004-05 relating to the Department of Trade and Economic Development that are within my Ministerial responsibility of Industry and Trade. They do not include the Economic

Development, Regional Affairs and Small Business areas of the Department which are the responsibilities of other Ministers. These amounts do not include any accruals or adjustments to classification that may be required by the Auditor-General which may be identified as part of the 30 June Financial Statement preparation and audit.

Method of appointment	Value of consultancy contracts \$'000	Names of consulting firms and summary of services
Single Offer	27	Allison Productivity Services—Machine Changeover Competition
Single Offer	10	Austin Williams Publishing—Mitsubishi Communications Planning
Single Offer	54	Cesco Productivity Services—Machine Changeover Competition
Single Offer	23	Cother Consulting—Centre for Innovation Concept Development—Stage 2
Single Offer	10	Cother Consulting—Development of a concept plan for a Centre for Innovation—Stage 1
Single Offer	6	Ferrier Hodgson (SA)—provision of specialist advice on ION automotive and the VA process in respect of Wingfield and Plympton

Selected tender	47	Hudson Global Resources—Centre for Innovation Recruitment Fees
Single Offer—as agreed with the Commonwealth Govt and Mitsubishi	154	Knight Wendling Cast Metals GMBH—Preparation of a marketing dossier for Mitsubishi's Lonsdale Iron Foundry.
Single Offer	5	Mann Judd Consulting—eLatronics Workshop
Single Offer	150	Mr Paul Wirth—To explore new foundry investments for Lonsdale Mitsubishi Plant
Single Offer	30	Mr Ray Grigg—To Chair Mitsubishi Advisory Group
Selected tender	8	Parsons Brinkerhoff—Analysis and recommendation regarding traffic movements in and around Holden's Elizabeth facility
Open Tender	55	Polson HR & Training Brokers—Recruitment
Selected tender	11	University of South Australia—SA Centre of Advanced Research and Development Manufacturing Innovation—Mawson Institute
	11	VCAMM Consortium Account—Contribution to consultancy engaged by DFEEST
Selected tender	46	Harrison Market Research—Migration Campaign designed to attract migration from interstate
Single offer	5	Jigsaw Services—Development of draft Risk Management Matrix
Selected tender	50	Jigsaw Services—Financial Management Reform Project Review of former DBMT Financial Management Practices and recommendations for improvements for implementation into DTED
Single offer	7	Peartree Marketing—Review of DTED sponsorship and funding procedures
Single offer	21	Price Waterhouse Coopers—Provide GST advice in relation to asset sales
Single offer	17	Sean Power and Associates—Human Resource Consultancy Services—review and establish an OHS systems framework for DTED and revamp the Department's OHSW Committee, Policies and Procedures
Single offer	8	University of Adelaide—Migration campaign designed to attract migration from interstate
Selected tender	38	Winter Jeffries—Human Resource Consultancy Services Development of HR Strategic Plan, Induction Program and Performance Management Program for DTED
Single offer	6	Australian Projects Developments P/L—Approaches to Industry Development for South Australia
Selected tender	26	Economic Research Consultants—Industrial Land Alternate Uses Study
Single offer	7	Eric Olsen Consulting—Preparation of submission for SACE Review
Single offer	10	Indigo Consulting Group—Review of Regional Development Infrastructure Fund (policy objectives and outcomes)
Single offer	5	Mark McCarthy—Major Project Facilitation
Single offer	10	Outlook Management—Department of Trade and Economic Development in the role of Economic Development in South Australia
Single offer	9	The Linden Group—Department of Trade and Economic Development in the role of Economic Development in South Australia
Single offer	7	University of Adelaide, School of Economics—Professor Cliff Walsh—Drivers of Economic Development in South Australia
Single offer	8	University of South Australia (National Institute for Manufacturing Management)—Fostering an Innovation Economy for SA
Single offer	8	Outlook Management—Input to Strategy for Manufacturing
Single offer	50	Outlook Management (in conjunction with Asknet Pty Ltd and Ethos Aust Pty Ltd)—Consultation Services for Strategy for Manufacturing (MCC)
Selected tender	58	Airbiz Aviation Strategies Pty Ltd—Port Lincoln—Airport Development Assessment
Single offer	10	Auspace Limited—Technical assessment of project
Selected tender	10	Brian Pelham Consulting—Due diligence report on SAFSA applicant

#### PORTFOLIO EXPENDITURE

In reply to **Mr HAMILTON-SMITH.**

**The Hon. P. HOLLOWAY:** The following table is provided in relation to the value of transfers to agencies in the 2004-05 budget as part of the DBMT restructure:

	2004-05	2005-06	2006-07	2007-08
PIRSA—food and wine functions	1.231m	1.258m	1.285m	1.313m
DFEEST—telecommunications functions	2.613m	2.618m	2.625m	2.639m
DPC—business and skilled migration functions and arts funding	2.255m	2.296m	2.338m	2.378m
DAIS—infrastructure functions	1.150m	1.175m	1.200m	1.225m

	2004-05	2005-06	2006-07	2007-08
OVCB—investor ready program and venture capital fund	11.323m	1.344m	1.367m	1.389m
	18.572m	8.691m	8.815m	8.944m

#### DEFENCE TEAMING CENTRE

In reply to **Mr HAMILTON-SMITH.**

**The Hon. P. HOLLOWAY:** I am advised funding for the Defence Teaming Centre for 2004-05 was \$130 000 for export promotion and \$334 000 for operational support. The amount for 2005-06 has not yet been determined.

#### ADVANCED RAPID ROBOTIC MANUFACTURING

In reply to **Mr HAMILTON-SMITH.**

**The Hon. P. HOLLOWAY:** I advise that the Department has had dealings with Mr Kraguljac and ARRM Bio Tech Pty. Ltd.

ARRM Bio Tech Pty Ltd is 100 per cent owned by Campbell Corporation Pty Ltd. Both companies are in liquidation. Campbell Corporation previously traded as "Advanced Rapid Robotic Manufacturing". ARRM Bio Tech was provided with a \$200 000 seven-year interest free loan by the former Government on 29 July 1999 under the former Industry Investment and Attraction Fund (IIAF). The loan is due for repayment on 29 July 2006.

The company was assisted to consolidate and expand its biotechnology automation design and robotics assembly facilities. The provision of the assistance was conditional on the company increasing its workforce to 80 personnel by 29 July 2004. Subject to the employment target being met, 50 per cent of the loan would be converted to a 99-year interest free loan and the remaining balance would be repaid by 29/7/06 in equal instalments. Department of Trade and Economic Development (DTED) records indicate ARRM Bio Tech had less than 80 employees at July 2004 so there was no conversion of the loan.

Voluntary administrators were appointed to ARRM Bio Tech on 15 April 2005.

As the loan was not converted on 29 July 2004 the original principal of \$200 000 is due for immediate re-payment as the appointment of voluntary administrators under the loan agreement is a re-payment event. Subsequent to the appointment of voluntary administrators, on 11 May 2005 ARRM Bio Tech went into liquidation.

The administrators in their report to creditors stated that, based on their initial inquiries, which had been limited, it would appear that some of the reasons for the failure include:

- a cash drain on the company due to R & D activities of its parent, Campbell Corporation, that ultimately led to development of products without resulting sale contracts being secured by ARRM Bio Tech
- significant losses incurred by its Campbell Corporation since 1 July 2002, and
- a lack of sale contracts, despite attempts to penetrate markets in the UK, USA and Europe.

The next step is to lodge a proof of debt with the liquidator on behalf of the Minister (for Industry and Trade). The liquidator will realise the assets of ARRM Bio Tech and make a distribution to the unsecured creditors from the proceeds of the sale less the costs of winding up the company, payments to employees and to secured creditors. The Department of Treasury and Finance (through SAFA), with responsibility for monitoring and financial reporting with respect to IIAF, will manage this process on behalf of the Minister for Industry and Trade (until 1 July 2005, the date of formal transfer of all current and future firm specific financial assistance packages to the Treasurer/DTF).

I also advise that Mr Kraguljac, Chief Executive of ARRM Bio Tech Pty Ltd, is not a member of any advisory group or committee advising government on industry policy. Mr Kraguljac has previously been a member of the Small Business Development Council. He was appointed on 17 June 2003 and resigned from the Council on 13 October 2003.

#### OVERSEAS TRADE OFFICES

In reply to **Mr HAMILTON-SMITH.**

**The Hon. P. HOLLOWAY:** The costs associated with operating South Australia's overseas commercial representative offices:

2002-03	\$2 326 000
2003-04	\$3 780 000

(including Bandung Office which was closed on 31 July 2003 and New York Office which was closed on 30 January 2004).

#### ECONOMIC DEVELOPMENT BOARD

In reply to **Mr HAMILTON-SMITH.**

**The Hon. P. HOLLOWAY:** The Economic Development Board has a practice whereby any potential conflicts of interest are recognised by members at meetings with members concerned absenting themselves from any discussion on the particular matter(s).

During 2004-05, in which six meetings were held, five Board members declared five potential conflicts of interest in total.

#### MINERAL RESOURCES DEVELOPMENT PROGRAM

In reply to **Mr WILLIAMS.**

**The Hon. P. HOLLOWAY:** The change in the published 2004-05 Budget for the net cost of services for the Mineral Resources Development program between the 2004-05 Budget Papers and the 2005-06 Budget Papers resulted from a modification to the attribution of overheads within the Division as well as across the agency.

The table below shows the movements in the 2004-05 Budget between the two sets of Budget papers.

	\$'000
2004-05 Budget Papers Net cost of services (2004-05 Budget)	18 131
Less	
Overhead support costs transferred with Energy function to the Department for Transport, Energy and Infrastructure	-750
Reductions in overheads due to reallocation to other PIRSA programs	-518
2005-06 Budget Papers Net cost of services (2004-05 Budget)	16 863

Firstly, in the 2004-05 Budget Papers a component of the business support costs for the Energy function was included in the Mineral Resources Development program and this has now been included in the budget transferred to the Department for Transport, Energy and Infrastructure. Secondly, some funding previously included in general overheads and allocated across all divisions has been reclassified and allocated directly to other programs and sub-programs within PIRSA.

The reallocation of overheads has resulted in a perceived reduction in the 2004-05 Budget of the Mineral Resources Development program in the 2005-06 Budget Papers. There was no change in the budget, net of overheads, directly attributed to the Mineral Resources Development program for 2004-05 between the two budget papers.

#### BUDGET PROGRAM

In reply to **Mr WILLIAMS.**

**The Hon. P. HOLLOWAY:** When I first became Minister with responsibilities for PIRSA, I was aware that the programs, or outputs as they were known then, did not readily reflect the business of the department. It was not possible from the former programs to identify the amount of budget that had been allocated to the respective Divisions in PIRSA. Instead there was an allocation of resources across a series of programs/subprograms that did not reflect the structure of the Division.

To address this inconsistency, during the 2005-06 Budget process, PIRSA revised its program/subprogram structure to deliberately reflect the business of each Division of PIRSA and to provide the reader with a better understanding and transparency of the agency's operations. The new program/subprogram structure for Mineral Resources Development as outlined in the 2005-06 Portfolio Statements for the Department of Primary Industries and Resources is consistent with both the operations of the division and the method of reporting, for all other divisions of PIRSA.

The Minerals and Energy Division of PIRSA comprises two separate branches—the Minerals Branch and the Petroleum Branch. Consequently, the 2005-06 Budget papers accurately reflect the

Mineral and Energy Division under the program Mineral Resources Development and the two branches of the division under the subprograms Minerals and Petroleum. The data under the previous structure is no longer collected and a breakdown under those headings cannot be provided.

To ensure that Parliament is informed of budget movements and for comparative purposes, the previous budget information for the Mineral Resources Development program, and subprograms, has been back cast against the new structure in the 2005-06 Budget Papers as shown in the table below.

Net Cost of Services	2005-06 Budget	2004-05 Est Result	2004-05 Budget	2003-04 Actual
Minerals	\$18 595 000	\$16 612 000	\$15 288 000	\$10 703 000
Petroleum	\$1 886 000	\$1 127 000	\$1 575 000	\$966 000
Total Mineral Resources Development	\$20 481 000	\$17 739 000	\$16 863 000	\$11 669 000

#### SWIMMING POOL INSPECTIONS

In reply to **Hon. I.F. EVANS.**

**The Hon. P. HOLLOWAY:** The Development Act 1993 applies to swimming pools constructed after the Act commenced in January 1994. Inspection of swimming pools approved under the Act is the responsibility of the authority which granted that approval. Almost invariably that is the Council for the area. The Government has no data on inspections carried out by Councils of swimming pools in their area.

Safety issues associated with swimming pools erected prior to January 1994 are controlled under the Swimming Pools Safety Act 1972. Inspections under this Act are the responsibility of Planning SA within the Department of Primary Industries and Resources SA.

In 2003-04 13 inspections were carried out by Planning SA. In 2004-05 16 inspections were carried out. It is anticipated that the same level of inspections will be undertaken in 2005-06.

#### DEPARTMENT OF PRIMARY INDUSTRIES AND RESOURCES

In reply to **Hon. I.F. EVANS.**

**The Hon. P. HOLLOWAY:** The 2005-06 Portfolio Statements for the Department of Primary Industries and Resources (PIRSA) includes the transfer of Planning SA effective from 1 July 2005. Previously Planning SA was reported under a program, subprogram structure for the former Transport and Urban Development (DTUP) portfolio. With the integration of Planning SA into PIRSA, the program/subprogram structure that existed in DTUP could not be mapped into PIRSA's program/subprogram structure. The PIRSA program/subprogram structure has been deliberately designed to reflect the business of each Division of PIRSA and to provide the reader with better understanding of the agency's operations. The new program, subprogram structure for Planning SA as outlined in the 2005-06 Portfolio Statements for the Department of Primary Industries and Resources is consistent with both the operations of the division and the method of reporting, for all other divisions of PIRSA. To ensure that Parliament is informed of budget movements and for comparative purposes, the previous budget information for Planning SA has been back cast against the PIRSA program/subprogram structure to 2003-04. The 2005-06 budgeted net cost of services from ordinary activities for Planning SA is reflected under the subprogram titled 'Planning SA' as follows:

2005-06 Budget	\$15 270 000
2004-05 Estimated Result	\$14 955 000
2004-05 Budget	\$13 917 000
2003-04 Actual	\$14 046 000

#### DEVELOPMENT ASSESSMENT INVESTIGATIONS

In reply to **Hon. I.F. EVANS.**

**The Hon. P. HOLLOWAY:** Section 45 A of the Development Act allows the minister to initiate formal investigation of a relevant authority.

During 2002-03 and 2003-04 and up to 24 June 2005, no formal investigations were initiated under this section.

#### URBAN REGENERATION

In reply to **Mr SCALZI.**

**The Hon. P. HOLLOWAY:** As foreshadowed by the Planning SA performance indicators in the Portfolio Statements from last year's Budget Papers (2004-05), no urban regeneration projects were proposed by Planning SA in 2004-05. I advise that, as anticipated, no urban regeneration projects were undertaken.

No projects are contemplated in 2005-06 either, so obviously there is no budget.

#### PAR APPROVAL PROCESS

In reply to **Mr SCALZI.**

**The Hon. P. HOLLOWAY:** The Planning Policy Directorate within Planning SA provides the direct resourcing support for all Council and Ministerial PARs.

There are a total of 24 officers (22.1 FTEs) dedicated to the PAR approval process dealing with:

- Ministerial PAR preparation and processes
- All Council PAR assessment and co-ordination
- Management of technical/mapping aspects as well as legal/parliamentary aspects of the PAR process for all PARs.

The total budget in 2004-05 for the branch was \$3 227 052.

The total employee costs (including on-costs) for the staff was \$1 557 617 and the average was \$70 480.

#### TRANSPORT, RURAL AND REMOTE

In reply to **Mr BRINDAL.**

**The Hon. P.F. CONLON:** Of the \$9.946 million allocated to the Rural and Remote Transport program in 2005-06, \$2.696 million is being funded via the Federal Government's Roads to Recovery program. The State Government will fund \$7.25 million of this program.

The key aim of this program, and its funding, is to improve accessibility outcomes for road users and in particular the communities in the rural and remote regions of South Australia.

#### MOTOR VEHICLE REGISTRATION FEES

In reply to **Mr BRINDAL.**

**The Hon. P.F. CONLON:** Fees and charges under the *Motor Vehicles Act 1959* are adjusted on an annual basis by whole dollar amounts, using an indexation factor provided by the Department of Treasury and Finance. This current method of determining adjustments in prescribed fees and charges has been in place since 1998 and has been adopted by successive Governments.

When calculating these adjustments some fees may increase slightly above or below the indexation rate, as all fees are set in whole dollar amounts. Care is taken to ensure the overall adjustment for all the fees within the Act are restricted inside the approved indexation rate. For example, driver licence fees are generally increased every two years, as annual whole dollar adjustments would substantially increase this fee above the average indexation rate.

The increase in vehicle registration fees for 2005-06 will be slightly above the indexation rate, average rises over the last five years puts these fees slightly below the average indexation rate.

It should be noted that if we look at increases as they relate to engine size, over the last five years four cylinder registration fees have increased on average by 3.38 per cent and eight cylinder registration fees have increased by 3.44 per cent, while the average indexation rate has been 3.58 per cent.

#### TRANSPORT, EMPLOYEES

In reply to **Mr BROKENSHIRE.**

**The Hon. P.F. CONLON:** In the area of Transport, the number of full time equivalent public sector employees for 30 June 2005 increased by 284 when comparing between the 2004-05 and the 2005-06 Budget.

The increase is attributed to:

- the creation of the Office of Public Transport (formerly the

Passenger Transport Board which was a statutory authority and whose staff were not counted as public sector employees);

- additional employees engaged to enable the delivery of key infrastructure projects, improve rail safety, improve customer services, delivery and operational support for Intelligent Transport Systems and for transport security; and
- a number of contract and temporary positions having been converted to permanent positions.

#### BLACK SPOT FUNDING

In reply to **Mr BROKENSHIRE**.

**The Hon. P.F. CONLON:** I reaffirm that there is no significant reduction in funds for State or National Black Spot programs. In fact, for 2005-06 this government has increased the total State Black Spot allocation by \$300 000.

These programs are now funded from both the Department's investing and operating allocations. The shift in some of the State and National Black Spot program funding from investing to operating results from the Department of Treasury and Finance's 2003/04 Year End Review, which identified a capitalisation process issue that required attention.

Traditionally, these programs have been identified in the Capital Works Program as investing. In an accounting sense, some of the projects have been more "operating" in nature than "investing".

To address this, the Department for Transport, Energy and Infrastructure (DTEI) undertook to identify the investing and operating components of the programs and correct this for 2004-05 and the out years.

DTEI completed a rigorous analysis of the Capital Investment Program, and guided by Accounting Standards and its own subsidiary accounting policy for determining the investing/operating nature of activities, transferred appropriate levels of funding from its investing program to its operating account. This transfer correctly aligned typical project treatments and funding with accounting standards.

#### LONG LIFE ROADS

In reply to **Mr BROKENSHIRE**.

**The Hon. P.F. CONLON:** Over the next three years the \$22 million 'Long Life Roads' program will be spent on improving the safety of South Australia's existing road network to reduce the maintenance backlog inherited by this government.

The funding will be directed to road safety and asset condition improvements such as:

- treatment of slippery road sites that potentially contribute to skidding related road accidents;
- repair of rough roads in high speed environments that potentially contribute to loss of control;
- replacement of deteriorated guard-fence locations that no longer adequately protect the road user;
- road shoulder improvement for poor shoulders that currently pose a danger to vehicles that leave the road; and
- the installation of audio tactile edge line marking.

These safety driven road improvements will contribute to road safety, by providing:

- improved skid resistance which has the potential to reduce skidding casualty crashes by 10 – 40 per cent;
- appropriate guard-fencing which has the potential to reduce off road casualty crashes by as much as 30 per cent; and
- improved edge lining which has the potential to reduce off road casualty crashes by as much as 30 per cent.

The Department is currently determining a program of priority locations and specific treatment types for 2005-06.

#### ROADS, STURT HIGHWAY

In reply to **Mr BROKENSHIRE**, on behalf of **Mr VENNING**.

**The Hon. P.F. CONLON:** The intersection of the Sturt Highway and Murray Street forms part of the National Network, and funding for this project is provided by the Federal Government as part of the AUSLINK funding agreement.

Design of the junction upgrade, including the installation of lighting has been completed and approval to proceed with the project is currently being sought from the Federal Department of Transport and Regional Services prior to commencing construction. It is anticipated the works will begin within 2005-06 as part of the Sturt Highway Upgrade Program.

#### KROEMERS CROSSING ROUNDABOUT PROPOSAL

In reply to **Mr BROKENSHIRE**, on behalf of **Mr VENNING**.

**The Hon. P.F. CONLON:** The "new roadway entrance" to Orlando-Wyndham's Richmond Grove winery development at Kroemers's crossing is in fact part of the 'Kroemers Crossing Roundabout' proposal. There have been discussions in recent years with both Council and Orlando-Wyndham and as yet there has been no resolution on the issue. Subsequently, no funding has been allocated for the project in the 2005-06 budget.

#### RAIL TRACK SLEEPERS

In reply to **Mr BROKENSHIRE**.

**The Hon. P.F. CONLON:** TransAdelaide has allocated a current budget of \$1.900 million for 2005-06 from its annual capital program for the replacement of timber sleepers with concrete sleepers.

#### PORT RIVER EXPRESSWAY

In reply to **Mr BROKENSHIRE**.

**The Hon. P.F. CONLON:** The full details of cost differentials between various options for the Port River Expressway road and rail bridges were outlined in the Public Works Committee report and discussed at the recent hearing.

The estimated cost differential of the capital and 10 years operation and maintenance between the opening untolled option and the fixed untolled option is \$63.5 million, not \$96 million as suggested by Mr Brokenshire.

The cost differential between the opening untolled option and the fixed untolled option for 30 years, including capital, operation and maintenance costs, is approximately \$71.5 million in Net Present Value.

#### GRAIN TRANSPORT, EYRE PENINSULA

In reply to **Mr BROKENSHIRE**.

**The Hon. P.F. CONLON:** A full explanation of the funding proposed by the various parties is contained in the Eyre Peninsula Grain Export Logistics Project Proposal document that was prepared by the project partners and submitted to the Commonwealth through the Eyre Regional Development Board in November 2004. I understand a copy was also provided to the local member, Ms Liz Penfold, at that time.

An extract from the document that outlines the State's funding for roads is as follows.

*The Lincoln Highway is a key grain route serving coastal regions that do not have easy access to rail served silos. It is proposed that the State complete the widening of the Lincoln Highway at a total cost of \$5m to enable continued operation of RAVs hauling grain on this section of road as part of this plan. A total of \$1.5 million is proposed for 2004-05 and a further \$3.5 million to complete the works in 2005-06 subject to acceptance of this proposal.*

*The Lock-Cowell road provides access to the rail served strategic site at Rudall..... It is proposed that the State direct funding for road widening (\$3m) over two years to this road (including junctions within Cleve) to improve RAV access to Rudall from Cleve and surrounding districts.*

In accordance with the project plan, the original allocation in 2004-05 of \$672 000 for the Lincoln Highway was increased to \$1 532 000.

The funding to be directed for widening of the Lock Cowell road will come from allocations within the Shoulder Sealing program over the next two years. A total allocation of \$3 675 000 is provided in 2005-06 for this program, of which \$1 million will be directed to the Lock Cowell Road in 2005-06 and a further \$2 million in 2006-07.

The \$5 713 000 shown in budget papers against the Eyre Peninsula Grain Transport is the budget line for the remainder of the funding, being \$2 million for railway upgrading and a further \$3 713 000 to complete the Lincoln Highway upgrade.

This will bring the total State contribution under the plan to \$10 245 000.

On 24 June, the Commonwealth announced it would also contribute funds under the plan, a further \$15 million. The injection of funds into Eyre Peninsula transport and grain handling infrastructure from all parties under this plan, State, Local and Commonwealth Government as well as industry, will exceed \$35 million. This is an excellent result for the Region.



### ADELAIDE LIGHT RAIL NETWORK

In reply to **Mr BROKENSHIRE**.

**The Hon. P.F. CONLON:** The State Government is committed to improvements in public transport and the budget papers outline three major investments in the light rail system.

The first of these is the completion of the project to supply nine new 'super trams' and upgrade the light rail infrastructure at a total cost \$71.9 million.

The first of the new trams is expected to arrive in Adelaide in December. This is shown in the Portfolio Statements on page 6.18—the first item under attaining sustainability.

The second project is to invest \$21 million dollars to extend the Glenelg Tramway to the Adelaide Railway Station. This is shown as one of the new investing initiatives on page 2.30 with \$4.4 million in 2005-06 and \$16.6 million in 2006-07.

The new trams, new station facilities, the reliability of the new service and connection to the rail system at the Adelaide Railway Station will significantly increase capacity from Glenelg to the Adelaide Railway Station which means that more people will reach their destinations quicker at peak times on the Glenelg Tramway.

The new trams and the extension of the Adelaide Light Rail system through the centre of Adelaide will also have benefits in revitalisation of the city.

For this reason, the budget papers include a third project to examine the option to further extend the light rail system. This allocation is also shown on page 2.30 as an extension of the light rail to Brougham Place.

The funding includes \$300 000 in 2005-06 to undertake detailed planning work on the costs and benefits and engineering feasibility of a number of options including extensions into North Adelaide and possible city loop options. This detailed feasibility work will determine whether or not the Government proceeds with the Brougham place option in the first instance or if another extension option provides a better business case.

It is important that any further extensions are strategic and carefully planned to ensure we can maximise benefits for this investment. In this budget, funds are also set aside in the out years to purchase additional rolling stock and to undertake the construction work necessary to extend the line, subject to the outcome of the detailed feasibility work.

### ROADS TO RECOVERY, FUNDING

In reply to **Hon. G.M. GUNN**.

**The Hon. P.F. CONLON:** The Roads to Recovery 2 program will provide a total of \$10.8 million dollars or \$2.7 million dollars per year over the next four years (2005-06 to 2008-09), for roads in unincorporated areas.

The Department for Transport, Energy and Infrastructure, through Transport SA, is in the process of consulting with the communities about particular projects that will constitute the Roads to Recovery 2 program, and as a result of that consultation, will be making a recommendation in due course. The Outback Areas Community Development Trust is also involved in this process.

### HEAVY VEHICLE MONITORING SYSTEM

In reply to **Hon. G.M. GUNN**.

**The Hon. P.F. CONLON:** Further to your questions relating to SAFE-T-CAM cameras installed on the Port Augusta Bridge, I can confirm the number of breaches detected at the Globe Derby site average approximately fifty (50) per week. I believe the figure I provided previously was 51 per week.

In addition, you asked who can access this information. I can advise that only those Government agencies responsible for the regulation of vehicles in South Australia and New South Wales will, at this time, access information captured by SAFE-T-CAM.

### INNAMINCKA CAUSEWAY

In reply to **Hon. G.M. GUNN**.

**The Hon. P.F. CONLON:** Over the last fifteen years, the Department for Transport, Energy and Infrastructure, through Transport SA, has looked at options to assist with minimising the closures of the Innamincka causeway. These options include the construction of a bridge and raising the causeway.

Costs for construction of a bridge are estimated at several million dollars and the estimate of the cost of raising the height of the

causeway is approximately \$1 million dollars. Neither of these options will eliminate the need to close this road, as conditions of the unsealed road dictate the closure, rather than the height of Cooper Creek.

### NUCLEAR POWER

In reply to **Mr BRINDAL**.

**The Hon. P.F. CONLON:** Given the wealth of Australia's energy sources it is unlikely that nuclear power will ever be a cost effective method of supplying electricity in any Australian state.

I am advised that the large size of a nuclear reactor precludes it from supplying a small state market due to the reactor's inability to vary quickly to meet changes in demand. Nuclear reactors can only provide baseload power and therefore can do nothing to address peak demand. South Australia's baseload would be provided by a single reactor—and having only one source of electricity is bad risk management and contravenes the national electricity market rules. Nuclear power in South Australia is not an option.

There are many economic arguments against nuclear power—it does not appear to be competitive with conventional electricity generation in Australia. A joint report of the Organisation for Economic Co-operation and Development's Nuclear Energy Agency and the International Energy Agency<sup>1</sup> calculated the cost of nuclear power based on existing nuclear plants located world wide. The costs of current nuclear power was estimated to be in the range of \$US 23-54/MWh (\$AUS 30-70/MWh with a 0.77c exchange rate). New plants will obviously be more expensive. A study on the future of nuclear energy performed by the Massachusetts Institute of Technology estimated costs to be in the order of \$US 70/MWh (\$AUS 90/MWh)<sup>2</sup>.

To compare the cost of generation with conventional power is difficult due to specific cost issues associated with each project, with base load plant tending to have high fixed costs and low operating costs, while peak generators have lower capital costs and higher operating costs. Estimates provided to the 2001 Solar World Congress indicate that the current long run costs of fossil fuel (coal and gas) based generation are in the range of \$30/MWh to \$60/MWh.

It must be noted that there are a number of contentious variables used to calculate the costs of a new nuclear generation plant. Some of these variables are:

- The time to pass legislation to allow nuclear power in Australia, which may be extensive given likely community opposition;
- The time required for instituting an appropriate regulatory regime in a country that has never had a commercial nuclear power plant;
- Construction costs and construction times (an often cited estimate for a new plant in Australia is \$AUS2 billion. Most US plants took 10 years to build);
- Cost of delays due to local opposition;
- Cost of mining and fuel processing—as there are different grades of uranium that vary in processing costs;
- Improvements in technology that allow fuel to be used more efficiently;
- Storage and waste disposal costs (there are different methods of nuclear storage, with storage of the waste being required for up to 10 000 years); and
- Assumptions regarding discount rates, capital recovery period, and capacity factors used in cost studies.

The allocation of different values to these variables can affect the calculated price of nuclear generation. The test for the economics of nuclear power in Australia, however, is the lack of commercial interest in developing a power station.

<sup>1</sup> OECD Nuclear Energy Agency, International Energy Agency OECD, *Projected Costs of Generating Electricity 2005 Update*.

<sup>2</sup> Massachusetts Institute of Technology (MIT), *The Future of Nuclear Power—an Interdisciplinary MIT Study*, 2003.

### AUSLINK FUNDING

In reply to **Mr BRINDAL**.

**The Hon. P.F. CONLON:** A breakdown of AusLink major works funding for 2005-06 amounting to \$19 090 million was previously presented on 16 June 2005. I wish to confirm that my previous response was correct and that these works relate to works carried out on the formerly titled 'National Highway Network'.

\$40 million of AusLink funds will also be spent on the Port River Expressway Stages 2 & 3 and LeFevre Peninsula Rail.

In addition, the following indicative listing details \$1.92 million of proposed AusLink minor works in 2005-06. This indicative program is subject to Australian Government approval.

Description	Treatment
Sturt Highway, Fowles Street to Gilmour Road	Drainage improvements
Eastern Region	Planning & design works
Sturt Highway, 28 <sup>th</sup> Street Renmark intersection	Junction improvements
Sturt Highway, Airport Road Renmark intersection	Junction improvements
Sturt Highway, AlmondCo, Golf Course, intersection	Junction improvements
Dukes Highway	Audio tactile edge lining
Adelaide Crafers Highway	Additional detour signs
Adelaide Crafers Highway, Heysen Tunnels	Upgrade incident detection
Main North Road, Kings Road, McIntyre Road intersection	Minor intersection improvements
Main North Road, north of Kings Road	Road realignment
Main North Road, Kesters Road junction	Replace stobie poles with light poles
Port Wakefield Road, Bolivar Road junction	Turning lanes upgrade
Mid North Region	Planning & design works
Eyre Highway	Install service signs
Ceduna Hospital	Pedestrian improvements
Stuart Highway adjacent to Stand Pipe Motel	Junction improvements
Metropolitan Region – stobie pole removal	Replace with frangible light poles

#### ROADS, MAINTENANCE

In reply to **Mr BRINDAL**.

**The Hon. P.F. CONLON:** With regard to sub-program 2.1 'Maintaining Roads', the Department of Treasury and Finance requires the Department for Transport, Energy and Infrastructure to report revenue and expenditure as a net cost to services.

All revenue received by the Department, including investing revenue, is notionally allocated across select operating programs. In 2005-06, \$285.779 million of Departmental revenue has been allocated to sub-program 2.1 'Maintaining Roads'. The expenditure proposed for this sub-program totals \$232.043 million. There is no necessary correlation between the revenue allocated and the expenditure proposed to this sub-program.

This program's expenditure includes \$118.630 million for

depreciation, \$89.809 million for road maintenance, \$3.447 million for the maintenance of acquired property required for future transport needs, \$6.015 million of program related delivery costs, and \$14.142 million for works or allocations that according to Accounting Standards, are deemed operating by nature. These include \$8.592 million of minor works and road safety black spot projects, \$0.7 million allocated for local road projects under the Regional Roads Program, and a Federal Government \$4.85 million contribution for Salisbury Council and the West Avenue upgrade.

The State managed road network consists of approximately 12 300 kilometres of sealed arterial roads and 10 200 kilometres of unsealed roads. This network of roads is divided and managed as four specific regions by the Department for Transport, Energy and Infrastructure (DTEI). The Departmental regions and included regional areas are:

DTEI Region	Included Regional Area's
Metropolitan Region	Metropolitan area bound by and including Gawler, Sellicks Beach and the Adelaide Hills
Eastern Region	Riverland, Murray Lands and the South East
Mid North Region	Barossa, Clare Valley and Yorke Peninsula
Northern and Western Region	Far West, Far North, Upper Spencer Gulf and Eyre Peninsula

In 2005-06, the budgeted expenditure allocated direct to road maintenance activities is \$89.8 million. On a region-by-region basis, this has been allocated as follows:

- Metropolitan Region \$33.6 million
- Eastern Region \$20.8 million
- Mid North Region \$16.0 million
- Northern and Western Region \$19.4 million

During 2005-06 two-thirds of the available road asset maintenance funding will be expended on maintenance activities for regional and rural roads. This includes those rural roads within the Adelaide Hills that are managed within DTEI's Metropolitan Region.

#### CASH INFLOWS

In reply to **Hon. W.A. MATTHEW**.

**The Hon. P.F. CONLON:** On page 6.8, the *Statement of cash flows* includes a reduction in the net cash inflows from operating activities of \$5.345m.

The major items contributing to the increase in the cash inflows are the sale of the department's Walkerville land and ex-Australian National rail land.

#### BASSLINK

In reply to **Hon. W.A. MATTHEW**.

**The Hon. P.F. CONLON:** On Wednesday 23 February 2005, Basslink announced that six of the eight transformers required for the project had been damaged in the Great Australian Bight, en route from Germany.

It is understood that commissioning of Basslink will be commencing early in 2006 and is expected to be completed in April 2006.

#### PETROLEUM SUPPLIES

In reply to **Hon. W.A. MATTHEW**.

**The Hon. P.F. CONLON:** Australia both exports and imports crude and refined petroleum products, with a self-sufficiency of about seventy five percent. Studies by petroleum companies and industry analysts indicate that oil supplies will not run out in the next fifty years, but that supply may decline slowly unless exploration activity and global production is increased. The debate is about when that decline may commence and how large any associated price increase will be. In this regard there is general consensus that a

supply decline will increase oil prices, but estimates of when vary from the next few years to about 2050.

The Australian Bureau of Agricultural and Resource Economics (ABARE) 2004 publication, *Australian Energy: National and State Projections to 2019-20* indicates that South Australian petroleum product consumption is increasing by about one percent a year. It suggests there is no indication that a fuel supply decline will occur over this period and notes that a number of potential fields could be more extensively explored. Petroleum products self-sufficiency is forecast to fall slightly, with import growth rates exceeding Australian refinery production growth rates.

Australia is blessed with abundant reserves of natural gas, most of which are located in the Carnarvon Basin, situated in the Northwest Shelf, off the coast of Western Australia. Based on the most recent Geoscience Australia estimates of gas reserves, and ABARE estimates of domestic sales gas consumption and Liquefied Natural Gas exports, Australian gas reserves are sufficient to meet domestic demand for the foreseeable future.

### REMOTE AREA ENERGY SUPPLY

In reply to **Hon. W.A. MATTHEW.**

**The Hon. P.F. CONLON:** The Remote Area Energy Supply (RAES) program provides or directly subsidises energy infrastructure to remote South Australian communities from the electricity grid, and where there is a clear regional need for social and economic development. It provides or subsidises grid type electricity, generally through the provision of power stations operating 24 hours a day, and a distribution system that reticulates electricity to customers.

There are 13 Remote Area Energy Supply sites spread across the north of the State. Nine of these sites are supplied from Power Stations owned and operated by the South Australian Government, and managed by Energy SA. A tenth is supplied by a Government owned local distribution system connected to the New South Wales grid, with power purchased from a NSW retailer. Three power stations and associated distribution systems are owned and operated by independent entities.

Indicative assistance for 2005-06 for each of these communities are as follows:

Community	Operator	Annual Assistance (\$000's)
Andamooka	Independent	790
Blinman	SA Government	154
Cockburn	SA Government	26
Cooper Pedy	Independent	3 010
Glendambo	SA Government	282
Kingoonya	SA Government	51
Mannahill	SA Government	51
Marla	SA Government	667
Marree	SA Government	410
Nundroo	SA Government	282
Oodnadatta	SA Government	513
Parachilna	SA Government	128
Yunta	Independent	180

### ENERGY EFFICIENCY PROGRAM

In reply to **Hon. W.A. MATTHEW.**

**The Hon. P.F. CONLON:** At the end of May 2005, approximately 70 per cent of the 10 000 energy audits to be undertaken, under the Government's Energy Efficiency Program for Low Income Households, had been completed by the contracted welfare agencies, as indicated in the following table. At the current rate of progress it is expected the target will be achieved before the end of the calendar year.

Agency	Audits Completed at 31/5/05	Contracted Audit Target
Anglicare	2 696	3 000
Lutheran Community Care	1 361	2 000
Uniting Care Wesley Adelaide	1 440	2 250
Uniting Care Wesley Bowden	643	1 000
Uniting Care Wesley Port Pirie	540	1 000
Salvation Army	263	750
Total	6 943	10 000

### SUPPLIES AND SERVICES COSTS

In reply to **Hon. W.A. MATTHEW.**

**The Hon. P.F. CONLON:** The increase in expenditure of \$0.826 million from the 2004-05 "estimated result" to the 2005-06

budget is related predominantly to the cost of establishing the Australian Energy Market Commission (AEMC).

As I explained in my answer on 16 June 2005, the Commonwealth Government has at this time resiled from establishing an industry levy to fund the AEMC, necessitating funding contributions from State and Territory Governments. \$1.6 million of additional funding, which is accounted for in the 2005-06 State Budget, funds South Australia's contribution to AEMC establishment and operation until the end of 2006.

A number of other variations offset this increase in 2005-06 funding and result in an increased expected expenditure for 2004-05:

- one-off funding in 2004-05 of \$240 000 for legal costs associated with the Ministerial Council on Energy (MCE). Costs were reimbursed by the MCE – the revenue is recorded on page 6.35 in the line "sale of goods and services";
- one-off funding in 2004-05 of \$100 000 for consultancies relating to water pricing policy and regulation;
- one-off expenditure of \$63 000 in 2004-05 carried over from 2003-04, consisting of \$26 898 for a project manager contract related to the MCE work, \$23 491 for assistance with developing a national legislative framework for energy reform, and \$16 620 for provision of advice on gas full retail competition;
- one-off transfer of \$50 000 from salaries to contractors;
- \$201 000 in corporate overheads included in 2004-05 but not in 2005-06; and
- a decrease of \$166 000 from 2004-05 to 2005-06 due to overheads, ancillary staff costs and consultancy funding that will be retained by Treasury and Finance with the transfer of Microeconomic Reform and Infrastructure Branch to DTEI.

### DEMAND MANAGEMENT TRIALS

In reply to **Hon. W.A. MATTHEW.**

**The Hon. P.F. CONLON:** The ETSA Utilities demand management program and the South Australian component of the Australian Government's Solar Cities program are the two key initiatives currently aimed at trialling innovative methods to reduce peak demand.

As part of its 2005 to 2010 Electricity Distribution Price Determination, the Essential Services Commission of SA (ESCOSA) made provision for ETSA Utilities to commit approximately \$20 million over the five year regulatory period to trial a number of peak demand management initiatives. The range of initiatives to be trialed, in liaison with ESCOSA, include:

- Power factor improvements in business and manufacturing premises;
- Grid connection of standby generation at times of high demand;
- The control of residential air-conditioning units, pool pumps or other suitable equipment and incentives to encourage household participation;
- Innovative tariffs for businesses with interval meters that encourage peak load management;
- Working with medium and large businesses on systems to curtail loads or shift loads away from peak periods; and
- Assessing the opportunities, and the costs and benefits of ETSA Utilities aggregating demand management benefits to on sell to energy retailers.

The Australian Commonwealth Government's \$75 million, nine-year Solar Cities program aims to provide a 'living model' of how peak demand management technologies and market signals, together with solar energy technologies, can deliver economic and environmental benefits. It has committed to fast-tracking an Adelaide trial as the first Solar City. My officers are assisting local consortia to prepare Expressions of Interest for Solar Cities funding.

While outside of my portfolio responsibilities, I also understand that grants provided by the Government's Sustainable Energy Research Advisory Committee (SENRAC) for 2005 include support for two projects that have the potential to contribute to peak demand reduction. One will trial an innovative refrigeration system based on phase change materials, for both stationary energy and transport applications. The other will help commercialise a multi-stage evaporative cooler and gas heater.

### PORT STANVAC OIL REFINERY CLOSURE, FUEL PRICES

In reply to **Hon. W.A. MATTHEW.**

**The Hon. P.F. CONLON:** There are two sources of variation in the final price of petroleum fuels, which relate to wholesale and

retail prices, respectively. Wholesale price variations are caused by international supply and demand conditions, which are translated into Australian pricing through the Commonwealth's import parity pricing policy. Retail price variations are due to cycles of discounting at retail fuel outlets.

The Port Stanvac closure is expected to have only minor impacts on fuel prices, due mainly to freight and handling costs incurred in bringing fuels from interstate refineries to Birkenhead. Any such wholesale price impact however is masked by substantial retail level fuel discounting cycles, which can change the price at the pump by up to plus and minus ten cents per litre.

A Liquid Fuels Supply (Petroleum and Diesel) Government Task Force was established following the closure of Port Stanvac to consider several specific rural diesel and fuel chain supply issues, and will continue to monitor the general fuel supply situation as required. The Task Force comprises representatives of Government agencies and the Freight Council.

#### STAFF REDUCTIONS

In reply to **Hon. W.A. MATTHEW.**

**The Hon. P.F. CONLON:** As I told the committee the shedding of 83 staff in the current financial year is due to staff from Planning SA, the Office of Local Government, and the Offices for Sustainable Social, Environmental and Economic Development transferring to the Department of Primary Industries and Resources as a result of the restructure.

You would note on page 5.3 of the 2005-06 Portfolio Statement Vol. 2 that correspondingly, the Department of Primary Industries and Resources shows increased staff numbers in the current financial year.

#### CASH/DEPOSITS AT CALL

In reply to **Hon. W.A. MATTHEW.**

**The Hon. P.F. CONLON:** The increase in the amount of money held in deposit at call is due to the movement of Energy and Infrastructure into the Department's administered accounts. The monies held predominantly relate to Outer Harbor Headworks Infrastructure, Glenelg West Beach Development, Energy Management Task Force and Photovoltaic Rebate Program.

#### ESSENTIAL SERVICES COMMISSION

In reply to **Hon. W.A. MATTHEW.**

**The Hon. P.F. CONLON:** The Treasurer has provided the following information:

An advertisement for the position of Chairperson of the Essential Services Commission of South Australia was published in the Australian Financial Review on Friday 24 June 2005. The closing date for applications was Friday 8 July 2005. A number of applications were received and a number of other potential candidates were identified by way of an executive search. Interviews of suitable candidates are scheduled for September 2005.

#### PORT RIVER EXPRESSWAY

In reply to **Mr BRINDAL.**

**The Hon. P.F. CONLON:** The Federal Government will be contributing 50 per cent or \$35 million of the estimated funds required in 2005-06 for the Port River Expressway Stages 2 and 3.

#### OAKLANDS PARK RAILWAY CROSSING

In reply to **Mr HANNA.**

**The Hon. P.F. CONLON:** The Oaklands Park Railway Crossing has been the subject of a number of studies to address the road and rail traffic problems at the intersection of Morphett Road, Diagonal Road and the Noarlunga passenger railway line. These studies have demonstrated that the existing road network will experience significant delays prior to 2010 with the predicted growth in road traffic and with the current volume of passenger trains.

Preliminary investigations have indicated that at-grade improvements can accommodate predicted road traffic volumes up to the year 2020 and a 30 per cent increase in the peak period passenger train volume. For this reason the previous Minister for Transport endorsed the position, in August 2004, that the significantly more expensive grade separation of the railway crossing would not be given further consideration at this location.

The Department for Transport, Energy and Infrastructure (DTEI) has completed modelling of possible at-grade solutions for the local traffic network in December 2004 – verifying the above. Two options are currently under consideration:

Option 1: Prunus Street Scheme—Involves rerouting both northbound and southbound Morphett Road traffic via Prunus Street. Prunus Street therefore becomes the major route while Morphett Road between Prunus Street and Diagonal road becomes a local access road.

Option 2: Roundabout Scheme—This scheme is based on Prunus Street, Morphett Road (north) and Diagonal Road (north) operating as a four-lane roundabout, with one-way traffic operation in a clockwise direction. Traffic signal control is proposed at each junction.

While Option 2 is considered to perform more effectively from a transport operations perspective. It is considered that extensive consultation with the City of Marion and key stakeholders is essential prior to finalising any decision on a potential solution. It should be noted that there is currently no commitment to funding or timing of any road improvements at this location by the State Government. The abovementioned options are part of the Department's ongoing planning function. As such DTEI do not envisage any community consultation occurring in the short term.

The City of Marion has been informed of the Department's position, in order to allow them to continue with their study into the redevelopment of the Warradale Shopping Centre.

#### FLOODING

In reply to **Mr HANNA.**

**The Hon. P.F. CONLON:** This year, Adelaide experienced the wettest June since 1981 and flooding has been experienced in certain parts of the State.

Under these conditions, the Land Management Corporation subdivision at Darlington has held up remarkably well. There has been some localised movement of water and sediment onto adjoining properties, however, and I am advised the same has occurred on several development sites across town due to the intense rainfall events experienced over recent weeks.

The civil contractors have now cleaned up the properties affected and put in place both short and long-term solutions to manage runoff. This is a short-term problem, caused by the disturbance to vegetation on the site during construction combined with the heavy rains. I am confident the matter is now in hand and the development will be able to deal adequately with stormwater runoff.

#### PORT ADELAIDE WATERFRONT REDEVELOPMENT

In reply to **Mr HAMILTON-SMITH.**

**The Hon. P.F. CONLON:** The expected total revenues to the State Government from the Port Adelaide Waterfront Redevelopment are as follows:

Year	Million (\$)	
2007-08		4
2008-09		6
2009-10		9
2010-11		21
2011-12		22
2012-13		22
2013-14		12
2014-15		22
Total		118

#### PORT RIVER EXPRESSWAY

In reply to **Mr HAMILTON-SMITH.**

**The Hon. P.F. CONLON:** The Port River Expressway Stage 1 is nearly complete and is estimated to cost \$91.5 million, of which the Federal Government has funded around \$40 million.

The estimated capital cost of the Port River Expressway Stages 2 and 3 (road and rail bridges) is \$178 million. Funding for this project will be a joint contribution between the State and Federal Governments under the AusLink Investment Program.

Associated works at Outer Harbor, including upgrading the Le Fevre Peninsula rail freight corridor and Pelican Point Road, are estimated to cost \$24 million. The State Government will contribute \$9 million, with the balance of the funds coming from the Australian Rail Track Corporation and the Federal Government.

The estimated cost of the deepening of the Outer Harbor shipping channel is \$45 million. The State Government has agreed to fund directly \$15 million and will also contribute the \$15 million in savings generated from the deep-sea grain wharf relocation. The remaining \$15 million will be funded by Flinders Ports, the port operator.

- The deep-sea grain port at Outer Harbor has several components:
- A deep-sea grain wharf and associated dredging works estimated to cost \$31 million. This will be funded and delivered by Flinders Ports.
- A new grain terminal with rail loop, conveyor belt and loading and unloading facilities, estimated to cost in excess of \$80 million. This will be funded and delivered by ABB Grain Limited.

#### ANANGU PITJANTJATJARA POWER STATION

In reply to **The Hon. D.C. KOTZ.**

**The Hon. T.G. ROBERTS:** I advise that:

1. *Will the minister explain what a reduction in scope will actually mean to this project, and what proportion of the distribution line is purchased with the additional \$1.845 million, and how many communities this is liable to effect?*

- Current project planning still assumes delivery of the full scope of work.
- Pre tender cost estimates are currently being prepared for Stage 3 (distribution system). The tender is scheduled for release late July/August 2005. Only once tender responses have been received and analysed in terms of cost and methodology can an accurate determination be made of the potential reduced scope and which communities will be affected.
- However based, on currently available cost data, if the additional funding of \$1.845 million is provided, then five, rather than four, communities currently provided by power from local community power stations will be connected to the APY Central Power Station.

2. *The initial state budget allocation was \$6.65 million, and no expenditure occurred in 2003-04, why is there a \$990 000 (almost \$1 million) shortfall in this year's budget compared to the original budget?*

- There is no shortfall in overall budget allocation.
- While the estimated project expenditure in 2005-06 is \$5.66 million, carry over approval of \$0.99 million to 2006-07 has also been provided.
- The carry over of \$0.99 million to 2006-07 reflects the expected completion date of September 2006 for the distribution system.
- Expenditure over 2005-06 and 2006-07 ensures that the State's total budget financial contribution of \$6.65 million will be met.

3. *If the department's bid is successful, can the minister advise what \$5.650 million plus \$1.845 million (which is a total of \$7.495 million) will actually produce in terms of the project's infrastructure and construction, and is the September 2006 timeline for completion actual or hypothetical?*

- If the funding bid is successful, it is estimated that approximately 250 kilometres of power lines can be constructed by September 2006.
- The construction of the distribution system will deliver power from Umuwa to Aboriginal communities at Pukatja, Yunyarinyi, Fregon, Mimili, Indulkana and Amata. By distributing power from Umuwa, these communities will benefit from receiving safer, more reliable electricity supply, without local emission or noise pollution. There will also be the benefit of reduced diesel and maintenance costs.
- A more definitive construction timetable will be confirmed once responses to the soon to be released distribution system tender are received.

#### DEPARTMENT FOR CORRECTIONAL SERVICES, SAVINGS TARGET

In reply to **Dr McFETRIDGE.**

**The Hon. T.G. ROBERTS:** I advise that:

The Department for Correctional Services has a savings target of \$22 000 for the 2005-06 financial year, which will be absorbed in general efficiency improvements.

The Department has savings targets of \$596 000 in 2006-07, \$499 000 in 2007-08 and \$527 000 in 2008-09, and is currently examining specific administration measures to achieve these targets.

#### SEX OFFENDER PROGRAM

In reply to **Hon. W.A. MATTHEW.**

**The Hon. T.G. ROBERTS:** I advise that:

1. Group 4 (GSL Custodial Services Pty Ltd) does not provide sexual offender treatment programs. It has never been a requirement of its contract with the State Government.
2. There are currently 21 prisoners/offenders going through the pilot Sexual Offender Treatment Program in the Department for Correctional Services.
3. During the two-year period for the financial years 2003-04 and 2004-05, the sum of \$16 868 was spent on travel to and from Canada.
4. The approximate expenditure relating to the Sexual Offender Treatment Program is \$938 876 for the two financial years 2003-04 and 2004-05. The estimated proportion of this amount expended before the commencement of the pilot program in February 2005 was \$800 000.

#### DEPARTMENT OF ABORIGINAL AFFAIRS

In reply to **Dr McFETRIDGE.**

**The Hon. T.G. ROBERTS:** I advise that:

The measures for reducing operating costs in the Department of Aboriginal Affairs and Reconciliation will include reviewing recurrent budgets with respect to:

- Filling of staff vacancies
  - Creation of efficiencies in essential services grants and maintenance to Aboriginal communities
  - Reduction in accommodation and associated costs
- Re-negotiation of service level agreements for support services in IT, payroll and human resources.

#### DRUG TESTS

In reply to **Hon. W.A. MATTHEW.**

**The Hon. T.G. ROBERTS:** I advise that:

Between 17 June 2004 and 16 June 2005, 1616 drug tests were conducted in the prison system. Of these, 344 tests returned a positive result in relation to 194 individuals.

For the same period 3256 prisoners were discharged from the South Australian prison system, of which 509 were drug tested.

The discrepancies between the numbers of tests completed, the number of positive results and the number of individuals tested can be accounted for because individual prisoners are sometimes tested on more than one occasion during their imprisonment and some return a positive result on more than one occasion.

#### EMPLOYEE EXPENSES

In reply to **Hon. W.A. MATTHEW.**

**The Hon. T.G. ROBERTS:** I advise that:

There is no planned reduction in Community Correction services in 2005-06.

The Department budgeted for the employment of 250.3 full time equivalent (fte) positions in Community Corrections in 2004-05. The Department has budgeted to employ 252.1 fte's in Community Corrections in 2005-06.

The Attorney-General's Department—Justice Strategy Unit provided funding during 2004-05 for the Violence Intervention Program. The cost of this program is included in the 2004-05 result but not in the Department's appropriation for 2005-06. The Violence Intervention Program is continuing in 2005-06 and funds will be transferred from the Justice Strategy Unit again in 2005-06 to continue the program.

The 2004-05 result also includes one-off expenditure for a feasibility study on the establishment of a culturally appropriate facility for indigenous offenders, in the APY Lands.

#### CONSULTANTS, EXPENDITURE

In reply to **Dr McFETRIDGE.**

**The Hon. T.G. ROBERTS:** I advise:

The Department for Correctional Services has incurred the following expenditure on consultants for the year ended 30 June 2005.

Consultant Name	Cost (GST exclusive)	Work Undertaken	Method of Appointment
McLachlan Hodge Mitchell (mhm)	\$61 361.95	Implementation of CRYSTAL Enterprise, Masterpiece Business Intelligence Framework and development of CRYSTAL reports and DCS server migration and SQL view changes to reports	Engaged through the Attorney-Generals Department
Dr PK Walsh & Associates Pty Ltd	\$9 620.91	Strategic Planning Project	Direct Negotiation
Macksam Consultancy Pty Ltd	\$13 155.91	New Prison Project – Staffing Implication Models	Direct Negotiation
SSA Global Technologies (Aust) Pty Ltd	\$55 396.00	Development of point-of-sale software solution for prison canteens	Competitive Offers
Kutjara Consultants	\$76 900.00	Correctional facility investigations APY Lands	Competitive Offers
Leading Emergency Services	\$14 000.00	Provision of specialist services to revise Business Continuity Plans	Direct Negotiation
Event Safety Management	\$94 077.50	OHS plant risk assessments and training	Direct Negotiation
Sean Power & Associates	\$23 408.50	OHS services and training	Direct Negotiation
Executive Alliance	\$13 224.00	Development and review of OHS policies and procedures	Direct Negotiation
Flinders University—Prof. Lesley Cooper	\$9 000.00	Investigation of criteria for creating Senior Practitioner positions in Community Corrections	Direct Negotiation
Total	\$374 394.77		

#### INNER SOUTHERN COMMUNITY HEALTH SERVICE

In reply to **Mr HANNA**.

**The Hon. L. STEVENS:** Some conceptual planning work has commenced on both a service model and a new facility for the Inner Southern Community Health Service, to accommodate an integrated primary health care service comprising a broad range of primary health care and community based services.

Any development would have to be part of normal budget process.

#### AMBULANCE EMPLOYEES

In reply to **Hon. DEAN BROWN**.

**The Hon. L. STEVENS:** The 30 SA Ambulance employees who received over \$100 000 remuneration during 2003-04 comprised 6

Executives, 6 Administration, 6 Operational Management and 12 Operational staff.

In 2002-03 there were 5 Executives, 1 Administration, 5 Operational Management and 6 Operational staff.

The movement in Executives was a combination of restructuring and staff movements (whereby two occupants fulfilled the duties during a particular year with both earning less than the \$100 000 threshold).

The increase in other staff above \$100 000 is a direct result of wage increases. It should be noted that a number of Operational staff are currently just below \$100 000 and with recent Enterprise Bargaining increases, a significant future increase in the number of staff receiving over \$100 000 is anticipated.

Remuneration figures quoted include payments for superannuation, fringe benefit tax (where applicable), overtime and award allowances. Figures do not include long service leave payments on termination.

Position	Type	2003-04	2002-03
Chief Executive	Executive	✓	✓
Medical Director	Executive	✓	✓
Operations Director	Executive	✓	-
Director Strategy & Org Development	Executive	✓	-
Director Support Services	Executive	-	✓
Director Country Region	Executive	✓	✓
Director Corporate Services	Executive/Left service	✓	✓
Clinical Manager	Administration	✓	-
Chief Finance Officer	Administration	✓	✓
Manager IT	Administration	✓	-
Senior Software Engineer	Administration	✓	-
Software Engineer	Administration	✓	-
Statewide Communications Manager	Administration	✓	-
Ops Manager North East District	Operational Management	✓	✓
Ops Manager North West District	Operational Management	✓	-
Ops Manager South East District	Operational Management	✓	✓
Ops Manager – Metro Emergency	Operational Management	✓	✓
Ops Manager & Emergency Major Event	Operational Management	✓	✓

Position	Type	2003-04	2002-03
Ops Manager Transfer Service	Operational Management	✓	✓
Paramedic	Operational	✓	-
Country Paramedic	Operational	✓	✓
Country Paramedic	Operational	✓	-
Country Paramedic	Operational	✓	-
Country Paramedic	Operational	✓	-
Country Paramedic	Operational	✓	-
Communications – Team Leader	Operational	✓	✓
Communications – Team Leader	Operational	✓	✓
Communications – Co-ordinator	Operational	✓	✓
Communications – Co-ordinator	Operational	✓	✓
Communications – Co-ordinator	Operational	✓	✓
Communications – Co-ordinator	Operational/Left Service	✓	-

In reply to **Hon. DEAN BROWN.**

**The Hon. L. STEVENS:** The current survey will be conducted from June to August 2005 and the Department of Health expects approximately 3 500 people will be surveyed.

The total cost of the survey is \$150 000.

Harrison's Health Research is conducting the interviewing for this survey. The Population Research and Outcome Studies Unit, Health System Improvement & Reform, Department of Health will collate and analyse the results.

The report for the 2003 survey is available on request from the Population Research and Outcome Studies Unit, Health System Improvement & Reform, Department of Health.

#### AMBULANCE SERVICE

In reply to **Hon. DEAN BROWN.**

**The Hon. L. STEVENS:** Establishing the SA Ambulance Service (SAAS) Communications Centre on Greenhill Road involved the cost of the Audio Management System (AMS) upgrade and the building cost. The AMS upgrade was scheduled for implementation regardless of the move to Greenhill Road and happened to occur at the same time as relocation of the facility.

The AMS project incorporated the replacement of the telephone call-handling and radio dispatch systems in the SAAS, SA Police and SA Metropolitan Fire Service Communications centres. The AMS project was administered by the Department of Justice on behalf of the three agencies, with SAAS' component completed in May 2004.

SAAS' final share of the \$12.4 million total AMS costs have been settled at \$4.1 million, including \$140 000 in project operating costs. The cost of the building works was \$0.966 million. This was paid by SAAS to the Department of Administrative and Information Services and subsequently claimed from SA Police from administered funds in 2003-04.

The Department of Justice has advised that the Emergency Services Levy contribution to the AMS project costs was \$7.1 million. The Emergency Services Levy contribution did not fund any additional costs associated with the building works.

#### OFFICE FOR THE SOUTHERN SUBURBS

In reply to **Mr BROKENSHIRE.**

**The Hon. J.D. HILL:** I am advised:

The 2003-04 revenue of \$33 000 presents a clerical error incorrectly posted to the Office for the Southern Suburbs in the financial statement.

2004-05 revenue of \$64 000 includes \$60 000 from Department of Trade and Economic Development to fund the Industrial Land Capability Study in the Southern Suburbs managed by the Office for the Southern Suburbs, and \$4 000 from DTUP (Department of Transport and Urban Planning) for operating cost pressures.

2005-06 revenue of \$107 000 includes \$32 000 provided by former DTUP to cover operating cost pressures including arts programs and projects, and sponsorships from councils totalling \$75 000.

#### OPERATION COSTS

In reply to **Mrs REDMOND.**

**The Hon. J.W. WEATHERILL:** For 2005-06, a savings

measure described as a "reduction in operating costs" has been imposed on the portfolio by the Department of Treasury and Finance. The target for 2005-06 is \$300 000 (\$1.246 million over 4 years). This saving has been allocated across the administrative areas of the portfolio, to avoid any impact on service delivery. The average impact for each division will be only \$50 000 and therefore will be achieved by way of a general reduction in goods and services expenditure.

#### TIER SYSTEM FIGURES

In reply to **Mr HANNA.**

**The Hon. J.W. WEATHERILL:** Notifications of suspected child abuse and neglect are received by the Child Abuse Report Line. The experienced staff receive and assess the information, determining whether there are grounds for a reasonable suspicion that a child has or is being abused or neglected and apply a response classification.

Tier 1 classification is provided when it is assessed that a child is in imminent danger. The response time required is 24 hours for the commencement of the investigation.

Tier 2 classification is provided when it is assessed that a child is at risk and an investigation into the child and family circumstances is required. The response time required is 7 days for the commencement of the investigation.

Tier 3 classification is provided when it is assessed that a child and family is in need. The family is invited to attend a meeting with a social worker for assessment and determination of the services required to assist the family in their parenting role.

The year to date figure for 2004-05 to March 31 2005 indicate 97 per cent of Tier 1 notifications have been actioned, 63 per cent of Tier 2 actioned and 66 per cent of Tier 3 actioned.

However caution must be exercised with these figures as they underestimate the actual situation. This is because outcomes are entered at completion of the investigation process. The annual data for 2004-05 will demonstrate a higher percentage of notifications and responses than currently appears in the data, as the annual data will include all completed investigations up to 31 August 2005.

Additionally there are a variety of other reasons why some investigations are not undertaken. These include inaccuracy of information provided in the report making it impossible to identify the Family or Child in question or not being able to establish contact with the family.

#### SOUTH AUSTRALIAN HOUSING TRUST, FINANCES

In reply to **Mr BRINDAL.**

**The Hon. J.W. WEATHERILL:** \$3.1 million of the increase was due to revised staffing arrangements arising from the transfer of staff from the former Department of Human Services (DHS). This included:

- Budget adjustments in April 2004 that transferred staff to the South Australian Housing Trust (SAHT) from the Supported Accommodation Assistance Program (SAAP). However, the resultant budget increase was incorrectly made to supplies and services expenses instead of employee expenses. Correction of this occurred in 2004-05, resulting in a \$0.9 million increase of

employee expenses, offset by a corresponding decrease in supplies and services; and

- Approval in April 2004 to transfer DHS staff responsible for developing and supporting Housing Trust information systems, to the Housing Trust. However, budget adjustments could not be prepared in time for inclusion in the 2004-05 budget process. These adjustments were instead processed during 2004-05. As the Housing Trust had previously purchased these services from DHS (budgeted as supplies and services expense), the resultant adjustments were an increase in employee costs of \$2.2 million, fully offset by a reduction in supplies and services expenses of \$1.0 million and an increase in goods and services revenue (chargeable to the new Department of Health for services provided) of \$1.2 million.

For the 2004-05 State Budget a savings target of \$1.1 million in employee costs was imposed. This is due to the Treasury initiative for all agencies to factor a 3.5 per cent vacancy rate into salary budgets. As the Housing Trust had already factored in a 4 per cent vacancy rate, the Treasury initiative effectively imposed a 7.5 per cent vacancy rate on the Housing Trust's budget for employee costs. The imposed savings were reinstated during the year, giving rise to a further budget increase.

The approval of the interim Enterprise Bargaining agreement resulted in a fully-funded increase in employee costs of \$0.4 million, in line with Treasury and Departmental parameters.

A \$0.7 million budget increase relating to employee leave provisions was approved during 2004-05. This only involved accrual accounting adjustments to make provision for future long service leave entitlements for employees. Accounting Standards require leave entitlements to be expensed (ie. accrued) in the period in which they are earned by the employee, not when the leave is ultimately taken. In the case of long service leave, this is inherently difficult to predict, given the lengthy period over which the entitlement accrues.

Thus the original budget for this item was determined to be insufficient when compared to actual results from previous financial years, which was increased accordingly.

#### PRIVATE BUS CONCESSIONS

In reply to **Hon. DEAN BROWN.**

**The Hon. J.W. WEATHERILL:** At present there are a number of different transport concessions for which people may be eligible, depending on their personal circumstances. In this particular case there are two concessions that seem likely to be relevant:

- the Pensioner Concession Card issued through Centrelink, which is a national card that provides concessions for public transport in South Australia (SA) and all other states and territories; and
- the various State Seniors Cards, which in most instances entitle cardholders to a public transport concession within their own state or territory.

In SA, interstate visitors can apply for a SA Seniors Card and if they meet the eligibility criteria, receive access to the same transport concessions as card holders who reside in this State. It is not currently an option for South Australians to apply for a Seniors Card or receive reciprocal Seniors Card concessions the majority of other states and territories.

The Office of Public Transport has advised that seniors travelling within SA and holding either a Seniors Card or Pensioner Concession Card are eligible for a 50 per cent discount. These concessions are available on any bus line provided that the travel is entirely within SA. The remaining half of the fare is reimbursed 80 per cent by the SA government to the bus operator, *i.e.*, the contractor contributes 20 per cent of the concession. This arrangement is consistent across SA.

#### VOLUNTEER NUMBERS

In reply to **Hon. W.A. MATTHEW.**

**The Hon. CARMEL ZOLLO:** I provide the following information:

In 2004, SES revised the membership criteria to include only those members that were active. To enable a meaningful comparison of volunteer numbers in 2002 against those numbers reported today, only those volunteers that met the active criteria in May 2002 have been used for comparative purposes.

In May 2002 SES had 2 371 active members compared with 2 125 active members in May 2005.

#### MOUNT TORRENS STATION

In reply to **Mr GOLDSWORTHY.**

**The Hon. CARMEL ZOLLO:** I provide the following information:

In 2003-04 a proposed extension to the Mount Torrens CFS Station was opposed by Heritage SA on the grounds the addition would not conform to the heritage zoning status applied to the township. The cost of the required changes to meet the zoning requirements were outside the budget set aside and the project was delayed. The Adelaide Hills Council (as owner) unsuccessfully applied for a grant to fund the alterations to the existing building from the State Heritage Fund for the 2004/05 financial year.

Given the limitations of the existing station and the site, negotiations have commenced for a peppercorn lease on a site outside the heritage zone. Should these negotiations be successful, the CFS will construct a standard design station on the new site.

In reply to **Mr GOLDSWORTHY.**

**The Hon. CARMEL ZOLLO:** I provide the following information:

The proposed extension to the Mount Torrens CFS station was refused owing to heritage zoning concerns. Further investigations with Heritage SA indicated the existing 1970s structure would also need considerable facade alterations together with a redesign of the addition.

A review of the functionality of the station and future land requirements determined that the proposed additional expenditure required to meet the heritage zoning made the project unviable. Following consultation with the Regional Commander and the brigade, it was determined that, given the limitations of the existing station and the site, a new station on a more suitable site would better meet the long term needs of the brigade and would be a more acceptable and viable outcome.

Negotiations have commenced with the owners of a site outside the heritage zone for a peppercorn lease. This will allow the CFS to construct a standard design station. Should the negotiations for the site be successful, the CFS will review its current five year capital works program to address the inclusion of a new station for the Mount Torrens brigade.

#### ELIZABETH AND GOLDEN GROVE STATIONS, LAND COSTS

In reply to **Hon. W.A. MATTHEW.**

**The Hon. CARMEL ZOLLO:** I provide the following information:

The 1996-97 and 1997-98 Budget Papers show that initially an amount of \$1.000 million was allocated to relocate the Ridgehaven fire station and that an amount of \$1.200 million was allocated to upgrade the Elizabeth fire station. This was the MFS component of a dual funded co-located project with the SA Ambulance Service. The decision not to proceed with co-location of the station, further detailed design work and rising construction market prices resulted in a significant movement in the original budgeted amount.

At the time of the 2004-05 Budget, the total budget for the Elizabeth fire station was \$2.977 million. The estimated cost of the Elizabeth fire station is \$2.931 million, which is \$0.046 million under budget.

The total budget to construct a new fire station at Golden Grove, to replace Ridgehaven, was \$3.850 million. The estimated cost of the Golden Grove fire station is \$3.737 million, which is \$0.113 million under budget.

The Golden Grove fire station was more expensive as it included the cost of acquiring land (\$0.426 million) and site works on a sloping site whereas the Elizabeth fire station was built on an existing site.

The costs are estimates only and are not final at this stage because the SA Metropolitan Fire Service has not been invoiced for all costs incurred.

#### CONSULTANTS

In reply to **Hon. W.A. MATTHEW.**

**The Hon. CARMEL ZOLLO:** I provide the following information:



## Consultants Summary 2004-05

Consultant	Description	\$	Method of Appointment
MFS			
Raymond	Industrial Advice	6,175.90	Industry Specialist—Direct appointment
DAIS	Angle Park Feasibility Study	177,041.58	Competitive tender
Total MFS		183,217.48	
CFS			
SAI Global	Driving Excellence Program	23,200.37	Approved waive of tender due to specialist nature
Bushfire Co-operative Research Centre (CRC)	Progress Payment on EP (Wangary) fire study	100,000.00	Bushfire CRC (CSIRO) is the sole supplier of nationally recognised bushfire research. Additionally, urgency precluded other procurement processes
Total CFS		123,200.37	
SES			
JF Moroney & Assoc	OH&S statewide consultancy	10,223.90	3 quotes in accordance with Justice Procurement Policies and guidelines.
SAI Global	Driving Excellence Program	8,000.00	Industry Specialist—Direct appointment
Total SES		18,223.90	
ESAU			
Locher	SAFECOM Workforce review	29,480.00	Select tender
Deloitte	Transition to International Financial Reporting Standards	14,110.00	Approved waive of tender due to specialist nature of service
Lizard Drinking Pty Ltd	Internal Audit Review	5,000.00	Under \$5,000—Process in accordance with Justice Procurement Policies and Guidelines
The Enterprise Development Network	Review of OH&S management systems	24,100.00	Select tender
Total ESAU		72,690.00	
Total All Agencies		397,331.75	