

HOUSE OF ASSEMBLY

Wednesday 27 June 2007

ESTIMATES COMMITTEE B**Chair:**

Ms L.R. Breuer

Members:

Dr D. McFetridge
 Mr T. Piccolo
 Mr D.G. Pisoni
 Mr J.R. Rau
 Ms L.A. Simmons
 Mr I.H. Venning

The Committee met at 9 a.m.

Department for Transport, Energy and Infrastructure,
 \$390 173 000
 Administered Items for the Department for Transport,
 Energy and Infrastructure, \$11 539 000
 TransAdelaide, \$2 720 000

Witness:

The Hon. P. F. Conlon, Minister for Transport, Minister
 for Infrastructure, Minister for Energy.

Departmental Advisers:

Mr B. Watson, General Manager, TransAdelaide.
 Mr J. Hallion, Chief Executive, Department for Transport,
 Energy and Infrastructure.
 Ms H. Webster, Executive Director, Public Transport,
 Department for Transport, Energy and Infrastructure.
 Ms J. Holmes, Manager, Budget Investment Strategy,
 Department for Transport, Energy and Infrastructure.
 Mr T. Delaney, Chief Finance Officer, Department for
 Transport, Energy and Infrastructure.
 Ms T. Meakins, Executive Director, Policy and Planning,
 Department for Transport, Energy and Infrastructure.

The CHAIR: Estimates committees are a relatively informal procedure and, as such, there is no need to stand to answer questions. The committee will determine an approximate time for the consideration of proposed payments to facilitate the changeover of departmental advisers. I ask the minister and the lead speaker for the opposition to indicate whether they have agreed on a timetable for today's proceedings and, if so, provide the chair with a copy. Changes to committee membership will be notified as they occur. Members should ensure that the chair is provided with a completed request to be discharged form. If the minister undertakes to supply information at a later date, it must be submitted to the committee secretary by no later than Friday 7 September.

I propose to allow the minister and the lead speaker for the opposition to make an opening statement of about 10 minutes each. There will be a flexible approach to giving the call for asking questions, based on about three questions per member, alternating each side. Supplementary questions will be the exception rather than the rule. A member who is not part of

the committee may, at the discretion of the chair, ask a question. Questions must be based on lines of expenditure in the budget papers and must be identifiable or referenced. Members unable to complete their questions during the proceedings may submit them as questions on notice for inclusion in the House of Assembly *Notice Paper*.

There is no formal facility for the tabling of documents before the committee. However, documents can be supplied to the chair for distribution to the committee. The incorporation of material into *Hansard* is permitted on the same basis as applies in the house, that is, that it is purely statistical and limited to one page in length. All questions are to be directed to the minister, not to the minister's advisers. The minister may refer questions to advisers for a response. I also advise that, for the purpose of the committee, there will be some freedom allowed for television coverage, by allowing a short period of filming from the northern gallery.

I declare the proposed payments open for examination and refer members to the Budget Statement, in particular pages 2.13 to 2.15 and Appendix C, and the Portfolio Statements Volume 2, Part 6. Does the minister wish to make an opening statement?

The Hon. P.F. CONLON: No.

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

Dr McFETRIDGE: I will make a short opening statement. The issue of transport, public transport and infrastructure is obviously vital to any prosperous community. In fact, last Sunday the Premier made a statement in the APY lands as follows:

Infrastructure is one of the most important keys to prosperity of any community.

The need to fund infrastructure and to have a plan for infrastructure is vital, and part of that planning involves public transport, it involves private transport, and it involves a well-managed budget with a long-term future plan. The need to examine the current issues with increased costs of projects, the apparent lack of planning and also the disappointing levels of funding in many areas of transport are issues that we hope to explore this morning, and I look forward to the minister's cooperation. I will read the omnibus questions now to get them out of the way. The omnibus questions are as follows:

1. Will the minister provide a detailed breakdown of the baseline data that was provided to the Shared Services Reform Office by each department or agency reporting to the minister, including the current total cost of the provision of payroll, finance, human resources, procurement, records, management and information technology services in each department or agency reporting to the minister, as well as the full-time equivalent staffing numbers involved?

2. Will the minister provide a detailed breakdown of expenditure on consultants and contractors in 2006-07 for all departments and agencies reporting to the minister, listing the name of the consultant and contractor costs, the work undertaken and the method of appointment?

3. For each department or agency reporting to the minister how many surplus employees are there as of 30 June 2007, and for each surplus employee what is the title or classification of the employee and the total employment costs of the employee?

4. In the financial year 2005-06 for all departments and agencies reporting to the minister what underspending on

projects and programs was not approved by cabinet for carryover expenditure in 2006-07?

5. For all departments and agencies reporting to the minister what is the estimated or actual level of under-expenditure for 2006-07, and has cabinet already approved any carryover expenditure in 2007-08, and if so how much?

6. (i) What was the total number of employees with a total employment cost of \$100 000 or more per employee and, as a subcategory, what is the total number of employees with a total employment cost of \$200 000 or more per employee for all departments and agencies reporting to the minister as of 30 June 2007?

(ii) Between 30 June 2006 and 30 June 2007 will the minister list the job title and total employment cost of each position with a total estimated cost of \$100 000 or more: (a) which has been abolished; and (b) which has been created?

7. For the years 2005-06 and 2006-07 will the minister provide a breakdown of expenditure on all grants administered by all departments and agencies reporting to the minister, listing the name of the grant recipient, the amount of the grant, the purpose of the grant and whether the grant was subject to a grant agreement as required by Treasurer's instruction No. 15?

8. For all capital works projects listed in Budget Paper 5 that are the responsibility of the minister, will the minister list the total amounts spent to date on each project?

The CHAIR: Does the member have any further questions?

Dr McFETRIDGE: One or two. I refer to Budget Paper 4, Volume 2, pages 6.82 and 6.83, Income Statement Balance Sheet, Policies and Procedures. Has TransAdelaide now provided documented policies and procedures in the areas of payroll, revenue, budget settings and review and, in particular, non-current assets, and does the corporate governance framework of TransAdelaide now utilise all appropriate policies and procedures in the business?

The Hon. P.F. CONLON: I am not quite sure what you are driving at. We do have policies and procedures and we have governance. I will give you a hint: we are probably reviewing the whole governance of public transport, as we do. We are always trying to make improvements. The gravamen of your question is a bit obscure for me, but whatever detail is there Bill will get for you and get it back to you.

Dr McFETRIDGE: Just for the information of the committee, I was prompted to ask this question not only by the budget documents but also by the Auditor-General's Report of 2006, page 1341. The report points out that there is a lack of up-to-date documented policies, and it goes on about the rest of the issues there.

The Hon. P.F. CONLON: I can understand why it is a bit obscure. We were not preparing for an examination on the Auditor-General's Report. I am sure that we will provide you with satisfactory information.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 2, page 6.83, the balance sheet and inventories with Bombardier. Does the inventory line for both 2006-07 and 2007-08 now adequately reflect the value of the inventory held by TransAdelaide, given that Bombardier is still the rail car maintenance service provider; does TransAdelaide have sufficient documentation from the most recent stocktake of rail car inventory to be assured that the inventory records are accurate; and have reconciliations between the inventory system and the general ledger been performed on a timely basis for 2007-08?

The Hon. P.F. CONLON: Bill can tell you briefly.

Mr WATSON: Since the receipt of the Auditor-General's Report we have held discussions with our maintenance provider, Bombardier, about it acquiring all of the inventory. Those discussions started in January this year. Prior to that we had had a number of high level discussions with it about acquiring the inventory. We expect that by the end of the year Bombardier will have acquired the inventory, thus satisfying one of the recommendations of the Auditor-General. As part of that process a stocktake will have been completed and all obsolete items will have been written off.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 2, page 6.82, under the income statement, Expenses. Is there currently an assurance in place that all expenditure is authorised prior to costs being incurred, particularly in relation to purchase orders being issued to suppliers from the P order system prior to approval? Is there now a documented agreement in place for the supply of fuel to TransAdelaide?

The Hon. P.F. CONLON: Yes.

Ms SIMMONS: I refer to 2007-08 Capital Investment Statement, Budget Paper 5, page 29. Can the government please provide an update on the new After Midnight service that replaced the previous Wandering Star service?

The Hon. P.F. CONLON: It would be my pleasure. It is very important to get some of the facts on the record about this, because people would remember that when we recently changed what was then known as the Wandering Star service and is now known as the After Midnight service it was the subject of a great deal of uninformed criticism and allegations by the opposition that we had in fact cut the funding to it to save money, which of course is entirely untrue. Not a single dollar was cut out of the service, but that is the sort of thing we deal with with the opposition. It was also said that what we were doing was stupid. I am trying to remember the words used by the Leader of the Opposition—I think he said 'monstrously stupid' or something like that—in response to what we were doing. In light of that, I am very pleased to talk about the outcomes that we did achieve.

The history of this matter is that the then Wandering Star service came about not as part of what we would say is our ordinary business of running the public transport system but as a concern for those people who might go out partying and drive their vehicle home. Paris Hilton, I guess, would be the big example in the papers recently, although we do not expect that anyone goes to quite as many parties as Paris. To come to the point, that is what it was designed for and, for that reason, it was actually half-funded by the Motor Accident Commission.

As to bureaucrats, I had some discussions with Roger Cook—who, I think, now chairs the Motor Accident Commission—and the commission was concerned that the service was not getting value for the dollars it was putting in. It was primarily aimed at a road safety priority, not a public transport priority, and initially there was a view that the service should be cancelled because the commission believed it could achieve a better outcome with the money going elsewhere. I put to Roger that we would look at how we could redesign the service to give a better return for investment, and we asked the Motor Accident Commission to hold off on a decision because we thought it was a worthwhile initiative even if we were not achieving the objectives that the MAC sought at that time. We changed it from a Friday and Saturday after midnight service to what is now a Saturday evening only service, basically because people did not want

to catch it on Friday nights. We also made some changes to the cost and frequency of the service.

To cut a reasonably long story short, we found that, rather than it being a monstrously stupid decision now, 10 weeks after operation, the average increase in patronage is, I believe, 73 per cent. That is an outstanding outcome. It means that, on average, there are 73 per cent more people catching this bus than were catching it before. In fact, it is better than that; that is a very modest figure. Now, I do not think that 73 per cent more people are partying on a Saturday night—although the economy is very good and no doubt there is more partying going on, and we do know that housing approvals are breaking all records and are way ahead of the rest of Australia. However, not even that is evidence that 73 per cent more people are partying.

What it means is that the service is now taking home more of those people who went out partying, and that is a very important net increase in the contribution to road safety. Very importantly, it means that the Motor Accident Commission can now look at this service and understand that it is getting a return for the investment it makes. I stress: this is something we were told was monstrously stupid, but I am quite happy to point out that it has actually been an outstanding success. I might add, it is a very good question.

Mr PICCOLO: I refer to the 2008 Capital Investment Statement, Budget Paper 5, page 29. Can the minister provide an update on the progress of the bus fleet replacement program?

The Hon. P.F. CONLON: I can; I think we know something about that. The opposition spokesperson in his opening statement talked about infrastructure being the key to prosperity and also that there were disappointing levels of funding and no long-term plan. I might address a couple of those points here, because the bus fleet replacement program shows a very significant commitment to investment and to modernisation of our fleet. The one thing I could not help agreeing with the opposition spokesperson about was in quoting the Premier that infrastructure was the key to prosperity. That is why this government now has, in its out years, a record level of investment in infrastructure; the greatest capital spend this state has seen in its history is about to occur both by us and the private sector over the next decade. The level of capital investment is one that the state simply has not seen before.

I opened the new offices of Hansen Yuncken—and I have to say that Hansen Yuncken opening new offices must be an indication of how well they are doing, because I love Peter Kennedy but he is not a man to spend his money unwisely; they must be going all right to move out of their cheap accommodation into their new one. In talking to those people heavily engaged in the big end of our construction industry they actually made the comment that maybe the government did not need to roll out all the stuff we are doing as quickly as we are doing. What that means is that they have work they have never seen before, and I have never heard that said by a construction firm before. I also do not think they would all agree. I think some of them are quite happy for it all to roll out, but those who have their books full understand the issues. All the economic figures indicate that capital spend is very strong and, from our perspective in Transport, we had a record roll-out of infrastructure spend.

The opposition spokesperson described our \$115 million re-sleepering of the railway lines as routine maintenance. Well, if that is routine maintenance then it is maintenance the opposition never did. The opposition did some re-sleepering

of the Outer Harbor line in 1999; but if it is routine maintenance it is maintenance they never did and it is routine maintenance that has not happened on some of those lines since the 1970s. It is a massive investment in infrastructure on the railway lines; it will make them faster and more comfortable and it will allow us to run more services. It is a very substantial upgrade, and to refer to it as routine maintenance is like saying that building the new *Advertiser* building (which, I think, cost about \$80 million) is routine maintenance because, after all, there was a building there that was probably as old as our railway lines and it was knocked down and rebuilt. It is an absolute nonsense for the opposition to refer to that as routine maintenance.

In terms of the criticism about an absence of a long-term plan, we have actually rolled out more infrastructure than anyone else, we have spent more on maintenance and new capital than anyone else, and we have increased the spend with new services in public transport. We have done all of that and we have done it in accordance with the South Australian Strategic Plan and the Infrastructure Plan. I have to say that it is very hard to accept criticism from an opposition saying that we have no long-term plan when for three elections in a row this opposition, when it was the government and when it was in opposition, promised a tram extension. In fact, the opposition spokesperson moved a private member's motion in the parliament for that tram extension. So, over a 12-year period, they promised three elections in a row to extend the tram and then, once we decided to do it, they opposed it.

What I would say is: what use is a plan from people like that? What use is a long-term plan when they have no intention of abiding by any item in it? That is the fundamental difference: we go out and tell people what we are going to do and we do it, not the nonsense we hear from the opposition. So, any time the opposition wants to have a debate about a long-term plan, I am more than happy to oblige. I have a document from Dean Brown from about 1999 promising that they would have a rolling infrastructure plan, and we have not seen that, either. The opposition has absolutely no credibility on this subject.

In relation to bus replacement, \$81.8 million will be spent on 51 articulated buses and 119 rigid buses over the five-year period ending June 2008, as part of our contract with Scania Australia. I am very happy to say that the bus bodies are being built locally by Custom Coaches at Royal Park which, from memory, has been building coaches for us for a very long time and which is a very good local business. As at 31 May 2007, the Scania contract has delivered 51 diesel articulated buses, 71 diesel rigid buses and one CNG rigid bus, making a total of 123 buses. This is a rolling investment program. I am sorry to say that we have had one hiccup on bus procurement, and that is tendering for replacement buses on the O-Bahn. People would know that the O-Bahn system was the former Liberal government's one great contribution to public transport in South Australia. The O-Bahn has been popular, but it does suffer the disadvantage of being the only system like it in the world. From memory, there are two O-Bahn systems, but this is the only one which has the bridges, which has caused us some difficulty, and we run 23 year old Mercedes articulated buses on the O-Bahn.

We are tendering for new buses but, because we have the only system like it, no-one we can find makes articulated buses suitable to run on the O-Bahn, which is regrettable. I think it is a great example of when you are going out to do something you have to be very careful about having the only

one of something, because there are not a lot of manufacturers who want to manufacture for a one-off system. So, at the moment, we are running the older buses, and we are going to have to run rigid buses. We are exploring ways of finding someone who can provide articulated buses. The problem is that modern articulated buses do not have the rigidity in the turntable required for this system. One can understand why it is difficult. There is no manufacturing base for a system like this, because it is the only one like it. All in all, it is a very good bus replacement program. We have a few difficulties, but those difficulties are caused by decisions made long ago. You might have been there, Ivan, when the O-Bahn was constructed by a government long ago.

Mr Venning interjecting:

The Hon. P.F. CONLON: 1979 to 1982.

Mr VENNING: I have a supplementary question. The minister mentioned that most of the new buses are diesel, but that there is also one that uses compressed natural gas. Why just the one? Has the government gone off natural gas buses?

The Hon. P.F. CONLON: This is something I have explored, and I very much like the idea of CNG buses. However, you have to understand that the problem with CNG is that very few people actually use it—LPG is by far the more common fuel—and what that means is that there are not a lot of refuelling sites for CNG. From memory, it costs something in excess of \$2 million just to create a CNG refuelling site, because that refuelling site, from my understanding of it, has to take gas from the pipeline and further compress it to make it suitable for putting in a bus tank. We were quite keen on CNG buses but, from memory, the prohibitive cost of putting in new refuelling points has been the major problem. We will continue to look at that, because we think it is a good fuel which we have directly out of the Cooper Basin. We have not closed our mind to it, and we have looked at some options about how we might achieve it. However, the major impediment is the cost of refuelling stations. It is not like service stations; we simply do not have them.

Mr VENNING: Why one bus? Is it just to keep your eye in?

The Hon. P.F. CONLON: We have an existing fleet of 214. What I am saying is that, if we were to get more now, we would have to create more refuelling spots than we have now. So, to buy more buses would come with an additional infrastructure cost in excess of \$2 million. However, we will continue to look at that to see whether we can piggyback on someone else's use or whether there is something else we can do about it.

Mr PICCOLO: Minister, as a regular user of the train from Gawler, one thing I have been impressed with is what appears to be the success of the Mawson interchange and the people who use that station. My question refers to the investment statement in Budget Paper 5, page 30. Can the minister provide an update on the success of that Mawson Lakes interchange?

The Hon. P.F. CONLON: The Mawson interchange opened on 26 February 2006 to coincide with the commencement of the university year.

Mr VENNING: Public Works had a fair bit to do with the design of that.

The Hon. P.F. CONLON: It is not in my answer here, but I will give this rap for a very good local company: from memory it was built by Avcol, which built the Port River Expressway as well. Avcol is a terrific and very innovative local company. It has always done a great job for us. The

company takes an interest in trying to bring things in under budget, which is something you cannot say for all people engaged in construction enterprises. It is a very good local firm. The key objectives were to link the rail and bus services through the interchange, particularly to provide passenger transport services for Mawson university students and college students at Technology Park.

I pay credit to the previous Liberal government by saying that Mawson Lakes has been a great success story; it is a real example of how people are prepared to invest in South Australia. This interchange has been a tremendous asset to the success of Mawson Lakes itself. A very important point about how we plan in the future is that transport and planning must go together, particularly where we have the constraints of an urban growth boundary. It is terribly important and something that Jim Hallion has led a lot of work on.

Approximately 1 340 patrons move through the interchange every day, and that makes it the seventh-most popular interchange in the system. We are aware that the existing 120 space sealed car park has been full on week days for most of this year due to the popularity of the interchange, with 50 or more cars also parking on the adjacent local roads. So, I guess at some point in the future we might have to address that, but that is a good problem to have. It is important that when we make these investments in infrastructure they are successful.

It is interesting to contrast the fact that this very significant investment—from memory, it was in the order of \$28 million—went unnoticed, when \$31 million for the tram extension seems to be the end of the world. Something we have said about the tram extension is that it is just part of a very big capital spend. I think people are making ill-advised criticisms of the tram extension. I have to say that I met with the Festival of Arts people yesterday, and they are terribly excited about the role that the new tram extension will play in next year's festival. If I can give a plug for my optometrist, he told me he loves going to the theatre and he cannot wait until it is finished because he lives next to the tram line and he will not have to drive there any more. We did not actually build it for the arty people, such as Ivan Venning, who go to the theatre, but it is nice that they get an advantage out of it, too. Mawson Lakes is part of a very good capital program, and we are very pleased to be delivering it.

Mr HANNA: I have three questions concerning the Morphett Road area in the electorate of Mitchell. The first two can be related to sub-program 2.1, operating and maintaining roads. First, what is the status of the block of land on the north-western corner of the Sturt Road and Morphett Road intersection, which could be taken by the department of transport to create a wider turning lane? The minister has written to me about this, and I believe that it is under consideration. Has there been a cost attached to requisitioning that land?

The Hon. P.F. CONLON: It probably comes out of transport planning rather than TransAdelaide, because it is about future projects. This is the land on the north-west corner of Morphett and Sturt Roads?

Mr HANNA: Yes. I am happy if the minister takes that on notice.

The Hon. P.F. CONLON: I will have to.

Mr HANNA: The second question falls into the same category. Are there any plans in the coming financial year, or what is the status of plans, for the widening of Morphett Road on the western side of the Westfield Marion precinct, which would not only facilitate the flow of traffic but also accommodate a median strip to protect some of the Warradale

side streets from excessive traffic rat-running through their suburb?

The Hon. P.F. CONLON: So that you do not waste your day, maybe we will get those answers when the people from transport planning come in, which is after the morning tea break. We will have it for you by then.

Mr HANNA: Maybe if they could be read into *Hansard* at that time. I think the minister can definitely help me with the third topic now. It is related to the Marion interchange project, which is specified at 6.17 in Volume 2 of the budget papers. The specific topic I raise is the transport land on the western side of the Marion interchange where it is proposed to cut out land for a bus stop.

The Hon. P.F. CONLON: This is not the old station but the new interchange?

Mr HANNA: The question is on behalf of the Vietnam Veterans Association, which leases land from the Scouts. It has its own land and a 99-year lease from the department of transport, I believe, which is adjacent to the railway line, and it is also using transport department land at the moment (gratis) for parking cars. It has its state headquarters there and is very concerned that the disposal of department of transport land at that site, beyond what is necessary for the interchange project, will threaten the viability of its headquarters. Can the minister clarify what plans, if any, there are for the disposal of not only the currently held land adjacent to Morphett Road but also the land which is the subject of a 99-year lease between the clubhouse and the railway line?

The Hon. P.F. CONLON: There have been ongoing discussions with them. I think, as the member pointed out, some aspects of the arrangement were formalised and some were informal and, often, people do not know about the informal arrangements until we have come to do a project. Jim can tell you.

Mr HALLION: I guess the question goes to the point about road capacity improvements around the Oaklands Park area, and perhaps your other questions do as well. In particular, there have been discussions around grade separation of the rail crossing. We have not ruled that out in the long term—

Mr HANNA: Can you rule it in?

The Hon. P.F. CONLON: I can rule it in in the long term.

Mr HALLION: Our investigations do show that an upgraded road, at grade, or some capacity improvements, will accommodate predicted road and rail traffic volumes up to at least 2020, so it is not on our forward estimates for the capital program. We have identified a preferred preliminary upgraded improvement scheme that involves re-routing Morphett Road traffic, and we are still working with the local community and the council on what a preferred scheme might be for the area for improvements to capacity upgrade. Any grade separation will be in the longer term.

The site also has potential for a transit oriented-style development in conjunction with the upgrades TransAdelaide is doing at the station, so we are also looking at that. A number of those things are still under review to see what capacity improvements we can make. The relocation of the rail station will result in reduced closure time for the adjacent rail crossing and will reduce delays to motorists, so we will see from the relocation of the rail station improvements to motorists using the rail crossing, and we are working on the cost effective at-grade solutions. Grade separation will be a long way off.

Mr HANNA: The minister is probably surprised that I did not ask about the possibility of a road rail separation, but it is an implication from the answer given by the Chief Executive that the land I am talking about will be held by the Department of Transport for a long time yet because of those options.

The Hon. P.F. CONLON: I do not want to be certain because I cannot visualise it, but there is no doubt we will hold land in that area for potential future improvements because at some point in the future a grade separation solution will be made. Unless I happen to be the longest serving minister in the history of this portfolio, I do not think I will be minister at the time, but we believe it is something we need to hold land against in the future, and we do that a lot.

Mr VENNING: The member for Light referred to the Gawler train service. Is it possible to extend the Gawler service to the Barossa? I know the minister has given me correspondence on the matter and I appreciate it, but I have been around long enough to know that some of the reasons given did not stack up, particularly in relation to the bends in the track, because there is a train every day and I would like to see four services a day—two up and two down—tried to see whether it will work. Is there anything new to report?

The Hon. P.F. CONLON: I do not think anything substantial has changed. With every project, whether going south, north, east or west, it is the cost of the investment against the return. Once more we will go and look for you, but I understand the cost of investment against the returns are so far apart that there would have to be a significant change. The Barossa would have to become very different from what it is now. People may want to take up that issue with the Barossa council because many people in the Barossa do not want anything to change and others want a lot to change. Things may be changing, but the simple equation between the cost of the project and the return is so far apart that I do not think anything would have changed.

Mr VENNING: What is the state of play in relation to the Barossa Bluebird wine train running again under its new ownership? Can you report further on that?

The Hon. P.F. CONLON: This is a private operator and I understand they are still in the investigation stage. It is not something we are directly responsible for, but we will certainly help them in any way we can if they want to get that service up and running, but it is a decision for someone who wants to risk their money in a business.

Mr VENNING: The member for Morialta mentioned a re-sleeping program, which I support. Is there provision on the sleepers to standardise Adelaide's metropolitan rail lines? Is there provision on each of the sleepers to move the rail?

The Hon. P.F. CONLON: There is. These sleepers will not only allow that but in future will allow electrification. We get a lot of questions about that, which is a huge ticket item, but there is criticism that there is no plan. However, this is not only a really important step for the speed and comfort of the ride on the existing rail but it also allows you to make those modifications in future that would allow the electrification of the system. We do not have the resources at present for electrification. We have a big capital program—the biggest the state has ever seen—and this is something done in a way that not only has existing benefits but also a great many potential future benefits.

Mr PISONI: I refer to Budget Paper 4, Volume 2, Highlights for 2006-07. The target for 2006-07 was for a

patronage increase of 4 per cent, but we achieved only 2.6 per cent. What is the reason for the variance?

The Hon. P.F. CONLON: Sometimes we over achieve a target and sometimes we miss it by a bit—it is the nature of a target. One day I will wake up and the front page of *The Advertiser* will say, ‘Yesterday everything went well’. Would not that be a great front page? We have been meeting targets for an increase in patronage since 2001 (3 per cent and 2.4 per cent). Of course, 2005-06 was 4.5 per cent, which is a very good outcome. A number of things affect the meeting of targets, one of which is the fact that sometimes you have to do work. For example, if you close a tramline for a while to upgrade it, patronage drops off; some people take buses instead, but others do not. One of the reasons we are extending the tramline is that people are five times more likely to take a tram than a bus. So, if you close a tramline for a while, it falls off. I have no doubt that we will miss some patronage targets as we resleeper.

We point out that we have had a number of timing issues with trains because of the work on Bakewell Bridge. All those things are in the mix. We set targets, and we hope to meet them. There are many variables. A very cold winter (as this one, after a hot summer, appears to be) will drop patronage because people, with a choice between the car and the bus—saving money on the bus or staying warm in their car—will tend towards the car solution. There are lots of variables. Some years you overachieve, and some years you underachieve, but the important thing is to have the targets, to work towards them and to set yourself difficult targets. I point out that the cumulative growth since 2001-02 is 8.9 per cent, and I think that is a pretty good outcome.

Mr PISONI: I refer to the same budget line, the same page and the same headline. In the highlights for 2006-07, I notice that there is no reference to the completion of the investigation on the extension of the Noarlunga line to Seaford. Can you give us an update?

The Hon. P.F. CONLON: As I understand it, the completion is not far off. I will be entirely frank with you. One of the reasons we do these things the way we do them, such as investigating a tram to North Adelaide and not proceeding, and sometimes investigating something and proceeding, is to find out how the business case stacks up when you drill down into it. It is the same situation with the train to Gawler: it is the amount of investment up-front against the return you get.

There has been very significant growth in the southern suburbs. I will indicate, without pre-empting the outcome of the review (which I think is very close to finishing), that Jim and I have been down there together, along with the local council, and there is one really serious problem with the project; that is, for whatever reason, in the 1970s, when the rail corridor was selected, the department at the time set aside a rail corridor that meets the Onkaparinga River in the most extraordinarily wide spot that could have been picked. It is something like over one kilometre across a bend, a peninsula and wetlands. I think that that will be a major impediment to getting the cost-benefit analysis, because that is a huge piece of infrastructure.

From what we see in the south, even if the project does not stack up on this occasion, we will keep the corridor. We will preserve the rail corridor because, as I said to the member for Schubert, there are two sides to the equation: one is the cost of the project; the other is the return you get from it. If we continue to see the very rapid growth in the southern suburbs (and I point out that the housing figures again today go

against national trends), there is a very real prospect that the other side of the equation will change in future. What I would say is that it is not completed, but I will be frank with you today that that bridge over the Onkaparinga may be a bridge too far for the current cost-benefit analysis.

Mr PISONI: We do not have that in the targets for the completion of that this year.

The Hon. P.F. CONLON: I understand that it will be completed within a month, but I am not sure. It was going to be completed a lot earlier, but we ran into difficulties. You have to give things every chance. However, if you do not believe it, I invite you to come for a drive with Jim and I, and we will show you where the corridor meets the Onkaparinga River. I do not want to speak ill of people in the past, but how anyone managed to select that as a corridor in open space is beyond me. At the time it was selected, there would have been lots of open space on either side, and we happened to pick the bit that goes where the river takes a big bend out into a peninsula and wetlands. I have to say that this is before one even considers the environmental issues associated with work through that area. That has been a problem but, whatever the outcome, we are determined to keep the corridor because that is an area of very rapid growth.

Mr PISONI: In the highlights of 2006-07, the completion of the installation of 25 road safety cameras, which was a target for 2006-07, seems to be omitted. Can you give us an update on the progress of those?

The Hon. P.F. CONLON: It is a bit outside my portfolio. This is really for the Minister for Road Safety, but I will tell you what I know of it. Moving from wet film to digital cameras was the issue. We got some digital cameras that did not work to our specs. They were under warranty from a German company, and they are steadily being replaced, but I do not know the status of that. However, what I can indicate is that, on all occasions when we were not happy to take the digital cameras under spec, we had replacement wet film cameras in those locations supplied by and at the cost of the manufacturer. We did not lose out on it in any sense, either in a monetary or a road safety sense. As to where it is now, I would have to get that detail from the Minister for Road Safety.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 2, page 6.80, Program 1: Operate and Maintain Metropolitan Rail Passenger Transport Services, Summary Income Statement, Other. I acknowledge the \$84.643 million in the income ‘other’ is partly due to the \$67 million write-off in borrowings. However, taking this into consideration, there is still a difference in the order of \$17.64 million that is not accounted for. What are the reasons for the variants?

The Hon. P.F. CONLON: Can you run through that again?

Dr McFETRIDGE: On page 6.80, the income ‘other’ under the Summary Income Statement, the third to bottom line, there is an increase in income ‘other’ of \$84.643 million. That is partly due to a \$67 million write-off in borrowings, but there is still a \$17.64 million variation that is not accounted for.

The Hon. P.F. CONLON: I will get the detail, but I strongly suspect that what you are referring to is merely the accounting treatment in the debt write-off due to asset transfer. You would know that, again, purely for the purpose of accounting, there was a major transfer of assets from TransAdelaide to DETAI. We will get you the detail, but that will be something associated with the accounting treatment of the assets and the transfer. Materially, nothing has

changed. I think we had a similar question last year, from memory. Last year it was a similar question because it was a tram asset transfer and, this year, it is a rail asset transfer from TransAdelaide to DETAI. If you want to know why we have to do that, you will have to ask the Treasurer and the Auditor-General. I can never understand why things have to be accounted for in one column and not in another, but apparently it makes sense to someone.

Dr McFETRIDGE: I hope so.

The Hon. P.F. CONLON: Do any of you guys understand it? They are not going to say yes in case they have to explain it.

Dr McFETRIDGE: It will take a while to explain it to me. I refer to Budget Paper 4, Volume 2, page 6.82, which relates to the income statement and payroll tax. Why was there no budgeted amount for payroll tax for 2006-07 when the estimated result for 2006-07 was \$1 926 000 and the budgeted amount for 2007-08 is \$1 979 000?

The Hon. P.F. CONLON: It is merely disaggregated. It was previously aggregated in the salaries, wages, annual and sick leave column. So, it should all add up.

Mr HALLION: It is a reclassification.

The Hon. P.F. CONLON: Again, it would be that someone has decided that it is better to account for the tax treatment separately from salaries. If you add up the sums in that column for 2005-06 and compare it to the aggregated column for salaries and benefits, you will see that it is about the same amount. It has just been disaggregated in the columns, but do not ask me why. Do you know why they want to do that?

Mr HALLION: It is a change in classification mostly.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 2, page 6.79, which relates to investing payment summary and replacement of rail track points and crossings. There is a series of questions relating to this. Why has the cost of the replacement of rail track points and crossings been under-spent by \$224 000? There was a difference of \$3.465 million to \$3.24 million.

The Hon. P.F. CONLON: Similarly, it was a timing issue. As I understand it, the rail industry is busy and transfer suppliers could not supply on time, but it will all be done. In a sizeable program, we role out capital and maintenance each year of \$200 000. In fact, if you look at our outcome across the entire department, it is very large, and the variation is very small. When you role out lots of little capital works projects, like we do, it would be a miracle if some did not go out late.

I came in here and answered questions about why we had overspent last year; it was because we had managed to complete some ahead of time, which is always a good outcome. Sometimes we do a few ahead of time and sometimes we do some behind time but, by and large, the performance of the department, given the responsibilities it has, is very good at the end of the year. Jim has been doing a very good job. He is a very tough taskmaster on those who work under him. Bill does a good job, too.

Ms SIMMONS: I refer to Portfolio Budget Statement 4, Volume 2, page 6.35. Can the minister provide information on recent safety initiatives and, in particular, the introduction of PINs or personal identification numbers for the taxi industry?

The Hon. P.F. CONLON: I can. People would know that the taxi industry has been in the media a great deal in recent times. One of the outcomes of that for us in the department, particularly Heather in public transport, was the achievement

of something that we had been asked by the industry to consider for a very long time. While I think the radio centres were quite receptive, in the past there was some opposition from one of the driver associations, the name of which I cannot remember. We were very pleased to be able to convince all of the industry to accept the introduction of personal identification numbers.

What that means is that any driver who wants to drive a cab needs to have a personal identification number. In particular, they need it to log on before they start their shift with one of the radio centres—before they can give work. There has been a problem in the past—as strange as it may seem—where radio centres could not tell which person was in a car. The whole taxi industry had an odd arrangement, but what this means is that, if people have a complaint about a taxi, if they can identify the company and the ride, those radio companies can now identify exactly who was driving the cab.

After the introduction of PINs, we did a weekend sweep, where I think 95 per cent of the taxis on the road were tested. We were very pleased to find—apart from a few other issues—100 per cent compliance with the PIN. We think it was a very significant step forward in safety in cabs. It goes along with a few other arrangements, such as the GPS system. We are very confident that this will make a very significant addition to the quality and safety of the taxi service. It has to be remembered—when we hear some extravagantly bad ideas about the taxi industry—that it has to be affordable. The service is not going to be of any use to anyone if people cannot afford it. You cannot impose obligations upon the industry that drive the cost beyond the reach of people. We have to get the best possible value in these sorts of decisions.

We have been working closely with the police. I have met the police officer responsible for some of these issues and discussed further improvements we can make, which are not cheap—it is about people working together—and we hope to do that soon. As I have said before, we can do everything after the fact in taxi safety, but it is the companies themselves and the taxi owners, when they pick the person who gets behind the wheel, who have the ultimate responsibility for making sure that the person is suitable. We regulate the industry in the way we can and we do our bit. Our relationship with the industry has been as strong as it has ever been in its history. I think I was the first and perhaps still the only minister to attend the annual general meeting of the taxi drivers, which was an interesting experience, up there in East Terrace. The important thing is that we do take this very seriously, and this has been a very positive initiative.

Mr PISONI: In Budget Paper 4, Volume 2, page 6.11, I notice that it refers to South Australia's Strategic Plan contribution. We have seen ticks in the boxes for greenhouse gas emissions for passenger transport for both last year's budget and this year's budget. Will the minister give us details about what contribution passenger transport has actually made in the reduction of greenhouse gases in line with the Strategic Plan?

The Hon. P.F. CONLON: The first and most important one is the 8.9 per cent increase in patronage. When we get people onto buses and out of their cars, it is a very significant contribution. Of course, we examined how we can further make reductions in our fleets. Across government we are now committed to buying 20 per cent of our electricity (I think that is the target) from green sources. That is a very important thing. I am reliably advised that we are very close to meeting that. It is not an easy thing to do, but we do have more than

half of the green power generation in mainland Australia through wind farms in South Australia. The use of ultra-low sulphur diesel has reduced emissions from the diesel cars and railcars. We are working on increasing the fuel mixture of biodiesel in the buses. I am reliably advised that the railcar fleet has moved to B10, that is, 10 per cent biodiesel. As I explained earlier, we have 214 CNG buses, which is 29 per cent. That is not a bad outcome. We are continuing to explore ways in which we can move to more CNG in buses.

Regarding the issue about refuelling sites, one option is to find partners. Another option we have explored is to perhaps make it generally available. Maybe CNG refuelling stations could be part of the asset base for the distribution company so that it would be a few cents a year on gas bills but would mean that that fuel is more available. We take our obligations seriously. The Premier, I have to say, drives all departments very hard on this, because he takes very seriously our commitment to the reduction of greenhouse emissions. We are doing what I have said, and we intend to do more.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 2, page 6.80 and the program to operate and maintain metropolitan rail passenger transport services under the sales of goods and services. Why was there a \$14.74 million decrease in income from the sales of goods and services to metropolitan rail passenger transport services? The budgeted figure for 2006-07 was \$94.818 million and the income was \$80.078 million.

The Hon. P.F. CONLON: I understand that, again, it is associated with asset transfers. I will see whether I can get a paper now, otherwise we will get you the details. Following the transfer of assets to DTEI, reduced funding would be received from DTEI, because if you transfer the assets over you do not need to be funded for them. It all comes out in the wash, I am told.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 2, page 6.81 and Program 1: operate and maintain metropolitan rail transport under depreciation. What is the depreciation and amortisation figure for only the transfer of rail assets to the Department of Transport, Energy and Infrastructure 2007-08?

The Hon. P.F. CONLON: It would probably save time if we come back with the answer.

Mr HALLION: I think we can answer that. About \$640-odd million of assets (that is my recollection of the number) will transfer on 1 January 2008. We might need to confirm that number. You can see that on page 6.82 of the same Budget Paper the depreciation movement between 2006-07 and 2007-08 shows a difference between \$21 million and \$10.7 million. So, the difference between those two numbers represents the movement in reduced depreciation in TransAdelaide due to the transfer of those track assets on 1 January.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 2, page 6.82 and the borrowing costs in the income statement. Does the \$2.689 million decrease in borrowing costs between the 2006-07 budget figure of \$6.138 million and the 2008 budget figure of \$3.449 million purely reflect less repayment to DTEI because of the \$67 million write-off in borrowings, or are there other reasons why this amount has dropped?

Mr HALLION: The answer to that again is tied to the asset transfers. Basically, with assets transferred of the quantum I referred to in my previous answer, there is also a corresponding debt reduction to TransAdelaide, and that then flows to a reduced borrowing cost to TransAdelaide in the current year and future years.

Dr McFETRIDGE: With respect to the same reference, what are the 2007-08 budget borrowing costs for the \$3.449 million, what organisations are the borrowing repayments made to, what is the interest rate being paid on the borrowings and what are the interest rate repayments?

The Hon. P.F. CONLON: It is a SAFA interest rate, which fluctuates. I cannot remember why it does but it does.

Mr HALLION: If you want a precise figure we can get that.

The Hon. P.F. CONLON: Basically, that is what everyone requires these days: that government agencies are exposed to the market rate the same as other people. I am reliably advised that there are different borrowing pools and it depends on which pool you are borrowing in. We will get you the detail and hope you stay awake through it.

Ms SIMMONS: I refer to Budget Paper 4, Volume 2, page 6.33. What steps have been taken by the department to ensure that public transport information is made available to new and existing users of public transport, and how effective have they been?

The Hon. P.F. CONLON: As you would know, customer information, and understanding and confidence in that information, are vital if you want people to use public transport. That is particularly so when we have had the courage in recent years to make very significant service changes, and that has been a difficult process. I am sure there is not a single lower house MP who has not had people in their electorate approach them about service changes. We have found that when you add a service not a lot of people come to see you about it, but when you take one away people will certainly come and see you about it. Many of those service changes were the first since 1993. Given the changes in Adelaide since that time, the provision of information has been even more important, because in many instances we are providing information on new services to old users.

We have a multi-faceted approach, which is a lovely phrase, called the chain of information, to provide information in many forms to a diverse customer base, with high-tech and low-tech solutions; the low-tech solutions for people like me and high-tech for people like you. The Adelaide Metro website has over 17 million hits per annum. The Nomad OnBoard system allows for the downloading of complete timetables onto a mobile phone—marvellous; who would have thought it a few years ago—and it has over 5 600 subscribers. The electronic mailing list sends important information to over 8 000 subscribers either via SMS or email, and this year over 187 000 messages have been sent to subscribers. Over 4.3 million timetables and over 200 000 metro guides have been distributed this year through over 400 outlets, including shopping centres, university campuses, community centres and most outlets that sell metro tickets, and the program provides timetable displays at over 5 900 stops, plus real-time information at 33 stops.

The Adelaide Metro Information Centre has almost 800 000 visitors per annum, the Metro InfoLine handles 540 000 calls per annum, and they are both open seven days a week. Adelaide Metro has a travelling roadshow which visits major shopping centres throughout the metropolitan area for 31 weeks of the year and which serves over 127 000 customers. We have a workplace deal program, where the Adelaide Metro provides information and ticket sales directly into 33 workplaces, employing over 29 000 people. This program has turned over \$1.2 million in the past year in ticket sales alone. To encourage public transport use in the inter-peak period and to help older members of the community

understand public transport, Adelaide Metro operates its Active and Older campaign, which has visited 188 venues and helped over 5 300 older South Australians.

I am very pleased to put that on the record, because I do not think people understand all that is required in running a public transport system. Complaints are common, but I am very pleased to put on the record just what is done and what has to be done to make a system successful, and it is a credit to all of those who have done it. As I have said before, the proof of the pudding is in the eating: it is an 8.9 increase in patronage and we hope to keep that going into the future.

Mr PISONI: My question relates to Budget Paper 4, Volume 2, page 6.80, under Program 1, Operate and Maintain Metropolitan Rail Passenger Transport Services, Fare Compliance and Vandalism. One of the reported goals for TransAdelaide is the reduction of fraud throughout the rail system. I have several questions, as follows:

1. How many infringement notices, apprehensions, total of fines and repeat offenders have been dealt with?
2. How much of any money paid in fines goes to TransAdelaide, or does the whole amount get paid to Treasury?
3. Of the joint TransAdelaide and SAPOL operations to detect fraud and antisocial behaviour, how many are budgeted for this financial year?
4. What programs are in place for offenders who deface TransAdelaide property and are apprehended?

The Hon. P.F. CONLON: We would have to take the detail on notice, but I can make a couple of points in general. Fare evasion is an ordinary part of every public transport system in the world. For example, I know that if you go to Rome and catch a bus and do not pay the fare you have to pay what I think they call a 'muta', or a fine, and it is pretty big. So, fare evasion is a very ordinary aspect of running a public transport system and the balance is always how much you spend to enforce a loss of revenue. That is always the judgment that has to be made.

In terms of whether expiation notice fees go to TransAdelaide or to the Treasurer, I can assure the honourable member that TransAdelaide's call on our budget is a million miles in excess of income from expiation fees. They probably go to the Treasurer, but I cannot imagine what the material consequence of that is because the cost of riding a train or tram is, I think, subsidised by about \$4 per ride. It is a very big subsidy, so I can assure the honourable member that the Treasurer is paying TransAdelaide a lot more than TransAdelaide is paying the Treasurer. I wish it were not the case, but it is. The net cost of public transport services, as you will see in the program, is \$172 million, and I can tell you that we do not recover that in fines.

It is a serious issue, but we believe the figures for South Australia (and we will get you the exact details of that) are consistent with reasonable practice in a public transport system—in fact, I am advised that we are probably the lowest in Australia for fare evasion. We do a number of things to avoid fare evasion: the introduction of electronic barriers at the Adelaide railway station; an increase in penalties; a public awareness campaign; regular station lock-downs for ticket inspection purposes; regular ticket inspections on trains; and security guards on all night services. Under the Passenger Transport Act there are 170 people authorised to undertake ticket inspections, there are 89 prescribed officers employed by the three Adelaide metropolitan bus contractors, 81 employed by TransAdelaide as passenger service assistants (74 on trains and 7 on trams), and all prescribed officers carry out their role in revenue protection as part of other duties.

We do have something on infringement notices here, but we might get more accurate detail and examine what you have said; these may not be reliable for these purposes. I will close by saying that we take it seriously and, in fact, have put in \$400 000 (I think) this year to investigate improved new ticketing systems for at least buses. However, if you can find a public transport system that does not have fare evasion I would like you to show us—although, actually, I think the Bee Line bus has no fare evasion problem; it is 100 per cent there. Our figures on fare evasion are as low or lower than any in the country.

Mr PISONI: Are you expecting an increase in attempts to evade fares due to the 8 per cent increase in ticket prices announced in the budget?

The Hon. P.F. CONLON: No. The 8 per cent increase you guys made a noise about was in partial response to a dramatic increase in fuel costs over the past few years, to the extent that I think we have recovered half our extra costs in fuel from the fare increase. In fact, what has happened is that the taxpayer who does not travel on public transport is now paying a larger subsidy than they were two years ago. I think that the fare increase is a reasonable outcome between the person using the service and the taxpayer subsidising it. I do not think it is reasonable that the taxpayer should simply subsidise the entirety of the fuel increase; the service user should.

The fact is that the fare increase is way below the cost of the increase in fuel, and that means it is really outstanding value to catch public transport from an outlying suburb. Our fare structure is designed so that those who most need affordable public transport get it cheaper than anyone else in Australia—that is, those people taking a long ride out. The fare structure does not distinguish between someone coming 10 minutes in or an hour in. We can demonstrate the figures if the honourable member would like, but it means that those people taking public transport in from, say, the southern suburbs down at Morphett Vale, or somewhere like that, are saving an enormous amount of money on fuel as opposed to driving a motor vehicle.

We do not expect fare evasion. I cannot say that you are the first person who thought of it, and I will keep you informed, but we are talking about a 30¢ increase in the average ticket or something like that. I do not expect ordinary South Australians to become criminals for 30¢; it would probably take a greater temptation than that.

Mr PISONI: What percentage of the cost of running the public transport system is fuel?

The Hon. P.F. CONLON: I know we spend a lot of money on it. It would be about 5 to 10 per cent, but we will get you exact figures.

Mr PISONI: In terms of the cost of providing public transport, I am trying to establish the cost of fuel—

The Hon. P.F. CONLON: We will tell you exactly how much we spend on fuel every year. If you want to contest the figure—

Mr PISONI: If we could have the actual figure and the percentage of the total cost.

The Hon. P.F. CONLON: We will get you that information. I guarantee that we had to get extra money from Treasury, despite a fare increase. I think the extra money was about \$2.6 million a year. If the member's point is that he thinks we are not telling the truth, the truth is that, if the member had read last year's budget papers, he would have seen that the Treasurer gave us an extra \$2.6 million, in

addition to the fare increase, for extra fuel. I do not know what would make it plainer than that.

Mr PISONI: I am not making any point; I was just asking a question.

The Hon. P.F. CONLON: We are talking about changes between 20¢, 30¢ and 10¢ on the various tickets. I just stress the point I made before: I do not think South Australians are going to become law breakers for the sake of 10¢, 20¢ or 30¢; I have more faith in them than that.

Mr PISONI: Point 4 of my question is in relation to the programs that are in place for offenders who deface Trans-Adelaide property and are apprehended. Is there anything you can tell us about that?

The Hon. P.F. CONLON: We take care of our assets but, when it comes to law and order and crime and punishment, you had better ask the AG and the police minister. From our perspective, we would probably like to do something horrible to them because they are our assets, but we leave that to the justice system.

Mr PISONI: Is there any consultation with your department?

The Hon. P.F. CONLON: We never stop talking to other agencies about various things. Our role is the protection of our assets. In relation to enforcement, we have our transit police, and we do that aspect of it. However, at the end of the day, questions about punishment for graffiti would quite likely be considered by the AG on a broader basis than simply defacing public transport assets. It is certainly a problem way beyond us. We get very little credit for this, but I must point out that, as at 30 May 2007, 674 cameras had been supplied and installed and were operational in buses—and only about 50 cameras had been installed in buses when we came to government in 2002. So, it is a much safer system under this government than under the previous government.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 2, page 6.80, 'Operate and Maintain Metropolitan Rail Passenger Transport Services'. Under 'Consultancies', I understand that \$50 000 was spent on soil and groundwater consulting to report on the environmental impact of ballast management. What public and environmental issues were highlighted as a result of this consultancy expenditure and were any issues identified or communicated to TransAdelaide maintenance staff or to the public?

The Hon. P.F. CONLON: The consultancy looked at the best way of getting rid of ballast. In the old days, we would not have had an environmental consultant; it would have been buried in a hole in some land somewhere—and we are all paying for that approach now. Our objective is to wash it and re-use it, because we think that is consistent with sustainable practices. However, we will provide you with the actual details of what the consultant said; there is nothing big about it. If we do this now it will mean that we will not have the problems that past governments and rail authorities created for the present. The practices of 50 years ago in relation to rail sites was appalling and, as a consequence, only because of my role, I think I personally own more dirty land in South Australia than any other 10 people put together. Past rail practices were not good, and this is an example of how it should be done.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 2, page 6.35, 'Rail Contract Payments'. What is the total amount of rail contract payments made to TransAdelaide in 2006-07 and what was the specific amount of rail contract payments made that were reduced as a result of the transfer of rail assets to the department on 1 January 2008?

The Hon. P.F. CONLON: We will have to get that detail for the member, because I am not sure we can answer his question on the spot.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 2, page 6.34, sub-program 4.1 'Asset Management', 'Performance Indicators' in relation to new buses. Some of this has been answered but, as 43 new rigid diesel buses have been introduced, why has the target number of buses used for metro ticket services not increased (I think it has dropped by one)?

The Hon. P.F. CONLON: I did not quite understand the question.

Mr HALLION: I can answer it. The answer is largely due to the age profile of the vehicle fleet. We retire them at a fixed age, so the difference between 2006-07 and 2007-08 reflects the differences in the age profile of the fleet. So, it is in the same order—it is one fewer—but it is due to the fact that one fewer bus needs to be retired in 2007-08.

Dr McFETRIDGE: In regard to the same reference, what has been done to achieve 100 per cent compliance with federal DDA legislation for wheelchair and disabled access?

The Hon. P.F. CONLON: I can give an iron-clad guarantee. I will go back a step. We, councils, and every agency, public transport or local government agency I know of in Australia has had issues about understanding, let alone complying with, the DDA requirements. As a consequence of that, I think it has been the near universal view of departments of transport and local government peak bodies around Australia that the act should be reviewed in order for us to be able to understand what the requirements are. So, if you were to ask me whether we are 100 per cent compliant, I would say it is unlikely; but, if you ask me what 100 per cent compliance means, I would say you could ask 10 people and get 10 answers.

We have certainly made significant improvements in our public transport system for those who have disabilities. We put in \$5.84 million this year in this budget for the Adelaide Metro network. Every time we buy new buses we improve access for people with disabilities. The \$80 million or so, from memory, that we spent on the trams has provided an important service on the tram line. The member knows that. He catches it and he lives down that way. For the first time, it has given a reasonable level of access to a very important part of our system. Can I say, I am told by mothers that those new trams are very popular, because it is much easier to get a pram or walker aboard a tram these days.

So, we have done a lot and spent a lot of money on it, but are we 100 per cent compliant? I would say probably no. Is anyone in Australia 100 per cent compliant? I would say no. I point out that the first stage of the legislative requirement for compliance does not come into force until the end of the year. But I put on record here that there is absolutely no doubt that the review has to make some changes to make the thing workable and understandable. It poses a number of laudable objectives but, in my view, it does it in a way that is unclear and very hard to meet, and that is not just my view. If you had the minister from New South Wales, Victoria, Queensland or Tasmania sitting here they would say the same thing; and if you had the head of the local government authority here they would be saying exactly the same thing. So, I would say that even the commonwealth accepts that there is a need for that review and change. It is under way and, hopefully, we will have more detail and a better system next year to talk about.

Dr McFETRIDGE: Will all the new replacement buses have wheelchair access?

The Hon. P.F. CONLON: Yes, and we will work through the fleet. No-one could retire all the old buses ahead of time but, as we work through the fleet, every bus will be compliant. All railcars and 58 per cent of the bus fleet are accessible and, as we roll through the replacements, they all will be. You have to put it in context, also. For people with a disability, it is a much better system than it was a decade ago.

Dr McFETRIDGE: I refer to Budget Paper 4 Volume 2, page 6.33, regarding public transport services employee benefits and costs. Why has there been an overspend of \$2.183 million in employee benefits and costs in the 2006-07 budgeted figure and the \$10.393 million in the 2006-07 estimated results?

Mr HALLION: Employee benefits and costs do show a difference between the 2006-07 budget of \$10.3 million and the 2006-07 estimated result of \$12.5 million. That is largely driven by a change in classification of allocated corporate costs which were allocated to supplies and services in the original 2006-07 budget, but at the end of the year actual results reflected a reclassification of those expenses to employee benefits and costs. So, there is no significant change overall in employee benefits and costs but just a change of reclassification. That actually appears in a number of areas, not just in public transport services.

Dr McFETRIDGE: I refer to the same reference, under the subject of supplies and services. What are the reasons for the \$5.384 million decrease in supplies and services between 2006-07 and the budgeted amount for 2006-07?

Mr HALLION: The main reason for the reduction is a reduction in contract payments to TransAdelaide, again following those rail asset transfers. They have a number of consequential effects on both public transport services budget allocations and TransAdelaide. So with fewer assets—the \$644 million of assets that transfer on 1 January 2008—the result is that few contract movements to TransAdelaide are reflected in both TransAdelaide accounts and public transport accounts for supplies and services.

Mr PICCOLO: I am a train user myself. It is excellent value and I commend the minister's staff, who do an excellent job. I draw the minister's attention to Budget Paper 4, page 6.35. Ultimately the success of any public transport depends on the people who use it. Will the minister outline what improvements have been undertaken to public transport since 2002 when the government came in and what have been the wonderful results?

The Hon. P.F. CONLON: First, we put in extra money for new services over the four year period of over \$10 million, which put an extra number of kilometres and rides in the system. We have had growth in patronage of 8.9 per cent since that time. One of the difficult things we did was the first fundamental review of services and routes since 1993. With those route changes, the results varied in different areas. In some cases, particularly in the northern area, patronage went up by as much as 12 per cent on some routes. While we have the political courage to deliver some disappointment to people who use under-utilised routes, it has meant that more South Australians have access to a service in a place they want. I think we may have exhausted our time on this matter.

Additional Departmental Adviser:

Mr A. Milazzo, Executive Director, Transport Services Division, Department for Transport, Energy and Infrastructure.

The CHAIR: The same lines will stay open. Does the member for Morphett have an opening statement or questions?

Dr McFETRIDGE: I refer to Budget Paper 5, page 31, regarding the Capital Investment Statement, Investments Payment Summary, Project Management. What was the source of the estimates for the original costs for the South Road upgrades, the Northern Expressway and the tram track upgrade, and what was the order of accuracy of the estimated costs?

The Hon. P.F. CONLON: To deal with the Northern Expressway first, the costs and proposal for that work commenced as far back as 1993. A long way back it was originally a proposal for a two-lane country road on that route. I have said before in parliament that the Northern Expressway, its planning, work and costings have a number of parents, including this and the previous government. That work was done by the Department of Transport over a long period of time. The estimate of \$300 million first set out clearly a couple of years ago did not meet the cost.

Most of those estimates for the projects you are talking about were prepared between 2003 and 2005. The Northern Expressway will be considerably more than 300; 550 is the latest estimate. Can I say that you are talking about project that is built a long way out, and one of the imperatives we have with these projects is the commonwealth's reaching agreement with us in a timely fashion, because every year that it goes out in the environment we are in will place an enormous pressure on costing estimates.

I note that just recently the federal minister, Mark Vaile, the Deputy Prime Minister, made a couple of speeches at fora about cost estimates by states. He indicated problems with cost estimates with states, but not with South Australia. The reason I say that is that, since those estimates (which we spent a lot of time complaining about) were made in that period 2003 to 2005, I stress that the Northern Expressway had a long evolution with a number of different iterations under a number of different governments and departments of transport before it ended up where it is now. Since that time, and certainly since I have been a minister, we have made some very significant changes in the way we do this work at the Department for Transport. Project risk allowances have been changed to better reflect the risks. Escalation rates have been increased. Provisions for land acquisition and associated compensation have been increased. Above all, the structure within the agency has been changed and bulked up.

I have said this before, and it has been misinterpreted entirely by my friends in the fourth estate: you have to understand that the program of projects we have laid out in front of us is bigger than any the department has had for many years. The notable project under your watch—the previous Liberal government—was the Southern Expressway, which I think did land on budget, but we will leave that aside. The program of projects now is so far and away in excess of that that we have had to bulk up our capacity to deal with it. Rod Hook has done a very good job, as has Andy, Treasury and other people in the department, at improving our capacity to do these things. You also have to understand that we work in an environment, which, thankfully, we see now but did not see in the past, particularly under the previous Liberal

government, where the South Australian economy is performing very well. We have economic growth levels we have not seen before. We have a pipeline of infrastructure works by us in the private sector that are unlike anything we have ever seen before in this state.

What that means (and I referred to this earlier) is that the competition for skills and capacity has increased dramatically in South Australia. We are seeing participants in the economy here we have not seen before. We have people like Lang Walker, the multibillionaire developer from the eastern states, coming and buying into not one but several projects in South Australia and being on the front page of the paper saying that this is the new and exciting place to do business. For that matter, we are seeing people like Lindsay Fox, another billionaire, coming over here and saying that there is a real buzz about the place and that things are really happening. What that means is that the economy is going very well and a lot of projects are being built, and that is a hot environment.

I meet regularly with people in the construction industry, and I am advised that people are being headhunted out of certain construction and civil engineering firms with 30 per cent wage increases, because there is a real battle for the skills and capacity out there because of the workload. All of that means that we do forecasting in an environment that is very dynamic and has a lot of cost increases. I point out that Mark Vaile, your federal Deputy Prime Minister, was not criticising us but was, in fact, criticising Queensland about costs estimates. From what I can see, he believes that our team now is pretty good and pretty much on the mark.

I would say this: the estimates were wrong, and we regret that they were wrong, but we have taken steps to ensure that we are better equipped to run these major projects and their estimates into the future in a very hot environment. We have made those changes and, I think, made them very successfully. We are about to sign the construction contract on South Road, and I will give you those figures. They will be a pleasant surprise for some in the future, especially as your leader told me that this project was in the budget to cost 140 over two years. That is completely wrong, but that would not be the first time.

The truth of the matter is that we now have a much better capacity. The fact is that people in the department are public servants. We might like to make political capital, but everyone in this room understands that ministers do not sit down and do costings. We are responsible for the work of departments, and well-intentioned people, working with the resources they had, made estimates that proved to be wrong. The very important thing to remember is this: it is an estimate about a job in the future. It is not like when you have done something, you start it and then find out that you are stuck in something and have to spend the money. They are estimates about the actual costs of the job in the future. No-one in the department, the ministry or anywhere has done something wrong to make the project cost more. It was merely that the estimate was far too optimistic about a job that would be built in 2009.

What that means is that if, now making accurate estimates, you do not believe that the project is one where the game is not worth the candle, you do not do it, and you have not lost anything. However, the bottom line is that, at the new estimate, the Northern Expressway is still a project that offers tremendous benefits. DOTAR has recognised that, and we recognise that. What I ask you to understand is that this is not like we start building a soccer stadium and find out later that it costs more than we thought it would.

Mr RAU: On someone else's land.

The Hon. P.F. CONLON: On someone else's land. This is a case of an estimate which may have been made as early as 2003, about a project being built in 2009, being changed. I stress this point: what it means is that you look at it, examine the proposed cost, look at the benefit—the same equation we mentioned earlier to the member for Schubert—and, if it adds up, you do it. The Northern Expressway still adds up massively. Since we came into government, what we have seen in South Australia is the completion of the Port River Expressway and the completion of two new bridges over the Port. Two years ago we put in our infrastructure plan—the one that they criticise—to deepen the Port of Adelaide to 14.2 metres. We completed that. I know that the member for Schubert has been decent enough to give us a pat on the back for it, but not many others have. We completed that. We said we would do it, and we have done it.

The bridges are being built. The Northern Expressway will connect that up and it will be of massive benefit to our exporters and, for that matter, for getting B-doubles and freight out of some of the streets (where they should not be) in the member for Light's electorate. It is a very good project. It costs what it costs. Those estimates were not correct but, as I stress, the bottom line is this: no-one has done anything to make them cost more. We are just more accurately apprised of what they cost. The way to control costs into the future is to build them as quickly as possible, which is why I will be talking to the commonwealth. I have been talking to the commonwealth and will continue to talk to the commonwealth about getting the funding.

The South Road works, again, is certainly not to the extent of the Northern Expressway, but it will certainly cost more than the original estimates. Again, nothing was commenced. So, again, if they do not stack up you do not do them, but they do stack up. The negativity from some quarters about the Anzac Highway underpass, I think, is staggering, because it is a project that we believe is a most important priority. The RAA put it down as its first priority in a new road works as did the Freight Council and the South Australian Road Transport Authority. We will sign a construction contract and we will tidy up all those costs and give you a full cost. It will be more than the original \$65 million and much less than the \$140 million that your bloke was crowing that it would be.

At the end of the day, it costs what it costs. No-one did anything wrong to make it cost more. They just did not estimate correctly what it would cost. With accurate estimates now, it is still a very worthwhile project for South Australia. We are the first government ever to tackle that incredibly difficult North-South Corridor within the urban area, and I think we should be given more credit for that than we are given. The design that we have for that project means that, while the underpass on Anzac Highway is being built, we will not stop the north-south traffic on South Road during the construction, and that is a fantastic outcome. There are some difficulties associated with it.

One way—and it is the Liberal way—to avoid as much as possible an estimate going wrong is not to build anything. We are out there building more road and rail infrastructure than this state has seen for decades. If that means that every few years someone is going to give me a kick because it cost more than we might have hoped, then I would rather get the kick and build the infrastructure than not build it.

Dr McFETRIDGE: Are you still going ahead with the South Road-Sturt Road underpass? It was \$4 million in last year's budget, but it is not mentioned in this year's budget.

The Hon. P.F. CONLON: I will come back to that point in a moment. We are still committed to fixing the entirety of South Road, north-south. We have tried to explain this before. That means that we have to do Sturt Road and all of those intersections north-south. When we looked at the advanced design work on the South Road underpass, we changed the timing on some projects and brought ahead the overpass for the tramline. As a consequence, there were a number of considerations, including being able to look at the advanced design and traffic modelling. The bottom line is that all of those projects have to be done to achieve that aim.

What we have said before is that, with the cost of projects, we have to spend our capital as it becomes available. We are committed to those programs. They will be done as capital becomes available for them. I stress this: that we are locked in the final throes of negotiation with the commonwealth about the Northern Expressway. One of the reasons that the commonwealth originally agreed to fund the Northern Expressway 80-20 was because we are doing projects on their corridor (South Road) entirely at state government expense. If we get a good outcome from the commonwealth on the funding for the Northern Expressway, we will be able to do South Road more quickly. However, if we do not get a good outcome, we will have to do South Road more slowly.

People have to understand the absolute fundamentals of what we are doing as a state—it is sound management. We are balancing the budget and we have done that for six years. We are also borrowing as much as is prudent to build infrastructure, which is the first priority for this state as has been identified by Business SA and a whole load of people. What that means is that we have borrowed as much as is reasonable for us to build infrastructure. Any more money we get from the commonwealth will go into that infrastructure too, but understand this: if we get a good deal from the commonwealth on the Northern Expressway we can do South Road faster than we want to, and, if we do not, we will do it slower, and that is the simple truth of the matter. What I would ask you to accept is that we are the first government ever to tackle what is the most difficult but potentially of the greatest benefit of any road project in South Australia, and that is the North-South Corridor. It is expensive but it has to be done.

Dr McFETRIDGE: You said that you brought the tram overpass forward. When did you make the decision to build the tram overpass?

The Hon. P.F. CONLON: In our business, you make a decision to build a project when you go off and see the Treasurer and say to him, 'Can I have the money to build this?' and he says, 'Yes.' It is very important not to decide to build it until you have some money for it. That was a proposal we put in this year's bilaterals. I cannot remember the actual dates of those, but we decided to build it once we knew we had the money for it.

Dr McFETRIDGE: How long will the tram track be closed?

The Hon. P.F. CONLON: If you had asked me a year ago how long South Road would be closed while doing the underpass, it would have been very difficult for me to tell you until we did the advanced design work. Now I can tell you that it will not close except for one weekend, when we might have to close South Road. The system of contracting for people to do the construction also involves using their knowledge on how to do it. We may well have a diversion built so that it does not close at all. I do not know; I am not able to tell you that. We will obviously be seeking to

minimise disruption and it may well be that we can build a diversion; it may well be that they can build while they are running, but we will not know that until we get into advanced design work with a chosen contractor.

If it is as good as what we have been able to achieve on South Road, it will be great, because that is outstanding. The design people and the contractors should be congratulated on being able to keep that route open while they build an underpass. I think they do a tremendous job.

Mr PISONI: Are you saying that the reason that the overpass or underpass for the tramline at South Road was not put in place when the tramline was rebuilt a couple of years ago was the Treasurer's fault?

The Hon. P.F. CONLON: It is really great to be cross-examined by someone with the forensic skills of the member for Unley. The member for Unley may want, somehow, to convolute his own reasoning to come to that conclusion, but I will just tell him what I said, as opposed to what he wants me to suddenly confess to. I was asked a question about when it was decided to build the tram extension. I said, 'We decided to build it when we had the funding for it.' If you want to ask a question about whether we asked for the funding before and were refused it, go right ahead, but do not come up with your bloody Kmart Perry Mason routine.

Mr PISONI: Perhaps you could explain why the tram overpass was not done at the same time as the tramline, when it was closed for five months?

The Hon. P.F. CONLON: It was not done at the same time because it was not part of the tram upgrade.

Mr PISONI: Not part of the South Road upgrade?

The Hon. P.F. CONLON: Not part of the tram upgrade. It is part of work that we developed on the north-south corridor. They are two separate things. The Chief Executive makes the point that it is not of benefit to the tram; the tram runs anyway. This is about part of a project that will take many years, affecting the north-south road. I am not even certain that we had a commitment to doing the underpass works when the tramline upgrade was first proposed. I suggest that we were not. It was certainly long before I was minister that the tram upgrade was proposed. It was proposed for a long time and, in fact, getting new trams was one thing that was quite difficult to do because of the restricted number of people who wanted to tender to supply trams.

As I said, I have tried to help you out by telling you the question you should ask me. If you want to try to suggest that it was the Treasurer's fault, maybe you could ask me how many times we asked him for this money and when he gave it to us, but then you would probably have to concede that you were taking advice from me, so I am sure you will not do it.

Mr VENNING: My question is about the Yacht Club land at Port Augusta. This comes under Budget Paper 4, Volume 2 at page 619, under the heading 'Program Net Costs of Service Summary'. Has the minister extended a time for the proposed developer of the Port Augusta Yacht Club land to fulfil his obligations under the contract to purchase and, if so, why? Is the minister aware that the City of Port Augusta would be very much opposed to any extension given?

The Hon. P.F. CONLON: I have to say, when you are dealing with Mayor Joy Baluch, you are very rarely unaware of anything she does not agree with. This issue has more history than your average soap opera. It goes back a very long time. I will not go over all of it because I think I probably did it at the estimates last year.

The answer to your question is yes, we have extended the time, and for a very simple reason: this bloke got into a project and made a planning application which was, as I understand it, rejected by DAC and he has appealed that decision because he believes it is wrong at law. I took the simple view that the proponent, whether he is right or wrong, is entitled to the benefit of a planning decision made correctly at law. Therefore, yes, we have extended it and, if the council is right and the planning authority is wrong, he will lose. I have told the council this honestly and I told the member for Stuart the same thing.

My own view is that we should always be slow to deny people access to legal redress. There may be occasions for doing it, but I do not think we should use our contractual opportunities to make a decision that should properly be made in the Development Appeal Court. I know the council does not like that, but I think that is the principled thing to do. I have to say that there is no benefit either way for us in it. I just think that, if people make a planning application according to law and they believe it is being rejected unlawfully, they are entitled to appeal that decision. We do not stop the Burnside council from wasting its taxpayers' money on a regular basis in planning appeals. This bloke may be right or he may be wrong, but he is entitled to find out in court. Is that not right, John?

Mr RAU: Absolutely.

The Hon. P.F. CONLON: It is a rule of law.

Mr RAU: The justice system.

The Hon. P.F. CONLON: Yes.

Mr PICCOLO: I refer to Budget Paper 4, page 617, in terms of commonwealth funding. You have outlined some major projects where you are working with the commonwealth to ensure they go ahead for this state's development. Will the minister explain how his department and the government generally are approaching the commonwealth government to ensure that South Australia gets a better and fairer deal from the AusLink program?

The Hon. P.F. CONLON: This issue about how well we do out of the commonwealth in road funding is, of course, an extremely important one for South Australia and for all governments. If there has been one consistent complaint which goes across all political spectra, it is that the South Australian government (whether it is Liberal or Labor) has been short-changed by the federal government (whether it is Liberal or Labor) on roads. I do not think there has ever been a state government that has not said that about a federal government, no matter who they are, and that is whether you measure it on our kilometres of road or on our head of population. So, it is incredibly important to us, as I said earlier, that we get a good outcome out of AusLink.

I think we have been getting slightly better outcomes in recent times because we are putting strong cases. Above all, the strongest argument we have for AusLink funding is to spend our own money as well. That is what you are seeing in our next four years: we are spending more on capital for new roads and rail than the state has spent for decades. That is the first part of the equation. The second part is to make sure that what you are asking for makes good sense. To that end, I have met personally with these organisations on a number of occasions, and I refer to the RAA, the Freight Council of South Australia, the South Australian Road Transport Authority and the Committee for Adelaide Roads.

We all, in the next AusLink bid, have signed a letter setting out our priorities for AusLink funding in South Australia, with all of us speaking with the same voice. It has

never been achieved before, and you have to understand that these are bodies that frequently argue with us. I would not like to have to count the number of arguments I have had with the RAA about things. I once had such a blue with Steve Shearer that I think I said about him that if you gave him a bowl of ice-cream he would complain about the topping. I have to say that we have a much better working relationship now, and I was probably a bit hard on him at the time—sorry about that, Steve.

The reason I tell you that is that this is not a group that can in any way or in any sense be described as fellow travellers of the Labor Party or the Labor government. The Committee for Adelaide Roads has been critical, along with the RAA, about our failure to duplicate the Victor Harbor Road, and the Freight Council has wanted more funding for freight roads. The importance of that is, and the commonwealth knows this too, that those people have great credibility, and so when we sign a letter together saying that our priorities are the north-south corridor, which we are trying to fix (and we spoke about it earlier), getting the Riddoch Highway on the AusLink network, the funding of the Northern Expressway, and a number of other projects, it means it is not simply me who is saying it.

But we do not leave it at that. To that end, I met again last week with those groups who are going to travel in person to Canberra to speak to the relevant ministers and plead their case, the same case that the state is pleading. I will be meeting one important federal fellow this week and I am hoping to meet Mark Vaile soon, although when you try to meet a federal minister at the moment it seems to be a much more busy period than in the past—their diaries seem to be much fuller. In fact, Mark Vaile is not going to the transport conference in Paris that he would have hoped to go to in September. I cannot imagine what would keep him away, but I am sure there is something on the horizon. The bottom line of it is that there has never been a stronger, more coherent and consistent argument put to the commonwealth for funding.

Again, I place on the record that our undertaking to the commonwealth is that the more you fund us for these roads the more we will use that spare capacity it gives us to build infrastructure. The proof is there, it is in the budget and I look forward to a good outcome. It is regrettable that the Leader of the Opposition, when he was the shadow minister for transport, did agree at the SATA conference to support this, but he has done it in such an insulting, grudging and curmudgeonly fashion that it has been, in fact, quite counterproductive. In my view, he is far more interested in us failing than succeeding because of the politics of it, but that is all right. What I can say is that, having seen his comments earlier about which warship should be built in South Australia and the decision of the commonwealth, I am at least reassured that apparently his views do not carry a great deal of weight over there, so it does not really matter. But I am pleased that we have got some serious people supporting it, and I hope that we can get an attitude from this shadow spokesperson of supporting it better than the previous person did.

Mr PICCOLO: I refer to the Portfolio Statement, Budget Paper 4, Volume 2, page 6.18 in relation to compliance and enforcement implementation. What action has the government taken to raise awareness about the implementation of new heavy vehicle industry compliance and enforcement legislation on 30 April 2007 to ensure that all affected parties are informed and understand these changes?

Mr Venning interjecting:

Mr PICCOLO: Let the minister answer.

The Hon. P.F. CONLON: We have probably got a couple of divergent viewpoints. One is from the member for Schubert, who thinks the response to compliance is awful.

Mr VENNING: Over the top.

The Hon. P.F. CONLON: Over the top. What we are talking about is the chain of responsibility approach, which was an agreed national approach and one very strongly supported by the federal government and the federal Minister for Transport, introduced here in South Australia.

Mr Venning interjecting:

The Hon. P.F. CONLON: The least I can say for the member for Schubert is that he was not as violently opposed to it as the member for Stuart was.

Mr VENNING: We both were.

The Hon. P.F. CONLON: You both were, but I think he took a couple of hours of my time in the committee stage that you did not take. The truth is that this was a national approach to heavy vehicle safety, involving what is referred to as 'the chain of responsibility'. That legislation came into force on 30 April 2007, after a long period of consultation and implementation with the industry. I want to run through what was done, because I think this is a model, despite what the member for Schubert says. We worked directly with the state's peak industry and business organisations, including the South Australian Road Transport Association, the South Australian Farmers' Federation, the South Australian Freight Council and the Owner Drivers' Association, in identifying the direct impacts of the legislation.

We ran a series of statewide information sessions, conducted in conjunction with South Australia Police, which resulted in in excess of 2 000 business and industry participants—that is a big slice of the industry, a very big slice. We distributed approximately 10 000 information kits in conjunction with the statewide information sessions. As part of delivering individual presentations to those business and industry groups that I mentioned earlier, there was a full day training forum on the new legislation, conducted in October 2006, for over 130 participants. That included representatives of Workplace Services, the Crown Solicitor's Office, SAPOL and the Department for Transport, Energy and Infrastructure.

In the six-week period in the lead-up to and post the commencement of the legislation, the department also undertook an intensive communication campaign—including targeting press, radio and regional advertising—to raise awareness, and directed affected parties to additional information sources, including, of course, our website. We had additional information sessions for targeted groups, and a DVD, which was developed as a practical guide, has been broadly distributed by direct mail via peak industry groups. We have also established a designated contact for compliance and enforcement inquiries. That is a lot of work in an area that is incredibly important. Safety and heavy vehicles, as well as the protection of our pavement while making freight efficient, is a huge issue. It is very boring for many people, but this is how you build the wealth of a nation, ensuring that we move freight efficiently and safely and without damaging the pavement that is so expensive to build.

We believe we have done a good job on this, although the member for Schubert does not. However, I would like to quote from an email we received on 25 May from the Executive Director of the South Australian Road Transport Authority. He said:

I have explained that I have never seen a response such as this in 12 years of working with the industry and that the swift improve-

ments in compliance is largely due to the high levels of awareness and understanding arising from our combined efforts and especially from the commitment of the government and DTEI to implement that first truly effective media campaign on HV reforms in this state.

So I am happy to take the criticisms of the opposition and the members for Stuart and Schubert; I know that we have imposed obligations on the industry that have been welcomed by the industry and that the consultation and communication process has been applauded by the peak body for that industry. I believe that is a rare achievement.

Mr Venning interjecting:

The Hon. P.F. CONLON: Madam Chair, the member for Schubert should ask that question, because he does have very strong views on the subject.

Mr VENNING: Just a quick question: is the minister aware of any concern, particularly among people freighting hay, regarding straw flying off loads? Is there any attempt to soften or modify the regulations?

The Hon. P.F. CONLON: I am aware of it; I have had discussions with the members for Schubert and Stuart and I do have sympathy. It does not matter what you are enforcing; in my view it has to be enforced with a degree of common sense. In fact, I have spoken to Rory McEwen about the same issue, and the best way to get sensible enforcement is to work with the industry. We have done that, so I hope we can take a sensible approach to those issues.

I am aware that hay is a very important industry—in fact, it is an export industry. A lot of people would not know that we export hay; it is a fair commodity to export. We are aware of the challenges in moving a load of hay and we hope our people will be reasonable in enforcement. One of the things we have encouraged in the department—certainly since Jim has been the chief executive, although I am not saying that it was absent before—is a focus on the fact that our compliance people are there not only to pursue safety and protect our pavement but also to encourage efficiency in the industry. That is also our interest, and I think we are achieving that. In fact, one of our officers, Brian Hemming, won an award from the Bus and Coach Association for the work he does in assisting industry. We try to encourage that culture in the organisation and, where there are examples of what might be over-zealous enforcement, we would certainly try to encourage people to approach their tasks in a commonsense fashion. By and large, I think, they are very good at that.

Ms SIMMONS: My question refers to Budget Paper 5, page 29. As a frequent user of the road up to the Far North of this state, could the minister please give us the details of the repairs the government will undertake to roads damaged by flooding in late January 2007?

The Hon. P.F. CONLON: It is one of those things that go unnoticed and unspoken, but it is terribly expensive. It was ironic and painful that, in a year when so many Australians had suffered from drought, we had not one but two experiences of extreme flooding in the Far North—and I am sure the member for Stuart would have a lot to say about that were he here. These resulted in a massive amount of damage to roads.

This year's state budget has allocated \$23.5 million—which is a lot of money—to repair both sealed and unsealed roads damaged by that flooding earlier this year, and that is in addition to the \$6 million already provided in 2006-07 as well as funding provided to local government to help repair local roads. The 2007-08 repair works on the sealed network are estimated to cost \$12 million, which includes the following: the Stuart Highway, Pimba to Port Augusta; Marree to Hawker shoulder, culvert and floodway repairs;

Blinman to Hawker; Hawker to Orroroo; Hawker to Stirling North; and Wilson to Quorn for shoulder repairs. Works on the unsealed network are estimated to cost \$11.5 million on approximately 6 000 kilometres of road (this really highlights the challenge we have in South Australia) and include replacing lost sheeting, floodway reconstruction, drainage works and signs and devices.

I would like to place this on the record, because it is a very significant contribution to roads which are a lifeline for people in the Far North. It is an awful lot of money, and we have acted promptly to make those restorations; it is sad that they go unnoticed. It is like that *Advertiser* headline we are never going to see, but we might as well get it on the record here. Are you going to complain about this?

Mr VENNING: No. My question runs on very well from what you have just said, minister. I refer to Budget Paper 4, Volume 2, page 6.26, in relation to regional airports under program 2: transport infrastructure services. Can the minister advise how much funding the state government is putting into upgrading airstrips in the Far North outside council areas?

The Hon. P.F. CONLON: I think we have had a pretty good outcome. It is something about which we have made many presentations to the commonwealth. It is an absolute life saver. As I have said, we made a number of submissions to the commonwealth about making contributions to regional areas, and we are very pleased that in its May budget the commonwealth announced in what I think it calls the 'Safer runways in remote Australia program' \$20 million funding over four years. The commonwealth has allocated \$1 million in 2007-08. We did not necessarily have the budget to match those funds, but we have allocated \$300 000 for 2007-08 to match the commonwealth funding, and I think that is a very good outcome. If you do the sums, that means that \$600 000 should be available for remote airports in 2007-08.

Mr VENNING: Do you know what is going into Innaminka?

The Hon. P.F. CONLON: That is something that has to be decided. I have to say that we were pleasantly surprised, after having written many letters to the commonwealth about the program, to find that the commonwealth had done it. So, it is going to be a very good outcome for people who are as remote as any people on earth.

Mr VENNING: It will be a link out when it is raining.

The Hon. P.F. CONLON: That is right. When our roads wash out, we have to fly in.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 2, page 6.20, regarding the investing payments summary. Can further details be provided in relation to the \$8 million that has been allocated to 'replacement and upgrade of government'?

The Hon. P.F. CONLON: I will refer that question to Mr Hallion.

Mr HALLION: The budget paper is probably a little truncated in its explanation of what that is about, which might make it a bit of a mystery. In fact, it is related to government employee housing. We are allocating \$8 million in 2007-08 to government employee housing, primarily focused on new employee housing for Roxby Downs with the imminent expansion of the Olympic Dam mine. Of course, there will be a substantial increase in employment in that region, which we welcome. However, we will also need to increase government services in the area in line with the population increase. So, we have allocated \$8 million in 2007-08 for new housing, focused principally on Roxby, but it is a little broader than that. Something in the budget papers got

truncated; it should have been 'government employee housing'.

Mr VENNING: I thank the minister very much for the \$5 million funding that has been put toward the interchange at Barossa. However, the heavy vehicle bypass, which is vital to the area, has been causing a lot of problems. Is there ongoing work in relation to assisting councils to upgrade the rest of the roads, some of which are council and some of which are state government roads? Can the minister give an update on what is happening there in relation to the project itself and also in relation to future funding?

The Hon. P.F. CONLON: Ivan, I have to tell you that, if every local member in South Australia was getting what you are getting in 2007-08, they would be very, very pleased. I have a list here of rural freight improvements, and \$3 million of that will be spent on the Seppeltsfield Road intersection upgrade in 2007-08; \$50 000 on transport system responsiveness; \$341 000 on the Kapunda to Gawler roads state black spot; the AusLink black spot: \$490 000 on the Williamstown to Birdwood road; responsive road safety on the Williamstown to Birdwood road: \$65 000 on a guard rail; Moppa Road South extension, another \$930 000; and \$16 million to be spent on the AusLink Sturt Highway five-year upgrade.

Mr VENNING: Federal money.

The Hon. P.F. CONLON: You call it federal money. You might remember you guys criticising me in relation to the Auditor-General. Someone in Canberra rang and said, 'You have 24 hours. Will you take \$100 million and spend it on Ivan Venning?' and I said, 'Well, I guess I'd better.' We knew we would get strife from the Auditor-General for it, and we did—and I wore it for you, Ivan.

Mr VENNING: Thanks, mate.

The Hon. P.F. CONLON: I have not finished. There is also the AusLink accelerated Sturt Highway upgrading package, \$30 million. So, Ivan, in 2007-08, are we helping you? That is \$50.878 million in your area. I have to say that, if the news gets out, I will be in trouble.

Mr VENNING: In relation to over-dimensional loads, has the minister or the department taken into consideration the factors that require flexibility within the system to allow certain over-sized or over-massed loads to travel under strict conditions, and how does the department deal with the issue?

The Hon. P.F. CONLON: In fact, part of the process of our consultation and communication was dealing with those issues. There are tolerances. I do not have them in front of me; I would have to get someone from the regulatory organisation for that. We understand the issue of hay: it comes off the load. Tolerances are built into the system. There are tolerances built into the regulations and the laws and, importantly, there are tolerances built into human beings as well, so they should approach a job with commonsense. I think the chief executive's slogan is 'Getting DS'. Our culture is that we try to be as tolerant and helpful as we can to industry, while at the same time protecting safety.

Mr VENNING: There was an advertising campaign with a picture of a truck three bales wide, and they were hanging over the side. Farmers took offence at that. You made a point, but it was not good.

The CHAIR: There being no further questions for the Minister for Transport, I declare the proposed payment to TransAdelaide completed.

Membership:

Mr Williams substituted for Dr McFetridge.

Additional Departmental Advisers:

Mr V. Duffy, Director, Energy Division, Department for Transport, Energy and Infrastructure.

Mr G. Goddard, Executive Director, Energy Division, Department for Transport, Energy and Infrastructure.

Mr R. Faunt, Technical Regulator, Department for Transport, Energy and Infrastructure.

Mr J. Tustin, Manager, Sustainability, Energy Division, Department for Transport, Energy and Infrastructure.

Mr K. Jervois, Director, Energy Division, Department for Transport, Energy and Infrastructure.

Mr M. Leane, Manager, Community Energy Programs, Energy Division, Department for Transport, Energy and Infrastructure.

Mr A. Zeuner, Manager, Business Support, Energy Division, Department for Transport, Energy and Infrastructure.

The CHAIR: I call the Minister for Energy to the table and refer members to the budget statement, in particular pages 2.13 to 2.15 and appendix C, and the Portfolio Statement Volume 2, part 6. Minister, did you wish to make an opening statement?

The Hon. P.F. CONLON: No.

The CHAIR: The schedule advises that this session is from 11.45 to 1.45. Is the opposition agreeable to that?

Mr WILLIAMS: Yes.

The CHAIR: I call on the lead speaker for the opposition to make a statement.

Mr WILLIAMS: I want to acknowledge some changes being made in the energy market and note statements that came out of New South Wales as reported in the national press as recently as yesterday that the New South Wales government is now finding itself heading towards an extreme shortage of both electricity and gas. The gas situation has just reared its head with the extreme cold conditions in both New South Wales and South Australia about a week ago. The New South Wales government has indicated that it needs a base load generation and has flagged its intention to seek to have that owned by the private sector—something which we, of course, in South Australia achieved some years ago when the former government decided to sell off the electricity assets previously owned by the government (a very controversial decision).

It is interesting to note that the New South Wales government finds it is now heading down the same path and, indeed, is suggesting that it will bundle retail together with the opportunity of having the private sector build base load generation in that state. So, it looks as if New South Wales is copying the lead taken in South Australia a few years ago, and also in Victoria. That has underpinned South Australia's electricity energy market and, I would suggest, has got us to the position where we now have probably the cheapest electricity in the nation. Indeed, in spite of protests and statements from the government over a long period of time, I note from the NEMMCO website, which I looked at only yesterday, that some of the cheapest electricity prices achieved in the nation were in South Australia in 2001-02, when the average price per megawatt was \$31.61. According to the draft annual planning report of the Electricity Supply Industry Planning Council, the wholesale cost of electricity in the summer of 2001-02 was a mere \$27.95 per megawatt hour, which is less than half what it is today.

I take the opportunity to put on the record that not only did South Australia achieve an incredible turnaround in the cost

of electricity production through the privatisation of the assets but, also, with the introduction of contestability which occurred at the same time and came to full contestability in 2003. Obviously, contestability was achieved in the business sector before that: as of 1 January 2003 South Australia opened up its market to full contestability. By staging that opening up of contestability, a number of retailers entered the South Australian market prior to the opening up of the domestic market.

A document on the minister's website from spring 2001 shows that even at that stage the main retailers were listed as AGL, City Power, Country Energy (formerly North Power), Energex and TXU. So over 12 months before contestability began in the domestic sector a number of retailers were operating in the South Australian market. In spite of the government suggestions that what we have achieved for South Australia was at the behest of decisions it has taken, the reality of the documentation I have quoted to the committee—

The Hon. P.F. Conlon interjecting:

Mr WILLIAMS: I am sure you will, minister, but I want the opportunity to quote from these documents, all of which appear on websites under your ministry, all of which belie some of the statements you have been making. Does the minister suggest that, if the New South Wales government encourages the private sector to build base load generation in that state and as a lure to get that investment into New South Wales they bundle retail opportunities to the same private companies, that would be making a dodgy deal?

The Hon. P.F. CONLON: I will answer that as calmly as I can as the proper information will help you to a fuller understanding. It is no surprise that there has been difficulty securing new generation in the eastern states. I have made countless speeches around the country pointing out that this would be the inevitable outcome of the absence of a national greenhouse policy. I can explain that simply. I reinforce, even though I humbly say that I was one of the first people to argue this, that I have been supported in that view in various ways by many large players in Australia, including Santos, International Power and Origin Energy, all of whom have made the point. It is simple why the absence of a greenhouse policy makes it difficult to make new investment, and I will explain why we have not had the difficulty in South Australia, which has nothing to do with the scramble for cash that was the Liberal's privatisation of assets, and the pain we went through in overcoming those difficulties and creating good policy.

I will go through that history because it is a good one and is instructive. The reason that the absence of a greenhouse policy chokes off investment—and that is a view of many industry people—is this: when you build a big generator it costs you a lot of money. A 1 000 megawatt generator, a big plant, might cost \$2 billion. To pay for that asset you not only have to go to your board to get the money but also you have to go to the banks. You have to have a revenue stream, a capacity to sell electricity and you have to know what price you will get for it and what your costs will be. That is a very important point. Everyone in industry in Australia knows, because most participate on the world market, that at some point in the next few years in Australia they will be paying a cost for carbon emissions—whether it is a tax or a cap and trade scheme—the banks know it, they all know it. What they do not know is what that cost will be and when it will be incurred. You have to build \$2 billion worth of plant, not knowing over the lifetime of your plant what the significant

increased cost will be and when you will incur it. That means that no one is building new coal burning plants, except possibly the Queensland government, which has the benefit of owning its assets and can take the risk that a business would not. However, no business is building a new coal burner.

It is important for us as we have so much natural gas in Australia: the transition fuel for a carbon constrained world in Australia to preserve our energy costs should be natural gas, which is in abundance. It would still give us cheaper energy costs than most places around the world, but a similar situation applies. If you want to build a 1 000 megawatt gas plant, you will pay more in certain costs for it against a coal burner, and that is the cost of fuel. International Power operates (these figures are a year old) coal burners in Victoria and gas burners in South Australia. In its Victorian plant the short run cost of fuel is around \$7 per megawatt hour on brown coal. In its modern gas plant here the short run marginal cost was about \$25 per megawatt hour for the cost of gas, which is a big difference. If you are going to build a gas burner you know you have to compete against someone who can operate at much lower costs than you. At some point in the future there will be the cost of carbon, which will make your generator far more competitive, but you do not know when or what that will be.

Anyone wanting to build a generator goes to a bank or board with a related problem and they all come back to the fact that no one knows what the cost of carbon will be. You do not have to take my word for it—talk to industry leaders. I urge opposition members to do that in regard to energy because it is a difficult and complex subject but is incredibly important to the future of this nation. It is no surprise that in the absence of a national greenhouse policy people are casting around for ways to achieve new energy generation. We do not have a similar issue in South Australia. As much as I would love to claim this, I correct the opposition spokesperson: we do not have the cheapest electricity in Australia.

To understand how the electricity market works, one cannot look simply at the average baseload price. It does not work like that. In fact, particularly in South Australia, because of a very peaky demand profile, retailers and generators are exposed to the baseload price for only a very small amount of their capacity. Most of their capacity is tied up in a series of contracts and instruments that are there to prevent or overcome the risks associated with an extremely peaky market.

What that means is that, because most of them are not exposed to the market, the market itself seems very stable because it is not the actual operating factor. In fact, if one looks at the fluctuations in the market, one will often see prices drop to minus \$1 000 a megawatt hour. That does not mean that someone is taking a loss: it means that they have to dispatch because they are contracted and have a contract somewhere else. So, you have to understand that it is not quite as simple as looking at it and saying that South Australia has cheaper prices; in fact, it is not only simple but it is also utterly wrong.

The truth is that the regulator sets domestic prices in South Australia, and they are higher here for a number of reasons, one of which is that 60 per cent of our installed capacity is natural gas, which is a more expensive fuel, as I pointed out earlier. Because of a very peaky demand, we have to overbuild transmission and distribution systems, so we have higher network costs than most other states. Fortunately,

because of unprecedented economic growth in the state, we are seeing growth and baseload demand that actually help that profile. The truth is that we are bringing generation on stream in South Australia because we have a very good government and regulatory system and because new investment will be gas. You do not have to go through the quandary: it will be gas, and I can go through that later. We have very good growth in peaking. Those are the fundamentals of the system.

What that means in South Australia is that, while we do not have the lowest prices, we have a higher price but will not be exposed to the pressures that will drive up prices in the eastern states. We have the best and most certain future because, through the work of this government, and for other reasons, we have already removed a lot of the carbon uncertainty in this state.

Mr VENNING: And we have uranium.

The Hon. P.F. CONLON: The Member for Schubert says that we have uranium, but can I say that I reckon I will be in a coffin long before there is a nuclear generator in this country, particularly in South Australia, for cost reasons, and I can go through that issue later if you would like me to. To suggest that the position we are in now is as a result of exposing ourselves to the market in the Liberals' scramble for cash is as patiently wrong as saying that we have the cheapest electricity in the country.

The truth is that the process of privatisation went a number of ways. I will deal with some components of energy costs. One very important one is the network cost, the distribution cost, which is already the highest in Australia. In the scramble for cash, when ETSA was privatised the distribution part of the business was sold as ETSA, and it keeps that name now. The previous Liberal government wanted the maximum return it could get, so what it did was write into the sale agreement, before the regulator could get at it, a return on its investment for a minimum five years, which was, from memory, 10 per cent higher than any similar return allowed any distribution company.

What it wrote in was a guarantee that taxpayers—ordinary users—would pay more so it they could increase the sale price. It is pretty simple: if you give someone a guarantee that they can get higher revenues for five years, the assets are worth more. The previous government wrote it in, and it was in the deal.

Mr RAU: Some developers do it when they sell units anyway.

The Hon. P.F. CONLON: Yes. What happened at the end of those five years? The regulator looked at it, removed it and brought it back to a normal return. That is the actual, factual history. So, as to the notion that our prices now are because they protected us by privatisation, they wrote in a guaranteed price increase for that component. This is the best market in Australia now—not because of their privatisation but because of the work of this government over the past five years. I will explain again clearly and factually why. I know the history of this, even if they have forgotten.

When the privatisation was first announced, a discussion paper was put out by the then premier, John Olsen, about how it would be done. They were going to sell the retail business to a number of different participants and break up retail and distribution, as had been done in the Victorian privatisation. That meant that one automatically had competition in the domestic market, because it already had retailers in it. That was what they said they would do. However, when they looked at it, they decided not to proceed with the undertaking they gave, and they sold to a monopoly retailer—a single

retailer in AGL—because again that maximised the price they would get for the retail arm of the business.

What that meant was that, when we came to full contestability, which was part of the national agreement, we went to a market which, by logic and competition, would give us efficiencies. When we entered that, what did we have? A single retailer who owned every customer in South Australia, because every customer in South Australia had been sold to that single retailer. So, the first thing we got at FRC was a 25 per cent increase on the back of those things they did in the sale—and make no mistake about that: that is why it occurred.

What we had to do was start from scratch to build competition into the domestic market. For six months, that was very slow. The other thing they did in their scramble for cash was not put in gas. If you want to drive competition, the first thing you have to do is offer people dual fuel deals. However, in their wisdom, they set different time lines for gas competition and electricity. It was almost unspeakably stupid. Let me assure everyone in the room that that was almost unthinkable stupid, but that was what they did. We were left with the task of bringing gas into the market so that people could offer dual fuel deals and drive competition. Then we did something else, apart from increasing the concessions for the first time in years because of the brutalisation of the customer by the privatisation. We offered a \$50 incentive for every concession holder if they changed to a market contract.

Let me assure you, Madam Chair, that facts and history will show that that drove competition like nothing else in this state. We had to achieve two things: we had to get gas in there, and we had to give people incentives to change. As a result of that work, we now have the most competitive market and the best greenhouse footprint in Australia. We have generation capacity coming on in a more timely fashion than anyone else, and if you want to ask a question I will run through that. Our price projections into the future are the flattest; they are the best in Australia. We do not have the lowest price but we have the best future, and that is what governments should build.

Let me assure the member for MacKillop that this has occurred despite—not because of—the previous government's privatisation. This has occurred because we had to take an enormous amount of pain early—with its 25 per cent increase—but we built a competitive market and now, if you are on a market contract, the consumer council shows that you are paying less than or the same in real terms as you were before the 25 per cent increase. That is a remarkable turnaround, but it did not come about because the previous government privatised to its mates in the private sector: it came about because we fixed the problems it created with the privatisation. I am quite happy to talk about this subject all day, but what I have placed on the record is not rhetoric about privatisation: it is simple, factual history. If you want to go back, I can show you every one of those things as fact.

The CHAIR: I am sure you are glad you asked that question, member for MacKillop. Do you have another question?

Mr WILLIAMS: Absolutely, Madam Chair; I am glad that I asked that question. I would urge the minister to go to his own website and go back to the *Energy SA* magazine of autumn 2002 which states:

While the whole South Australian gas market became contestable on 1 July 2001, currently only business customers with meters that are read daily by remote can transfer between retailers.

The reality is that a contestable gas market was set up before this government came to power. There was a metering problem that had to be overcome to allow full contestability.

The Hon. P.F. CONLON: I admit, Mitch, that Adelaide Brighton Cement was contestable when you were in government, because it uses as much gas as the rest of the market put together.

Mr WILLIAMS: If the minister wants to talk about facts, these are the facts. It is on his own website. I want him to have a look, because the reality is that this government is claiming the benefits which came about from the privatisation.

The CHAIR: Member for MacKillop, that is a statement, not a question. Do you have a question for the minister?

Mr WILLIAMS: I certainly do have a question, Madam Chair. I am still waiting for the minister to answer the first one, which was whether he would call what the New South Wales Labor government is currently signalling it is going to do a dodgy deal, because that is the way he referred to the privatisation and the system that was put in place here in South Australia.

The CHAIR: Member for MacKillop, get on with your question.

The Hon. P.F. CONLON: I would call it the inevitable outcome of his federal government's appalling policy on greenhouse, so that he understands what the answer was.

Mr WILLIAMS: In view of your answer and your using the statements about greenhouse as a reason for what is happening in other states, my second question refers to a letter sent to the Executive Director of the Sustainability and Climate Change Division, Mr Tim O'Loughlin, from the Energy Supply Association of South Australia. This letter was in response to comments on the South Australian government's feed-in mechanism for the residential small-scale solar photovoltaic installations discussion paper.

Ms SIMMONS: I have a point of order. So that we can follow, can you please tell us the reference in the budget papers?

Mr WILLIAMS: I certainly can. I refer to Budget Paper 4, Volume 2, page 6.18, regarding energy policy. In the concluding paragraphs, the letter states:

The association acknowledges the South Australian government's focus on tackling climate change. However, in order to ensure that the response to climate change is efficient, and emission reductions are achieved at least cost, it is critical that policies and measures, such as the government's proposed feed-in mechanism, are assessed against the costs of achieving emissions reductions under an emissions trading scheme. Such an assessment is particularly pertinent given that the states and territories have publicly announced that they will introduce an emissions trading scheme by the end of 2010. 'Picking winners' and implementing technology-specific measures will only serve to lock in relatively expensive technologies, increasing the cost of greenhouse gas abatement and detrimentally impacting on economic growth.

It goes on. Does the minister believe that South Australia has a realistic greenhouse abatement policy, or does he think that the expenditure of moneys on things like photovoltaic cells producing electricity at about \$200 a megawatt hour and small-scale wind turbines is both an efficient way forward and a way to decrease the greenhouse footprint of South Australians?

The Hon. P.F. CONLON: Do I believe that we have a good greenhouse emissions policy? I do, and not only do I believe it but so does Al Gore, the bloke who wrote the book, and so does David Suzuki. It has been recognised as a leader around the world. We actually have something better than just

a good policy: we actually have very good practice. He is a funny guy. He does not like expensive green energy until you are down opening a wind farm in his electorate, and then he really likes expensive green energy. He does not like it in here, but when he is down in his electorate, he loves getting those wind farms open, don't you, Mitch? You do. So, not only do we have a very good policy but, in practice, we have more than half of Australia's wind farms, and growing. We have the lowest emissions footprint for stationary energy in mainland Australia. The only one with a better footprint is Tasmania because of its masses of hydro. For a state with no hydro whatever to achieve the best carbon footprint is not just good policy: it is also outstanding practice—just outstanding.

The feed-in law that the honourable member is apparently opposed to is quite a modest program and is still under consultation, from memory. It is not projected, from my understanding, to make any significant difference to the cost of electricity in South Australia. As you already think we have the cheapest, it should not be anything to worry about, but it is not projected. What all these things do is make a contribution.

I could not be more honest and frank in my approach to emissions control. I have argued for the use of nuclear power in China because it is the only reasonable way to contain emissions there. For five years I have argued for a national policy to bring more natural gas ashore which will give us an even better energy footprint than we have now around the country. I still argue for that, and it is imperative to the nation's interest. You have to understand that these things all make a contribution to the future. Wind farms will never replace all our stationary energy generation requirements but they will make a contribution to restraining emissions, as will the use of a combined cycle modern gas plant, and as will switching people on to understanding the issues in the future.

That is why we have put photovoltaic cells on our schools. Not only is it clean, green energy—of course, you would not agree with that because it is too expensive—but it means kids (who are our future) are walking out of their schools switched on to the things that are going to save this planet. I think the fact that a feed-in law might cause some people to put photovoltaic cells on the roof is an excellent outcome because, again, it switches people on to the biggest issue facing our planet. This is not about shallow politics and it is not about trying to find a wedge way in; it is about how we make a path to a carbon-constrained future that saves the planet for our children but also preserves an economic way of life to which we have all been accustomed—and that is by doing everything we should do.

The one obvious missing piece of the picture, and one of the reasons why you will get schemes that may not be the most cost-efficient way of rebating emissions, is because there is no national greenhouse policy. State energy ministers have been working on an emissions trading scheme which will let the market decide. We have never had any support from you for this. I believe that, whilst it is important to do the things that you do to make a contribution, it is imperative that we have a market-based mechanism to allow the private sector to find the cheapest way of reducing emission costs. But they are not exclusive; you should do all of them and, if you were really concerned about greenhouse, you would get on to the recalcitrant in Canberra and get him to actually be a little more enthusiastic about it.

Mr WILLIAMS: I take up the point that the minister made about already being on the record acknowledging that

nuclear power is necessary in places like China to help reduce their greenhouse footprint.

The Hon. P.F. CONLON: I always tell the truth, Mitch; it makes life a lot easier.

Mr WILLIAMS: My question is: do you agree or do you discount what was stated in the letter I quoted from a moment ago (the response from the Energy Supply Association of Australia) talking about the Australian scenario, where it states:

The cost of meeting the emissions targets increases considerably when nuclear and carbon capture and storage technologies are unavailable. To achieve 70 per cent of the year 2000 level emissions without nuclear and carbon capture and storage could increase total production costs by 94 per cent, compared with the unconstrained scenario.

Do you discount that assumption that there is a place and there will be a requirement in Australia to add a reasonable cost to reduce our greenhouse footprint by using nuclear energy?

The Hon. P.F. CONLON: What annoys me is when people do things not out of analysis or commonsense but sheer ideology. The pursuit of nuclear power for South Australia, in particular, and Australia in general, at this point in time is pure ideology. Let me explain—and I will deal with this on a number of points. If we move to a carbon-constrained future, what will occur (with a reasonable cap and trade or emissions trading mechanism) is that gradually you will have to pay the price of carbon. That means that the new generation will be modern combined cycle gas which will, I think, from coal, probably reduce emissions by 25 to 30 per cent. That is a pretty big reduction. Is there anyone who does not think that is a big reduction? You can do that at a price for energy that we pretty much already have in South Australia. So, you have your first step for a carbon-constrained future.

We are on an island surrounded by natural gas. Above all, if you let the market decide (which is what we have said will happen), the market will not decide to build a nuclear generator. Let me give you my hand to God on that—and I will explain why. My very strong view is that, if people want to argue for nuclear power, let them cost carbon first and then let the market show what the solution should be. If I am wrong, I will be the first to turn around and say, 'Okay, this is the best solution.'

However, let me tell you why it is just cloud cuckoo land. To gain efficiency for nuclear power you want a power station that produces roughly 1500 megawatts and you want it to run as baseload—that is, all the time. Because of the massive cost of the investment you want 1500 megs running all the time. The last figures I saw indicate that the average demand for South Australia is about 1680 megawatts; its overnight demand is about 1100 megawatts; and its peak demand is about 3200 megawatts. I am doing this from memory so I will correct anything that is wrong, but I am pretty sure it is right.

That most efficient of all (1500 meg) nuclear plant will deliver power at around \$65 a megawatt hour, before you put on all the other on-costs. The current new entrant cost is about \$37 a megawatt hour, so it is already more than 50 per cent higher than current new entrant cost. That is before you do anything else. Running at its most efficient, it is already 50 per cent higher than new entrant costs. It is a massive increase in electricity prices. Then what you have to do is to take into account the things I have just said. It has to dispatch all the time to reach that level of efficiency.

If you are running at 1100 megs overnight, well you can carve that off and take it up a bit higher. But then, more importantly, we have already got something like 3 000 megs of installed capacity. What do we do, constrain them all off so we can run a nuclear power station? Does anyone in their right mind suggest we should go out and close down people's businesses or raise the price so much for energy that they cannot compete so we can build a nuclear power station? You will at least double the cost of delivered electricity to South Australians. It is insane. It is not even bad economics—it is just completely insane.

I will say this to you, though, that is my viewpoint and it is a viewpoint, I have to say, that people will invest money in. After six years in the job now I have not had a single person come to me and say, 'Why don't you let me build a nuclear power plant?' You speak to industry leaders and say, 'When are you going to build a nuclear power plant?' and they laugh, because the economics of it are obvious. But above all, whether I am right or not—and I will bet you London to a brick on that my figures are right on this—why don't you do what the people in the Liberal Party say they believe in and move to a market mechanism for costing carbon from generation and then let the market decide? Because I know that, if that is the case, my 2½ year old daughter will be very old before she ever sees a nuclear power station in this country, because of costs.

I think there is a distinct possibility that this country will never see a nuclear power station, and I will tell you why: because we do have natural gas as a transition fuel. As I said, you can take a lot of emissions out by using a modern combined gas plant and the addition of renewables. We have got a geothermal potential which is enormous. I do not know why they say there is no carbon capture, because there are also arguments that you can clean up coal and capture carbon. A lot of those things are two decades away. But let me tell you, a nuclear power station in this state that is economic is more than two decades away. So, I come back to the point that, if you believe in this and you believe in the market like you are supposed to, let us have a market-based mechanism and let us see who is right. If I am wrong I will be the first person to say, 'Sorry, Mitch, maybe we should build a nuclear plant', but I am very confident that I am not wrong.

What argument could you have against having a market mechanism and letting the market decide the solution? Because I have got to tell you that the only way there will be a nuclear power plant is if some ideologue in Canberra, who is pursuing some sort of wedge of some other mad politics, decides to subsidise one, and that would be a disgrace.

Mr WILLIAMS: Are you saying that, if somebody came along who wanted to build one, you would not stand in their way—

The Hon. P.F. CONLON: What I am saying to you is this: if you believe there is a place for nuclear power, go out and support a market mechanism for costing carbon.

Mr Williams interjecting:

The Hon. P.F. CONLON: We already had the K-Mart Perry Mason on earlier. I do not want to be cross-examined by you. I have given you as full an answer as anyone in the world could have hoped for. What I am telling you is this: my guarantee is, you put a market mechanism there that costs carbon and no-one is going to come to me to ask to build a nuclear power station. Let me give you an ironclad guarantee.

Mr WILLIAMS: It is on the way. You know that.

Mr RAU: I might have missed this, but has there been any proposal reported in the media or anywhere of any commer-

cial outfit anywhere in Australia putting up to any government a proposal that they build one of these things?

The Hon. P.F. CONLON: I am not aware of any proposal, and dealing with industry leaders I have never heard of one or had one mentioned to me. I do know that the Leader of the Opposition wants, however, to hold a forum with industry on it. That was some time ago and I have not heard the date of this forum yet.

Mr RAU: Is it fission or fusion—

The Hon. P.F. CONLON: I think there is a fraction too much fission and fusion in that organisation, to be perfectly honest, but I think their specialty is fission. I am not aware of any proposal. There are some inescapable realities and facts and they are that people like energy to be affordable and no-one is going to be really enthusiastic about doubling the price of it.

Mr PISONI: I would like to clarify whether the minister is then saying that the only opposition to nuclear power—and the Premier has said that he will rule out nuclear power in South Australia—is the cost and not safety. Are you saying that nuclear power is safe?

The Hon. P.F. CONLON: Let me assist the member for Unley. If I was saying that then that is what I would have said, but that is why I said something else.

Mr PISONI: So, are you saying it is not safe then?

The Hon. P.F. CONLON: What I am saying to you is that what I said was what I said, and you can put your translator fish in your ear and hear something else if you want, but I did not say that because if I was going to say that then that is what I would have said, but instead I said what I did say, which I thought was very sensible—and I have to say I could hear it again.

Mr PISONI: You have come across as being an expert on this, minister, and I think that you should share with us whether you think it is safe or not. Is nuclear power safe? I mean, you have told us we should send it to China. Are you saying it is safe or not safe?

The Hon. P.F. CONLON: Let me help you with this. I think there are a number of risks associated with nuclear power. Anyone who does not think there are risks associated with nuclear power has no knowledge of history. Look at Chernobyl and Three Mile Island; there are obvious and immediate risks.

Mr Williams interjecting:

The Hon. P.F. CONLON: It is about how you manage risk, and I will explain why I think they should use it in China. There are risks of explosions at conventional power plants, the outcomes are not as horrific, but it is about weighing one risk against another. The risk to the world from emissions, and the point I made in the article, is not from us, it is from China, which is growing and growing and growing. China mines 30 per cent of the world's coal and burns 28 per cent of it, which kills, from memory, something like 7 000 workers in the coal industry a year, even though an international labour organisation thinks that may be understated.

It brings to an early demise hundreds of thousands of its citizens not through carbon emissions but through simple things like sulphur; it has uncontrolled fires burning within its coal mines that have burnt for centuries, and I am told that those produce more emissions than the entire United States' car fleet. So, it is about measuring risks against other risks. I do know that there are risks with nuclear power plants and I would much prefer not to have one in my state—I am selfish about that, as I have two daughters—but I also know

that there is no potentiality about the risk of carbon emissions from coal-burning in China. It is real, immediate and present and unless we are to tell China not to use energy there is only one solution, and that is nuclear power.

I have said it before, and it is not to discount the risks. What I am doing is treating with you honestly and dispassionately about what I think is probably the most important subject on the planet. There are undoubtedly risks associated with nuclear power, but there is no risk about what is happening in the Chinese coal industry: it is killing 7 000 workers a year. And that is a conservative figure. It is shortening the lives of millions of Chinese inhabitants through sulphur and it is risking the future of the planet through massive carbon emissions. That is not a risk: it is a reality, and I am prepared to take the lesser of the two evils.

Mr PISONI: The manufacturing industry kills thousands a year as well.

The Hon. P.F. CONLON: Your point is?

Mr PISONI: It is their practices, isn't it?

Mr WILLIAMS: My question is, again, on carbon trading, and I refer to Budget Paper 4, Volume 2, page 6.18. In the draft annual planning report from the Electricity Supply Industry Planning Council it indicates that key assumptions underlying the state's electricity forecast include a carbon price signalled at \$15 a tonne being phased into electricity markets over the five year period post 2012-13. The commonwealth government recently announced that emissions trading might begin as early as 2011 but at least by 2012, one year before then (although there is no indication of the price to be put on carbon at that stage). The states have suggested that they will bring in a scheme as early as 2010. How do these various proposals reconcile with the assumptions made about South Australia's electricity forecast?

The Hon. P.F. CONLON: You have inadvertently put your finger on the whole point I am trying to make about the absence of a national greenhouse policy—that is, there is uncertainty. You cannot expect the electricity planning council to eliminate an uncertainty created by our commonwealth government; you simply cannot do that.

What I have said before is exactly consistent with what the planning council has said. It knows, like everyone in the industry, that at some point it will be paying a cost for carbon; it simply does not know when it will occur or how much it will be. That is a disgraceful state of affairs. It is a complete neglect of the national interest and it has been a deliberate neglect of the national interest by the commonwealth government for a decade.

Mr WILLIAMS: My understanding is that, along with the other states, South Australia has indicated it would join a state-based scheme starting in 2010. Is that the intention of the state of South Australia, and what price would you target to apply to carbon?

The Hon. P.F. CONLON: In my view, and with the agreement of the other states, we will introduce a carbon trading scheme if the commonwealth fails to do so. However—and make no mistake about this—we have said throughout that this is the second best solution. It is possible for the states to create a scheme (it has been done in the United States), but it is a second best solution and I am hoping, given that the electorate has dragged John Howard along kicking and screaming, that the commonwealth will introduce a scheme. It is sheer chicanery to say that you are not going to have a target set until after the election. I mean, crikey! Apparently targets are all right as long as you set

them after an election but no good before. It is just such a shallow fraud.

What we have factored in is quite modest. The Council of Australian Federation has a target which is, I think, a world target of a 60 per cent reduction by 2050. How that is achieved in a cap and trade scheme depends on where and how you start. I think Vince has done a heap of work on this and I will just get some of the projections, but at the end of the day you need to have an agreement on where it will go and where it will end up. The preference amongst the states is for what we refer to as a soft start—that is, a slow build up. Our very strong view is that if you are going to cost carbon, with an emissions footprint like Australia, you start with something that does not wreck our economic well-being, which expects an incremental increase in emissions year on year.

Mr Pisoni interjecting:

The Hon. P.F. CONLON: No; the reason I do not sound like John Howard is that I am not fraudulent on this issue. I believe in it passionately; I believe it is incredibly important, and we have worked hard towards it. Of course, I can contrast that with the position of the opposition. I have given nothing but absolutely straight and honest answers but, since they insist on playing politics, let us talk about the opposition's attitude towards emission targets. We brought a bill to the Legislative Council with a target but it 'was not ambitious enough'; the Liberal opposition's position three or four weeks ago was that it was not ambitious enough, not high enough. That was, of course, until Marty went off to meet the great man in Canberra and found out that that was not, in fact, the case. In fact, it was too high and should not be met, and four weeks later the Leader of the Opposition says that it is too high and it is dangerous.

The government and I have been saying the same thing about emissions trading for six years, while the opposition cannot keep the same line for six weeks, so do not come to me with your smirk and your politics on emissions. Your party, your national government and your opposition will do and say anything on emissions trading, changing what is said from week to week. We are concerned with the future, and you are concerned about your petty, private political interests—and it is absolutely transparent.

Mr PISONI: In relation to the agreement that the minister has been telling us about, is the minister able to confirm whether carbon audits will be included on, for example, manufactured products and food products, such as products coming in from overseas or products that used to be manufactured here and have been shifted overseas?

The Hon. P.F. CONLON: Can the member point me to the budget line where the department of energy deals with carbon audits on imported manufactured goods?

Mr PISONI: I am asking the minister to expand on what he was saying earlier.

The Hon. P.F. CONLON: I am quite happy to have a lengthy discourse about this subject, because I am very interested in carbon trading and carbon emissions. My own personal view is that our trading partners will not put up for ever with us not costing carbon in Australia and that they may put a levy on our imported goods because we do not have a carbon cost. I am quite happy to chew the fat about all those things, but I just point out that they are not my responsibility. I have very serious responsibilities for the energy industry in South Australia. I have a keen interest in emissions policy, which is, of course, the responsibility of the environment minister and the mechanism set up by the Premier. I am quite

happy, since you guys do not seem to know anything about energy, to chew the fat about those things, but you should understand that it has nothing to do with my responsibilities or the budget area.

Ms SIMMONS: I have a point of order, Madam Chair. I know it is the third time this morning, but can we again emphasise that every question is supposed to start with a reference to the budget page we are talking about?

The CHAIR: Does the member for Unley have a reference to his question?

Mr PISONI: My question refers to Budget Paper 4, Volume 2, page 6.18 'Highlights' and 'Targets'. The 420 rebates under the photovoltaic rebates program (which is above the targeted figure from the previous year) is valued at \$1.7 million. How much of that is state government money?

The Hon. P.F. CONLON: That is a federal scheme we administer. Apparently, you are not critical of that scheme.

Mr PISONI: A federal scheme, is it?

The Hon. P.F. CONLON: Yes.

Mr PISONI: Is it about \$8 000 a unit?

Mr Williams interjecting:

The Hon. P.F. CONLON: Oh, I see, some photovoltaics are more equal than others. Those that are the result of a state scheme are costly electricity and the federal scheme is good and we should put money into it. I am sorry; am I following this correctly? John, is that what the proposition is?

Mr RAU: I am having trouble with it.

The Hon. P.F. CONLON: What is the question?

Mr PISONI: My question is: how much of it is state government money?

The Hon. P.F. CONLON: I told you that it is a federal scheme we administer.

Mr PISONI: So, none of it is state money; it is all federal money?

The Hon. P.F. CONLON: And your point being? We were criticised earlier for having a scheme to put photovoltaics on roofs, or is my memory failing me. Maybe I will check *Hansard*. I thought one of the first questions of the opposition spokesperson was that we should not have this scheme, this feed-in law. Then we moved one speaker down, and the question was: why is it all federal money and why are we not chipping in? Can anyone see a consistency of approach here? Can anyone help me? There is something wrong with you people.

Mr PISONI: On a point of order, Madam Chair, I simply asked the question.

The Hon. P.F. CONLON: And I gave you the answer.

Mr PISONI: There was no implication in the question whatsoever. I simply asked the question: was there state money involved?

The CHAIR: I think the minister has answered the question. Do you have another question?

Mr PISONI: I have another question, Madam Chair, and it relates to the same reference as my previous question. In relation to the provision of an estimated 2 200 solar hot water rebates, can the minister again advise whether that is state or federal money? Will the minister also indicate why the target for last year was 2 500 but there were only 2 200 rebates? The target for this year is only 2 200, when I thought there was an increase in building applications. I am wondering about the rationale.

The Hon. P.F. CONLON: Well, it is all state money. I am sure the opposition will be pleased to know that. I do not think it is a bad division, whether it be photovoltaic or solar

hot water. Why did we aim for 2 500 and get 2 200? Well, because we cannot make people apply for the rebate.

Mr PISONI: How was the 2 500 arrived at?

The Hon. P.F. CONLON: We estimate what the demand will be so that we can budget for it. However, what we cannot do is make people meet the estimate. Sometimes we do these things and it runs over and we have to spend more in a year than we want to, and sometimes it runs under and we have to spend less. I am advised that one of the drivers for this is that the value of RECs (renewable energy certificates), which come under the demerits scheme, is falling off. So, even though our subsidy has not changed, the fact that commonwealth RECs are decreasing in value makes it a less attractive proposition.

Mr VENNING: I refer to Budget Paper 4, Volume 2, page 6.36 'Energy Policy and Regulations'. Has the government estimated the net increase in load required by the air warfare destroyer contract and what impact will this have on the state's electricity security?

The Hon. P.F. CONLON: If you are looking at the impacts on it, the resource sector is going to be miles in front of the air warfare destroyer contracts. In terms of security, as I said earlier, we are actually better placed than most jurisdictions. We have a little argument with the AER and NEMMCO, which I understand the AMC might resolve in our favour soon, which is good news.

By and large, there are two features of the South Australian market. One is that the growth in demand is peak demand, although I have to say that we have had a very satisfying growth in base load in the past two years. I think it is up about 9 or 10 per cent or something. It is very satisfying, because that growth in base load is a great indicator of economic development, but the real growth has been in peak demand. As a result of that growth in peak demand, from memory (as I do not have it in front of me), Origin is increasing the size of its Quarantine Station gas plant (120 megawatts, which is a significant plant). I also indicate that that has the capacity in the future to be converted to a combined cycle plant, and I have met with Origin about that. So, it has the capacity for a rapid upgrade for further demand in the future. Hallett (formerly owned by AGL but I think TXU owns the project there now) is in the advanced planning stage for 250 megawatts from gas there, and of course there is continued expansion in wind farms.

So, we are well placed in South Australia to meet a growth in peak demand. I do not know what the base load demand is, but I do not think this is consequential by comparison with things such as Roxby, which is huge. Oxiana is running a 132 kV line to Prominent Hill; and there are other prospective mines, such as Beverley and Carrapateena, in the future. They will be the ones that drive it. From my perspective, these are actually good things to happen, because they are big lumps of base load. They are something you can write a long-term agreement for. So, they are more likely to bring on generation at the appropriate time. In fact, it is a measure of what capacity is in the market that BHP originally chose to go to the market for a contract at present.

I assure the opposition that these are the sorts of demands that are far more likely to bring on investment than a simple disparate growth across the market, because it means that a new generator can sit down with BHP Billiton and say, 'We will write you a contract for a decade' for a big lump of power. It virtually underwrites, or totally removes, a lot of the risk of a generating plant. So, these projects are welcome, because they make the system easier to manage.

Mr VENNING: In relation to peak demand and the same line, as the minister probably knows, we have a standby generator in the Barossa Valley, which is practically brand new, and that is for peak demand.

The Hon. P.F. Conlon interjecting:

Mr VENNING: Yes, and it is very impressive. It is being used, but I wonder how successfully and how often it comes on. Secondly, are there any plans to increase the size of it in future?

The Hon. P.F. CONLON: In regard to private sector investment, we try to ensure that our market works as well as it can and sends the right signals. The planning council has made observations about whether those signals are absolutely right but, can I say that, if you went to any market in the western world, they would all be saying the same thing: it is a wonder if they have got their signals right to bring on new investment, because it is one of the most difficult things in any electricity system. Peaking is far easier, because those generators you are talking about, from memory, I think are little Cummins turbine diesels inside containers.

Mr VENNING: They are not little.

The Hon. P.F. CONLON: Well, they are little compared with the size of a big plant, but they are designed around supplying energy for about 5 per cent of the year. They can make money by supplying for 5 per cent of the year. The real challenge is to get your average demand closer to that peak, because you have to understand that, for them to make a return on their investment out of 5 per cent of the year, they have to sell electricity very expensively. My own view is that we would love them to run at 10 per cent, 15 per cent and 20 per cent and return less; then you do not have to over-build the network.

We are working very hard on what is probably the biggest problem in system management around Australia, and it is at its worst here, but one of the things we have done about that is mandated new energy performance targets in air-conditioning just in the past year or so. Airconditioning is the fundamental problem with the demand peak. Also, house design and the new planning rules make a difference. We would like the industry to run those energy audits that your friends used to criticise me for running (the low cost audits), because they make a huge difference. I just wish I had never given them a bloody door snake: it is the only thing anyone remembers. That is one of those times when policy is better than politics, because the politics would have been to take out the door snakes and no-one would have noticed the program. It was a very good program, and that was about one eighth of a per cent of it. But they are actually useful, believe it or not. Incidentally, I have a fully ducted evaporative air-conditioning system in my house, because of my concern for the peak demand and the environment.

Mr PICCOLO: I move:

That the time for the sitting of the committee be extended beyond 1 p.m.

Motion carried.

Mr VENNING: I appreciate what the minister just said, and I wonder whether enough has been done. It is probably a marketing area rather than your area, but has enough been done to encourage people to buy cheap power, and on those expensive days should they go to alternative arrangements and have their own generators? The minister has just talked about the grand scale, and it really ought to be promoted.

The Hon. P.F. CONLON: There is a whole range of things that we look at to try to assist. One very good thing is

the interruptable contract. You get a manufacturing concern that has a regular and maybe large demand, but, for instance, if glass manufacturers or smelters take off the power everything goes hard and the kiln buggers up, but some other businesses may be able to stand down for a day. So that is an option. In fact, that is what occurs when people refer to the reserve trader status.

When you face a big summer peak and are worried about demand you put in place a capacity to buy the energy. There is no reason, if you manage the system well, why you cannot find people more willing to do that to take the price of electricity rather than the cost of manufacture. They are very difficult things to run: embedder generation, distributor generation, combined cycle plants, co-gen plants and all of those things are an important part of the system. The important part is to get a system that rewards you for doing those things. The ETSA trial and cycling through switching off airconditioners have been very successful—people have not noticed it over a very hot summer.

Mr WILLIAMS: Demand side participation occurred on 16 January this year, when demand peaked. On that day 197 megawatts was supplied by wind and non-scheduled generation. What level of load shedding is achieved through demand side management, that is, what was the reduced demand achieved on that day and what is the potential load saved by existing willing participants? If there was an extended peak demand scenario, for example, three or four days of extreme weather, what impact might such demand side participation have on the state's economy? Of the 197 megawatts supplied over the scheduled demand, how much was supplied from wind sources and what percentage of installed wind generation capacity did this represent?

The Hon. P.F. CONLON: We have not as yet had demand shedding in South Australia. That was Victoria you are talking about. We did not do it.

Mr WILLIAMS: We had no demand shedding?

The Hon. P.F. CONLON: In the time I have been minister we have never had demand shedding through peaks running high. The only blackouts I can recall in peak demands in South Australia have come as a result of distribution or the transmission system having a failure.

Mr WILLIAMS: I was not talking about blackouts but about voluntary demand shedding.

The Hon. P.F. CONLON: Yes, but there has never been a need for it; we have never had it. Every year we have stories that we face shortages over summer, but there has never been one. We have never had to load shed because of a lack of capacity. It did not happen here, but it happened in Victoria. I recall that was the day the Snowy interconnect went down, so it was actually a system fault and not even a capacity fault.

Mr WILLIAMS: It is not the way I read the report.

The Hon. P.F. CONLON: Sometimes it is written for a region and it looks like it might apply. I took phone calls. I was in Dubai talking to a shipping company, and for those who watch the market that was the day when the price in Victoria fluctuated between \$10 000 a megawatt hour and minus \$1 000 a megawatt hour. The only people who took a hiding that day were the traders.

Mr WILLIAMS: Do we have a number of participants who are willing to participate in load shedding in South Australia?

The Hon. P.F. CONLON: This is a little argument we have been having with the AER at present about how you allocate capacity. We think they have it wrong, but I understand the AMC will correct that soon and we will be proved

to be right. Bodies like NEMMCO and the Planning Council try to forecast demand and establish a requirement for reserve capacity, which is usually around one of your big plants going out. You have to meet peak demand and cover a big generating plant going out. If you do not have that, NEMMCO, as it did one summer because of the delays in Laverton and Basslink getting on, goes to a reserve trade-up. It pays a lump of money to someone who uses a lot of capacity for the potential of being switched off, if necessary. The system management does that. It is not as simple as I am explaining it, but it is the best way to put it.

We are often critical of things. The system management in Australia has been very good; NEMMCO has done a very good job and the whole system of management has been very good. We have arguments about how you set reserves, and I think they have it wrong at present and we keep arguing with them, but it is contemplated in the system. It incurs a cost to the system for the potential of turning them off: even if it is not required they get paid for the potential. The retailer seeks to pass it through. It is an ordinary risk of doing business, but that is an argument for the regulator.

Mr WILLIAMS: I will ask a series of questions about wind power and its position in South Australia. The questions do not indicate support for or against wind farms: I am trying to find out your attitude and the impact they may or may not have on the security of power in South Australia. Scheduled demand peaked on 16 February at 2 862 megawatts. Less than 7 per cent of wind and other non-scheduled generation capacity was operating at the time. Why was the contribution of wind power so low, given that wind generation had peaked on 11 February at 284 megawatts?

The Hon. P.F. CONLON: I am not an engineer, but I guess that the wind was not blowing. Regrettably, peak demand occurs when it is very hot and sometimes when it is very hot there is not much of a breeze, which is the long and short of it. Wind is part of the approach for reducing emissions, but it cannot replace all our installed capacity. It reduces emissions year on year by making a contribution. In terms of system protection and as a regulator a couple of years ago we set exacting licensing conditions for wind power to make sure that they are not, to use the language of the market, capable of being scheduled. To overcome that there are strict licensing conditions to make sure they do not threaten the system.

You have to understand that the issue is not simply about their contribution to peak demand. It is also about their variability within the system. I do not understand this for a moment, but systems have to be run at a certain frequency and, when they fluctuate up and down, they can affect frequency. Our licensing system takes that into account, and you have to be able to meet those pretty strict licence conditions before you can build a wind farm. While we welcome their contribution to reducing emissions, we have to manage systems well, and I think that we have the balance very right.

Mr WILLIAMS: I refer to page 6.37, sub-program 5.1, energy policy. Information from the Energy Supply Industry Planning Council's draft report states that real data it has collected over the past couple of years confirms earlier assumptions that indicate that, for 95 per cent of the time, wind generators produce at least 5 to 6 per cent of their capacity. It reaffirms its earlier conclusion that only 7 to 8 per cent of installed wind power capacity can be counted on to contribute to peak demand. Does the government acknowledge the risk to electricity security occurring as a result of

the new wind farms being registered as scheduled generators, whereby their installed capacity counts as being available when, in reality, only a small percentage is likely to be available at times of peak demand?

The Hon. P.F. CONLON: Well, it is not actually, and I can run through it for you. It does not affect investment in peaking. As I said to you earlier, they require to get their money only 5 per cent of the year, and they read the Planning Council report, too. The council says that you cannot rely on it, and it will rely on schedulable peaking capacity. So, it actually does not affect peaking. Again, the proof of the pudding is in the eating, because we are bringing along peaking investment as it is required, and the system shows that.

Oddly enough, the people who will tell you that it hurts them are not peakers but the mid-merit generators, such as Pelican Point power station, which do not rely on running 100 per cent of the time, like a baseload; they rely on running 100 per cent at peak times and a lesser extent for the rest of the year—maybe at 40 or 50 per cent capacity. The ones who are hurt by wind power are mid-merit generators because, over the course of the year, wind will always dispatch because it does not have a fuel cost. If you say there is damage to anyone, it is to a mid-merit generator and not a peaker. It has just been pointed out to me that the two great expansions in investment that have come out of South Australia are wind and peak. Mid-merit is what gets squeezed by wind.

Mr WILLIAMS: The question is really about whether the government has any concern that these are being put in as scheduled generators, when their reliability is—

The Hon. P.F. CONLON: If you reckon you are hostile to wind power, talk to Malcolm Kinnaird at NEMMCO; it annoys him, because he does not like anything you cannot press a button and dispatch. The system does not rely on non-schedulable generation. It would be a bad system if it did, but it does not.

Mr WILLIAMS: But my understanding is that—

The Hon. P.F. CONLON: This gives me an opportunity to talk about something I did a couple of years ago when I approached the national electricity ministers council for new rules to be established within the market to deal with this issue because of the growth of wind. The rules of the National Electricity Market deal with that issue. All I can do is point to South Australia, where now something like 16 per cent of installed capacity is wind, and it does not cause any system management problems. As I said earlier, we have never had to go to load shedding, so the system is working.

Mr WILLIAMS: The existing wind farms in South Australia are unscheduled assets, whereas the new ones that are being installed at the moment will come online as scheduled.

The Hon. P.F. CONLON: Vince points out that it is to get the new wind farms into the dispatch system so that they can be taken into account not for the purposes of scheduling but to schedule other generators and take into account what they will be dispatching. The fact that you cannot schedule something does not mean that it will not be dispatched. Whenever NEMMCO schedules, it has to take into account who will be dispatched, and that is the only thing that applies to wind farms.

Mr WILLIAMS: What about meeting the reserve margins?

The Hon. P.F. CONLON: Reserve margins are a different thing altogether. In calculating what you need for

a reserve margin, it is quite reasonable to look at the past performance of wind and say that you can expect that sort of performance. You have to remember that the reserve margin sets a large factor in there, much bigger than the capacity expected from wind. It sets in there a reserve margin of, I think, a breakdown of the largest generator. I think that the reserve margin takes into account one of the Playford generators. It is a big lump of generation. You always have a big lump of reserve written into your reserve margin; wind will not affect that. The point is made that, for planning purposes (which is probably what you are referring to), they only take into account 7 per cent of their capacity when they examine what might be available, and that is as conservative as you could ask for. I think that South Australian wind farms operate at between 25 and 30 per cent on average; that is what they dispatch at.

Mr WILLIAMS: But not on those hot days, as you just said.

The Hon. P.F. CONLON: No, and that is why they make it 7 per cent.

Mr WILLIAMS: Have we come to a position where we have locked down a figure we would accept as a percentage of our total installed capacity that we would allow to be delivered from wind farms?

The Hon. P.F. CONLON: Our approach should be that you create a licensing system so that you do not get a licence unless you can prove that you will not disrupt the system and are prepared to take the risk of the system manager in what I would call 'constraining' you off. If they are prepared to take that risk, the system manager may have to constrain them off. However, we do not make an arbitrary judgment. What we do is set licensing conditions (or the regulator does) to ensure that the system will be managed and that the risk of system management falls on the non-schedulable generator. This is an intriguing conversation. It broadens the mind, does it not?

Mr WILLIAMS: Absolutely. Referring to the same budget paper—

The Hon. P.F. CONLON: One would think that estimates is a tutorial. What is going on?

Mr WILLIAMS: Issues have been raised by some of the people who report to you, minister.

The Hon. P.F. CONLON: The Planning Council does an excellent job. It is the best of its type in Australia. The new regulator would be well served to simply emulate what it does instead of trying to reinvent it. It does the best job in Australia—and you set it up, so there you go. Mind you, you had the best to set up a good planning council, did you not?

Mr WILLIAMS: I should quit while I am ahead, but I have a few more questions, unfortunately. Given what you have just said about the Planning Council, does the government share its concerns that, with the penetration of wind power into the South Australian market by providing a significant quantity of energy not matched by the sector's capacity during peak times, the wrong market price signals might undermine electricity security at times of peak demand?

The Hon. P.F. CONLON: I have learnt to worry about everything, especially in the energy sector. The Planning Council's role is to point to issues before they arise. So, when it does that, we take them into account. When the current licensing conditions that were imposed by the regulator were first made, it was through a very serious body of work with the Planning Council. If the Planning Council raises a concern, I always take it into account and we address it. The

truth is that I think that the concerns raised in recent times have been whether there are market signals for investment. It is wise to be concerned about those things. The proof of management in South Australia is that we have always responded to advice early, and the system has worked very well. The truth is that this is, I think, now the best operating market system in Australia. It is no credit to you, but we will not go over that again.

Mr WILLIAMS: I was going to ask where it came from, minister.

The Hon. P.F. CONLON: We fixed the dreadful problems you created.

Mr Venning interjecting:

Mr WILLIAMS: Yes, absolutely. We gave you something. Even if it needed fixing, minister, we gave you something that you could go away with.

The Hon. P.F. CONLON: I honestly hope, Mitch, that, in the run-up to the next election, we are out there arguing the merits of that privatisation again. You keep coming back as long as you like.

Mr WILLIAMS: We will be arguing the merits of private hospitals and private schools, because that is what you guys are doing now: you are selling everything that is still owned by the state.

The Hon. P.F. CONLON: Mitch, that is just not right. I am sure you have something else to talk about, because you know that is not right.

The CHAIR: Order!

Mr WILLIAMS: You are selling all the school land across the state, along with the prisons and the hospitals—there is nothing left. Minister, the Planning Council's draft report also notes that peak demand has been forecast using different methodology to the previous reports, resulting in a lower demand forecast of some 205 megawatts. Has the government reviewed the new methodology initiatives, and is it satisfied with the underlying assumptions?

The Hon. P.F. CONLON: I have been arguing with the AER about the methodology for some time. I have written a number of letters to it and my understanding is that the AMC may well change the rules in favour of the argument that I have put forward. So, once again, I have been on the ball and have got there ahead of the game. Thank you for asking. I am pretty sure you are talking about the methodology in estimating reserve capacity across regions and distributing it between regions.

Mr WILLIAMS: So, if we have blackouts we know who to blame, minister?

The Hon. P.F. CONLON: If we have blackouts I know who you will blame anyway, so it does not really matter.

Mr WILLIAMS: Minister, have you modelled what electricity prices would be needed in South Australia to ensure private sector investment in long-term baseload? I noticed again in the planning report that the 470 megawatt—I think it is—expected load for the Roxby Downs mine expansion is in fact near that stage, and there will certainly be a requirement for a significant increase in baseload capacity into the future if we get the projected expansion in the mining sector.

The Hon. P.F. CONLON: It is really simple. The price for baseload is below the existing average price, anyway. What is needed is not a price signal but a demand signal. The best I can say to you is that, when BHP was looking at the expansion, it was out trying to contract in the existing market, because it believed the capacity to meet it is in the market. If it was not, BHP would be out-contracting someone who

would use that contract as the basis to build baseload. It is kind of like the cart before the horse. It is not the price. The price is there for any baseload to make money if it could dispatch that price. The problem is that the demand is not there. The growth in peak demand continues to outpace the growth in average demand. Until such time as that changes, there will not be investment in baseload.

If you go to Pelican Point—and you should talk to those guys, because they are good guys. You can talk to anyone—they will talk to you. Go talk to Tony Concannon at International Power and get a private briefing about how much Pelican Point has dispatched. I do not want to talk about its business in public. It was dispatching a very low figure, but it is higher now. So, while that capacity is in the market and the demand is not there for it, you are not going to see baseload because people do not need it. It is pretty straightforward.

Mr WILLIAMS: I refer to the ETSU Utilities direct load control program, which I understand is still being trialled. Will you explain to the committee exactly what the program entails; how it expects to control or lessen peak load; and can consumers be assured that a strategy of phase imbalance is not being employed to deliberately trip multi-phase machines, such as large air-conditioners, in the system?

The Hon. P.F. CONLON: They are two separate issues.

Mr WILLIAMS: You can answer it as two separate questions, if you like.

The Hon. P.F. CONLON: I think we would prosecute someone if they did the second thing you suggested. It suggests they deliberately sabotaged their own system. I think they would be in breach of any number of licence conditions—which I do not have in front of me—if they were to do that. There are service standards which do not allow that. You are not allowed to do that. It is about the public good, and there is a regulatory system where you are not allowed to do things like that.

Mr WILLIAMS: I know that, but there are a lot of people out there who think it is happening.

The Hon. P.F. CONLON: It is the first I have heard of it. Have you heard of this suggestion before?

Mr DUFFY: There is no scheme for them to deliberately do it but, once a fuse goes on one phase, it can cause three-phase power to go. It is not a scheduled mechanism.

The Hon. P.F. CONLON: The suggestion is that they are deliberately blowing a fuse so that they can shut down their three-phase; is that it?

Mr WILLIAMS: There are a lot of people out there who—

The Hon. P.F. CONLON: I have never heard of that before today, I have to say.

Mr WILLIAMS: They certainly have been asking me, minister.

The Hon. P.F. CONLON: I have never heard of it before today. The technical regulator reckons they could not do it if they wanted to. I will take his word for it, because he speaks a foreign language to me. The other question to ask about is a scheme where, as I understand it, customers take a permanent reduction in the cost of their electricity on the basis that, when there is peak demand, they are prepared remotely to have some of the things in their home switched off for a short period of time over a one-hour cycle. It is an entirely voluntary trial, but my understanding is that the people who participated did not notice any difference in their comfort through it. I do not have the file, but that is just from discussion. If that is the case then it may well be a very

worthwhile program. I think it is a much more worthwhile idea than rolling out smart meters for everyone at a cost of \$150 million for no return, which some of the ideologues around the country want to do. We will resist that for as long as we can.

Mr WILLIAMS: I understand that you were recently (I think last month) at a meeting with ministers from other states where you received NEMMCO's final report on the potential drought impact on Australia's electricity supply.

The Hon. P.F. CONLON: That was the first one I have missed. Bad luck, but no cigar. That is the first one I have missed in five years, because I had a daughter being born that day.

Mr WILLIAMS: I quote directly from the final report which states:

Not all of the shortfalls predicted in this report are drought-related. The NEM forecasting processes are already forecasting generation shortfalls in Victoria and South Australia for the coming summer.

What is the government's reaction to that statement?

The Hon. P.F. CONLON: Of course, drought is a very difficult thing to predict. I can say that I am very pleased to see the rain; I think we are all in that position and are very pleased to see the rain. There are a couple of aspects of drought on prices and one is, of course, the availability of hydro. That will take a long time to be fixed, as I understand it. I am not an expert, but you are. In terms of recharge in the Murray system, it takes up to five years, so it will be in the longer term. A serious issue for the eastern states but not so much for us is the fact that they use potable water for cooling a lot of their generators, but we do not do that at all in South Australia. In South Australia it is almost outlandish to think that they do that, but they do.

In the past I have spoken to Theo Theophanous about solutions in the Latrobe Valley. My personal view is that solutions will be found and they will have a cost and those jurisdictions will have to pay the cost. We will not have to do that, because we do not do it here. All that we can do is monitor the solutions they are taking and make sure that the system operates while they are being taken. I have every confidence that that will be the case. However, I have to say that I am glad I am not the Victorian government, because it will be lumping up a lot of money for infrastructure in the future because of those issues. Ultimately, I think that will be a price borne by those regions as a cost of doing business. That study is going to be updated in August, so you will probably get a better idea of what the drought is doing. Things certainly are not as bad as they were when NEMMCO started doing this work. The long-term issue is the one I talked about (using potable water for cooling) and they all have problems, but it is not our problem, thankfully.

Mr WILLIAMS: But the NEM report suggested there are shortfalls approaching in South Australia.

The Hon. P.F. CONLON: Let us see what it says in August before we get too worried. I just stress that we have never had a capacity-related shortage in South Australia so, before we get too worried, let us see what it says in August. At the end of the day, if we have to go to a reserve trader then we go to a reserve trader, but it has never been a problem. I think the MCE is going to be recalled to look at it again in August.

Mr PISONI: In relation to highlights and targets on page 6.18 of Budget Paper 4, Volume 2, I notice now that, for four years running, we have had in highlights and targets the supply of safe, reliable and affordable electricity to 13 remote

communities. I am interested to know if it is the same 13 remote communities or whether this project is tackled in baker's dozens.

The Hon. P.F. CONLON: No, this is the long-standing Remote Area Energy Scheme, and I think it is the same 13 communities you used to operate. It has become more expensive because of the cost of diesel, but that is about the only change. It costs us more than it used to. I do not think we added one to this; I am prepared to guess that this is the same 13 remote areas that applied when you were in government.

Mr WILLIAMS: It has taken that long? Not much has happened in five years.

The Hon. P.F. CONLON: That is a bit harsh. We put piped water onto Andamooka, and that is a big outcome for the locals: \$50 million out of my budget for him.

Mr WILLIAMS: The solar ray generator has been operational for at least two or three years.

The Hon. P.F. CONLON: I do not think we built those, did we?

Mr WILLIAMS: No, the commonwealth did, at \$20 million.

The CHAIR: Any further questions?

Mr WILLIAMS: I have heaps, Madam Chair. Minister, if you answer them quickly—

The Hon. P.F. CONLON: I can tell you what the centres are, if you want. They are: Blinman (a lovely place), Cockburn, Glendambo, Kingoonya, Manna Hill, Marla, Marree, Nundroo, Oodnadatta and Parachilna—and I have visited at least eight of those places—plus the privately owned Andamooka and Yunta, and Coober Pedy. Do not start me on Coober Pedy, and not only on the RAES scheme; they bought themselves a new generator a few years ago that did not work and we had to replace it all. Anyway, they are lovely people up there and well worth it. Just tell them not to buy any more secondhand generators.

Mr PISONI: Are there any plans for the region involving more communities?

The Hon. P.F. CONLON: There are criteria to be met, and you have to meet those criteria. I am surprised that Graham Gunn is not here asking about those ranges down there, the southern Flinders—what do they call them?

Mr Williams interjecting:

The Hon. P.F. CONLON: No, the little place on the road to Yunta, near Bimbowrie. I cannot remember. You have got to meet criteria, and the centres that are growing are not really those centres that would grow into meeting the criteria. The ones that are growing are the ones that are already beyond it and are probably on grid. But do not worry: we are spending a lot more money than we were three years ago because of the cost of diesel.

Mr WILLIAMS: Minister, there are only a couple of topics which I want to cover, and if you can give me short, quick answers I will be quite happy and we might get an early minute. The first question is about the interconnects. I understand that the MurrayLink is operating well below capacity because of other issues in Victoria and southern New South Wales.

The Hon. P.F. Conlon interjecting:

Mr WILLIAMS: I should not have mentioned Murray-Link. My main question is about the Hayward interconnect. The Hayward interconnect, I understand, has a 460 megawatt capacity. What is the net capacity to get power from the South-East, given that we now have considerable generation capacity there with significant wind farms at Lake Bonney

(Canunda) and the Ladbroke Grove Gas Plant? Is it fact that the net import of energy up those two lines from the South-East to Tailem Bend—I think they terminate or come to a substation at Tailem Bend—is only 460 megs that we can get up those lines, or can we add the generation capacity from the South-East to what can come through Hayward?

The Hon. P.F. CONLON: Good question. We would have to get that information from ElectraNet, the system owner. I could not tell you. You could have about five different answers, I am told. We will check the information with ElectraNet and let you know. I do know that it has just added a 132 kv line down there, or they are in the process—

Mr WILLIAMS: That is an internal, from Snuggery back to Mingbool, which is being constructed as we speak.

The Hon. P.F. CONLON: I have got to say that I do not know every metre of the transmission system.

Mr WILLIAMS: I am surprised, minister. What have you been doing? What do you do on the weekends?

The Hon. P.F. CONLON: I do not know; it is very slack. It took me years to learn how to count the little insulators to tell how big the line is. It is two for every insulator and then add a zero or something—I cannot remember.

Mr WILLIAMS: They only come in certain sizes. They are not that difficult to distinguish. This week, as I alluded to earlier, we have seen gas shortages in Sydney. Is South Australia's gas supply secure into the medium and long-term future?

The Hon. P.F. CONLON: One of the things we did with Barry Goldstein is that we did a lot of work on that for the next decade, and it is very secure for the next decade. You have to understand that the issue with New South Wales, as I understand it secondhand, was that it was simply three very cold days and high gas use—

Mr Williams interjecting:

The Hon. P.F. CONLON: I have got to tell you that my understanding—having learned intimately about the national gas transmission and distribution system when Moomba blew up—is that they cannot get a very good line pack; they cannot get as high a line pack in their line as we can. They probably could cure it by adding compressors—I do not know; I do not know the engineering—but it was simply a matter of three unusually cold days running down the line pack, as I understand it. It is not an issue that there was not enough gas going in at that end: it was simply that gas pipelines are a bit different from water pipelines. You cannot compress water, but you can compress gas, and the capacity of a pipeline is related to its size but also to the amount of compressor stations along the way and how much you compress it. I do not know the engineering, but a pipe has to be of a certain strength to bear compression. My understanding is that there were three extraordinarily cold days and they ran down the line pack. Ours are very good.

Mr WILLIAMS: But the long-term security?

The Hon. P.F. CONLON: Long-term security is very good.

Mr WILLIAMS: And the declining supplies in Moomba and the Cooper Basin?

The Hon. P.F. CONLON: It comes back to a question you asked earlier, and I do not want to take too long on it. If we had a greenhouse policy there would be more gas coming ashore and the logical place for a central hub for a transmission system in Australia is Moomba, because it connects, as is, all the gas pipelines in the eastern states and it has the big Ballera pipeline in Queensland. The future for the Cooper Basin, even if the gas was fully depleted, is that it would be

a hub for the national transmission system. You might well see Queensland coal seam methane coming back down the Ballera line into Moomba and then consequently out to New South Wales. My own personal view is that what you need is a pipeline from PNG, the Timor Sea or the North-West Cape going down to Moomba, and I think that will happen one day.

With SEAGas we have a supply that comes from Victoria out of the Bass Strait fields and we have that one from Moomba. We are certainly more secure than we were before the SEAGas pipeline was completed—and we had better be, because we generate all our electricity with it. I think there will be a huge growth in the gas industry in Australia over the next two decades because of electricity generation and carbon costs, but that is a personal view only. Current supply is to 2020 so—let's face it—I can retire and it will be someone else's problem then.

Mr WILLIAMS: Contracts are in place only up until 2013 or something; is that right?

The Hon. P.F. CONLON: If you really want an exciting afternoon I will get these guys to explain the difference between contracted gas and supply gas—but I recommend against it.

Mr WILLIAMS: Your body language has already told me that. I think he is talking about you, Jim.

The Hon. P.F. CONLON: You ought to meet Barry Goldstein—no offence.

Mr WILLIAMS: Minister, are you still satisfied that sufficient storage capacity is both available and being used by fuel companies supplying the South Australian market? Does your government believe that independent fuel retailers are operating in a competitive market?

The Hon. P.F. CONLON: You had better ask a marketing expert about the second one; as you said earlier, I am just a simple man so I will take the simple questions.

Mr WILLIAMS: I did not say that.

The Hon. P.F. CONLON: The storage capacity is there, if the oil majors use it. I have never understood the oil industry and how it works because it seems to me that if it were truly competitive they would not be where they are; they would go out to one of the deep berths we have created in a 14.2 metre channel and run big ships and make it more efficient. However, that does not seem to be the case. Is it competitive? I do not think so, and I do not know how it works. Have they got enough storage? Yes. Can I make them behave themselves? Even George Bush cannot do that. As the graph here will show you, the storage issue does not have any effect on pricing; it is better than the Sydney and Melbourne average. That is not something you hear very often, but it is.

Mr VENNING: This is an important question, and the minister would know the line. It is in relation to the single wire distribution system throughout the state that was put in by the Playford government in the 1950s. It is now privately owned—I presume by ETSA. The trouble is that much of it is now nearing the end of its safe useable life, particularly in the south-east of our state with corrosion problems.

The Hon. P.F. CONLON: Single wire?

Mr VENNING: Yes; they run around all the farms. Under a 'user pays' system, these poles and wires could never be replaced because the consumers just could not afford to put them there. Does the government have any long-term plan or alternative to replace this system in the years ahead?

The Hon. P.F. CONLON: We do not own it, so we would not replace it.

Mr VENNING: Therefore, the government does not have any contingency at all? Because it is privately owned it is—

Mr Piccolo interjecting:

Mr VENNING: I am just highlighting a problem.

Mr Piccolo interjecting:

Mr VENNING: It does not matter; the government is still—

The Hon. P.F. CONLON: Because we are nicer people than you we have imposed obligations on ETSA to continue to supply and meet service standards. However, this is just part of the world you have introduced. Go and try to build a house somewhere that is not close to a distribution line and see what they want to charge. Once you give it to people to make a profit with, that is what they are going to do; they are not going to run at a loss for anyone. It is just an inevitable outcome of privatisation.

Mr VENNING: This is a question we are going to have to ask. It is going to come back in the next 10 to 15 years.

The Hon. P.F. CONLON: Well, what you are pointing to is something we said would occur. We said that you would privatise the profits and socialise any loss.

Mr VENNING: Well, that is on the record; that is fair enough.

The Hon. P.F. CONLON: We said it at the time; we said that is what you would do.

The CHAIR: There being no further questions, I declare the examination of the vote completed.

[Sitting suspended from 1.35 to 2.30 p.m.]

Membership:

Mr Hamilton-Smith substituted for Mr Williams

Additional Departmental Advisers:

Ms J. Carr, Executive Director, Department for Transport, Energy and Infrastructure.

Mr K. O'Callaghan, Executive Director, Land Services & Services SA.

Mr P. McMahon, Acting Executive Director, Government ICT Services, Department for Transport, Energy and Infrastructure.

The CHAIR: I refer members to the Budget Statement, in particular pages 2.13 to 2.15, and Appendix C, and Portfolio Statement, Volume 2, part 6. Does the minister want to make a statement?

The Hon. P.F. CONLON: No, Madam Chair.

The CHAIR: Does the Leader of the Opposition want to make an opening statement?

Mr HAMILTON-SMITH: No, Madam Chair. I understand the minister has had a quiet morning, so let us get straight into it.

The CHAIR: Does the Leader of the Opposition have some questions?

Mr HAMILTON-SMITH: Yes, I do, Madam Chair. I refer to Budget Paper 4, Volume 2, page 6.42. Can the minister advise the status of the ICT contract and what savings and additional cost the government now expects?

The Hon. P.F. CONLON: The first thing to say is that it is not a contract; it is contracts—a large number of individual contractual arrangements. I think it is already in the budget that there is an annualised saving of \$30 million across government at present, and that is a pretty fair outcome; and we believe that, with some qualifications, more may be achievable. The qualification we have is that we have

been very successful in lowering unit costs, but the growth in the actual number of unit costs seems to eat away at some of our success. However, we think \$30 million is a very reasonable outcome to date.

I guess I could run through the highlights. The total value of all contracts let to date is approximately \$550 million, and I will run through what we have done since December 2006. A contract has been let for client computing desktops, notebooks and server equipment for a three-year initial term, with lower unit prices compared with the previous contract. In January 2007, we distributed computing support services (I will leave out who the contractor is, but I can provide that information if the member wants it), with a three-year initial contract from January 2007 and with significant like for like savings; a GRN extension in May 2006, with a three-year initial term, which has given us improved value out of that previous contract; an ISP arrangement from April 2006, with a three-year initial term with a 50 per cent reduction in unit price; and mainframe computing services for an eight-year term with a slightly lower operating cost compared with the previous contract but with a 60 per cent increase in capacity. All of these are very good outcomes.

Other contracts include the following: managed network services from April 2006, which are cost neutral but with improved value; messaging, a two-year contract from December 2006, with a lower unit charge compared with the previous contract; our Microsoft contract from June 2005, with lower unit prices; Novell, a two-year term from October 2005, with lower prices; PABX equipment, a three-year term from August 2006 that is cost neutral but with improved value; PABX maintenance, a two-year contract from November 2005, which is similarly cost neutral but with improved value; printers and photocopiers, a three-year term from January, with lower unit prices compared with retail; and threat management and protection, with a three-year initial contract from 2007 and with lower unit prices.

Basically, that is \$550 million worth of contracts, with an annualised cost of \$169 million and an annualised saving of \$30 million—and we are continuing to work to see whether we can achieve that. We have a number of things coming up that we believe will lead to greater efficiencies, including trialing by some major participants of a managed operating environment and making our agencies more interconnected, which will allow us to realise efficiency and which will fit hand in glove with what we are doing with shared services reform.

Membership:

Mr Griffiths substituted for Mr Pisoni.

Mr HAMILTON-SMITH: Can the minister confirm the number of tranches, or component parts, or contracts, that comprise what was the EDS work? You rattled through a number of them, and I want to confirm the number. In particular, I would like to know, in regard to the savings you say you have identified of \$30 million, the baseline figure that you have used to determine that there has been a saving of \$30 million? I gather that is a figure based on the EDS contract?

The Hon. P.F. CONLON: No, that is not right. Even with the single contract, EDS does not provide all the ICT services. The savings are measured across government expenditure, on ICT services; that is the base line. So the \$169 million annualised is against the existing costs of all those agencies lumped together and what they spend on ICT.

The thing is that the EDS contract came about at a time when IT was a very different thing. In fact, it is no longer referred to as IT but is referred to as ICT, because of the merging of communications technology into IT technology. It is a good question, because those things are not always easy to disentangle in an agency's costs, but it is what the view of that cost is. The \$30 million will be recovered in agreed shares between agencies against the existing spend that they have. So, it is not a notional saving but a real saving.

Mr HAMILTON-SMITH: The \$550 million is over what time frame?

The Hon. P.F. CONLON: It is a bit hard to give it to you in a simple way, because the cost we are talking about is the cost of contracts. Most of them are three year contracts, and they have different start and finish dates, so we have to try to give you an annualised figure across government out of all those contracts. I probably have two numbers in front of me and I am not certain which to give you, so I might take that on notice and give it to you. I think the other question was how many contracts there are?

Mr HAMILTON-SMITH: How many tranches, or contracts?

The Hon. P.F. CONLON: Again, it is not straightforward. You cannot compare like with like, because a number of these contracts are for services that tend to merge from what was old IT and what was communications technology. For example, a phone in the old days would have been in the phone category and a computer in a computer category, but a BlackBerry is now basically in the ICT category. So, it is not a straightforward question of saying what you used to spend at EDS and what you are going to spend in the future. I think the best way would be to try to work it up and give it to you. So, if you want to be really specific about what you would like to know, I will get my officers to work it up and do it as specifically as we can.

Mr HAMILTON-SMITH: Where I am heading is this: the government is claiming savings on this process, and an annualised figure of \$30 million has been given. I want to know what it was costing us when we had the arrangements with EDS and, now we have broken those arrangements into a range of contracts, how many contracts we have, and what the costings are today.

The Hon. P.F. CONLON: We will try to do that, but I stress that the new contracts are for a range of services that would not have been contemplated in the original EDS contract. The way I know we get \$30 million in savings—and I assure you that is not against the EDS contract but against these services that are purchased across government—is to look at (as best we can, because it is not easy) what agencies across government spend on IT and ICT services. Then we work out, and I think we are pretty conservative and generous with them, what the lowered unit costs and a range of these services have been and come to a conservative figure. The reality of that saving is that it is then imposed on agencies on an agreed basis. So, each agency will have a lower allocation from Treasury for these services as a result of what we have done. It is not a mythical saving: it is a real saving that comes out of allocations to agencies.

Mr HAMILTON-SMITH: So, are you happy to take that on notice?

The Hon. P.F. CONLON: Yes. We will try to break it up. There are three main contracts associated with the old EDS contract. There is distributed computing, mainframe, of course, and managed network services. In terms of distributed computing services, there have been significant like-for-like

savings over the previous contract. In the mainframe computing services, there has been a slightly lower operating cost but with 60 per cent increase in capacity. So, the saving there is not simply against that line but is greater than \$30 million, because of the increased capacity in what we are doing, and we would have been paying more for that. Lastly, managed network services are cost neutral but have improved in value. They would be the three main components of the old EDS contract, one of which is still held by EDS.

Mr HAMILTON-SMITH: The reason I raise it is that all of this was the subject of an Auditor-General's special report some years ago, as you would recall, and when savings are claimed the committee does need to be confident that we are dealing with oranges and oranges or that we have a measure of what you are describing. So, I would appreciate whatever additional information can be provided.

The Hon. P.F. CONLON: For the fullness of the record, we have just had to sign the EDS building contract again at a further loss to the state as a result of the arrangements entered into, so I can provide you with a copy of that also.

Mr HANNA: My question is also in the ICT area, but it is about disposal rather than procurement. I understand there is a smart state PC donation policy approved by cabinet. To what extent was that policy complied with in the last financial year and to what extent will it be complied with in the coming financial year?

The Hon. P.F. CONLON: We will try to get the information. It is not run by us. The surplus is run agency by agency, and I think the program is managed by the Office of Volunteers. We can tell you what some of our agencies have given away, but we will get the information from across agencies. I am sure the Office of Volunteers runs the program, so we will try to get it.

Mr HAMILTON-SMITH: Is EDS or any part of it likely to leave South Australia as a result of the new contracts and breaking up of the original contract? Are any announcements forthcoming that the minister is aware of?

The Hon. P.F. CONLON: It certainly has not been indicated to us. We have signed the mainframe contract and a PC system with them, so they have a fair interest in being here. With the opportunities that are around in South Australia at the moment, it is a very good place for a company like EDS to be. There is a lot of high-tech manufacturing coming on stream. In conversations with EDS it has never expressed that view, and we have a keen interest in maintaining a decent relationship with EDS so that any disentanglement works without loss to the state, and we are all pleased with it so far. The relationship, given the major change for the company under a single contractor to a multiplicity, is one that we had concerns about in relation to disentanglement, but the relationship has been strong and we have not suffered difficulty. It is all pretty hunky-dory. We just renewed its lease, but it had us over a barrel on that one.

Mr HAMILTON-SMITH: I refer to Paper 4, Volume 2, page 6.42. Of the people now involved in the department administering the various contracts, directly or indirectly, how many full-time equivalents are involved in administering the outsourced contracts in ICT now, and are the costs associated with maintaining those people part of the equation in determining a \$30 million saving?

The Hon. P.F. CONLON: Certainly they are part of the equation in across the board savings. The projected savings are conservative. You have to understand what goes on across agencies. While we can recognise \$30 million, when it comes to dividing it up not all agencies are as enthusiastic as others

about coughing up their share, and that is human nature. In terms of the question about full-time equivalents, we were doing procurement only, but changes in DAIS contract management have come over too.

Mr DUFFY: Within the whole of government group of managed contracts, currently about 17 FTEs manage the current contracts. They are changing from singular vendors, like the EDS arrangement, to multiple vendors. In terms of numbers, no extra staff are being brought on to manage the increased number of vendors, and within the central group that contract management function will remain. It may be reviewed over time as the arrangements change in the amount of administration required to manage the contracts, but there has been no increased staff in the central function to maintain those contracts over time. These are the guys who were with DAIS but who are now within DTEI. I do not know the exact numbers, but it is about 17 people. In FTE terms it may be around that number. They continue to manage and administer the contracts put in place. There will be more contracts under the new models and more administration, but not any more people to do it; it will be done more efficiently.

Mr HALLION: The other side of the equation is that the department is a big user of these services, and that is relevant. There is no change in staff as we have moved from the ITSSD contract with EDS into these new arrangements. Within our own corporate area IT support that supports the staff of the rest of the department, there is no change, either.

Mr HAMILTON-SMITH: How many people are engaged in the whole business of engagement with IT and ICT in DTEI? How big is the bureaucracy that is now required to keep a grip on procurement, administration and a lot of what was formally done by EDS?

The Hon. P.F. CONLON: The key feature is that it is no more than it was before. The trouble about asking these questions is that you have to be clear about what you are asking. If you are talking about how many in agencies work in IT or ICT, it is a very blurred idea. There are no more now than there were before the EDS contract. The EDS contract was good for its time. There were side issues we did not like about it—and I refer to the building and the loss we took on that—but, in terms of where we were at the time, the EDS contract was a good contract. You have to understand that when the Liberal Government first wrote this we did not have the internet, and that is how much the world has changed.

It is hard to believe that, when the first EDS contract was written, we did not have the internet. Since that time, miniaturisation and the multiplicity of tasks that are now done by mobile phones, BlackBerries and those sorts of things, have changed dramatically. What the EDS contract did was set up the basic infrastructure to go ahead. It set us up with the mainframe capacity and the fundamental infrastructure to go into the 21st century.

We have talked to people all over the world about this, and the next challenge is how you take the infrastructure we have and, in terms of services, use what is available in the marketplace out of that infrastructure to make government more efficient. That sounds simple on the surface, but the complexities and the opportunities are enormous. What we have in government at present is something like 30 networks operating out of that infrastructure, and that is better than many governments have. In fact, those networks protect themselves against each of the other networks in terms of information sharing, and it is all the same government. That is not unusual; in fact, that is the very ordinary state of affairs in government networks. A couple of jurisdictions around the

world, such as England and a couple of states in America, have, through managed operating environments, managed to get a reduction in the number of networks and more appropriate information sharing between networks. There are some pieces of information that should not be shared between some networks and some that should.

The real driver of this contract is neither industry development nor setting up the infrastructure; it is how we take the infrastructure we have and purchase the services that make us the best, most modern government and give good service delivery to taxpayers. That has been the focus of this, as well as taking advantage of changing costs in a rapidly changing environment. Part of it will be to drag unit costs down in some areas because we are making systems better. You drag unit costs down and the number of units used go up but, above all, there are efficiencies. We have tried to ensure that what we do with this works in with shared services, with very close communication, so that, with the infrastructure we have set up out of quite a good contract, you can actually achieve very good services for running efficient government. I have to tell you that we are at the cutting edge of this, because very few jurisdictions in the world have done it well so far.

Mr HAMILTON-SMITH: When this disaggregation was entered into, the thrust was that it would be more efficient and that we would save money. You have argued the case that there has been \$30 million of savings. I must say that I am not encouraged by what I am hearing—that we can follow the money to prove and establish that \$30 million of savings.

The Hon. P.F. CONLON: I am not here to encourage you. I am here to answer your questions, not to have you sit in judgment on it.

Mr HAMILTON-SMITH: The house provides you with the money, minister, so the house has some—

The Hon. P.F. CONLON: That's right—and I have reduced the money.

Mr HAMILTON-SMITH: Yes, you have done a pretty good job of wasting a lot of it, but we will get onto that—

The Hon. P.F. CONLON: Sorry—tell me, where is that?

Mr HAMILTON-SMITH: We will get onto that.

The Hon. P.F. CONLON: No, where is it? Where have I wasted money?

Mr HAMILTON-SMITH: We will get onto that next, if you do not mind.

The Hon. P.F. CONLON: Where is it?

Mr HAMILTON-SMITH: Would you like me to start with the Northern Expressway or—

The Hon. P.F. CONLON: Sorry, no. How much money have I spent on the—

Mr HAMILTON-SMITH: We will get onto the next budget line, Madam Chair. We are happy to do that.

The Hon. P.F. CONLON: I have just got to tell you, member for Waite, that I have sat here with reasonable people all day long, and I have sat here with you for 15 minutes before you start pulling your silly stunts and picking an argument.

Mr HAMILTON-SMITH: Let me just say—

The Hon. P.F. CONLON: If you want an argument, we will have an argument; if you don't want an argument, don't make stupid, throwaway comments.

Mr HAMILTON-SMITH: Frankly, the past 20 minutes to me have sounded like absolute dithering from you, minister. You have not got a clue how many subcontracts you have entered into. You are saying you are getting \$30 million worth of savings. You cannot substantiate—

The Hon. P.F. CONLON: No, I will answer your questions. Here we go.

Mr HAMILTON-SMITH: You have been getting advice from everybody. You do not seem to have a clue on what you are talking about.

The Hon. P.F. CONLON: Madam Chair, can you call—

The CHAIR: Order, member for Waite!

The Hon. P.F. CONLON: Madam Chair, I am going to—

Mr HAMILTON-SMITH: It sounds like a load of nonsense.

The Hon. P.F. CONLON: This is the new Leader of the Opposition.

Mr HAMILTON-SMITH: And a very old shadow minister for infrastructure.

The Hon. P.F. CONLON: Ten points for aggression and no points for thought. Here is the list of contracts: mobile telephone services with Optus; website hosting and system enhancement with Chimo/Deloittes; and Bizgate application support and enhancement with Chimo/Deloittes. I will give you the values, too. Mobile telephone services, Optus, \$7 million; website hosting and system enhancement, Chimo/Deloittes, \$220 000; Bizgate application support and enhancement, Chimo/Deloittes, \$200 000; desktops, PCs, notebooks with Acer, Dell, Hewlett Packard and Volante, \$38 million; DCSS, EDS and Volante, \$48 million; PABX maintenance and support with NEC, \$900 000; PABX components and handsets, NEC, \$200 000; PABX supply and services, NEC, \$1.2 million; internet services, Internode/Agile, \$940 000; and printers and photocopiers, Hewlett Packard, Canon, Fuji Xerox, Kyocera Mita, and Ricoh, \$20 million.

For mid-range services (the vendor is Sun), the contract value is \$3.46 million; the mainframe contract with EDS, \$12.3 million; managed network services with Dimension Data, \$12 million; threat management and protection with Dimension Data, Computer Associates, and McAfee, \$1.67 million; government radio network with Telstra, \$15.5 million; telecommunication services with Telstra, \$33 million; SAGEMS (South Australian government electronic messaging service) with Telstra, \$4 million; anti-spam with Telstra, \$400 000; Microsoft select agreement with Microsoft for \$4.5 million; Microsoft services agreement with Microsoft for \$1 million; Microsoft enterprise agreement with Microsoft, \$6.2 million; Microsoft SA government strategic services framework with Microsoft, \$400 000; HRMS (human resource management services) with Frontier, \$1.2 million; software with Novell MLA, \$1.22 million; software with Trend microlicence agreement, \$600 000; software, Trend microlicence agreement support, \$60 000; software with Information Builders master agreement for Webfocus, \$35 000; software, Ingres Corporation end user licence agreement, \$100 000; and Motorola mobiles supplier, Motorola, \$122 000. We are fully aware of every contract we sign, I can assure the member for Waite.

I did not want to waste the committee's time by reading out a list of contracts because I think it is a waste of time but, since you seem to have some doubt as to whether or not we know who we are contracted with, I thought I would clear that up for you.

Mr HAMILTON-SMITH: It sounds to me like a contract, that you once told the chamber was in the order of a billion dollars, or an amount of revenue around a billion dollars was required to service the entire amount—I think in answer to a question in the house—now seems to be \$550 million worth of work over a different time frame. You

are claiming \$30 million of savings. It seems to me that we need the Auditor-General, or someone, to independently review this entire process because we have nothing other than what we have heard in the last 20 minutes to assure members—

Mr PICCOLO: I have a point of order. Is this a question or a statement?

Mr HAMILTON-SMITH: I am asking for an independent review of this entire process.

The Hon. P.F. CONLON: I assure the member for Waite that the Auditor-General does review government agencies.

Mr HAMILTON-SMITH: I think this particular project needs to be subject to—

The CHAIR: Do you have a question, member for Waite?

Mr HAMILTON-SMITH: Will the minister agree to the Auditor-General's revisiting this process—as he did earlier in a special report to parliament—and conducting a thorough review of the outsourcing process to ascertain whether or not there has been a net loss or a net gain to the taxpayers?

The Hon. P.F. CONLON: I assure the member for Waite that we have a very different view to the Auditor-General than the previous government. We do not believe the Auditor-General is our servant. He or she does not do what we tell him or her to do. He or she does what he or she thinks fit. This is such a typical approach. Savings of \$30 million are not being paid to agencies for these services.

Mr HAMILTON-SMITH: You claim that; it has not been established.

The Hon. P.F. CONLON: Madam Chair, if the man could exercise some courtesy. If you do not believe the \$30 million is real savings, you should go and talk to the agencies because they have to cough it up. They do not like it, but they are coughing up \$30 million in savings, because they are savings. If you believe that making \$30 million in savings is a bad thing, I cannot really help you. However, I will say this: I will compare and contrast the \$30 million in savings that we are making out of this with the last time you were in government and had something to do with these contracts—and that was, of course, the same EDS contract.

Just this week we have had to negotiate a new contract with EDS for the building it is in. If you remember, John Olsen decided to attract EDS to South Australia. I would have thought giving them a massive contract would be sufficient attraction, but a purpose-built building was built for EDS and the government took a loss on the rent, and we basically underwrite the head lease. Let me tell you what that loss is today. In 1999 premier Olsen advised the house that we would bear the risk of extraordinary cost ranging from \$5 million to \$14 million over the 15-year term of the head lease. I can tell the member for Waite that we are currently halfway through that head lease. EDS is now in a position to renegotiate the terms of its lease. We are over a barrel because of the original agreement, and the best that we are able to do is to pick up the predicted costs, not of \$5 million to \$14 million but, in fact, \$15.6 million.

So, from your political grave, you are costing the taxpayer \$15.6 million to secure a company that would have been here anyway, and it is just one of three that have gone belly-up in the last little while. You want to compare that to us saving \$30 million a year by these contracts. I say to the member for Waite that I am very proud to put our record on EDS and ICT contracting up against yours. Yours is a \$15.6 million loss to the taxpayer; ours is a \$30 million savings every year.

Mr HAMILTON-SMITH: If you want to go back, we can go back to your \$11.5 billion loss in 1993 from the State Bank. You did brilliantly then too, Pat.

The CHAIR: Member for Waite, you are here to ask questions, not make comments.

Mr HAMILTON-SMITH: So, if you want to talk about the past, we are happy to talk about the past.

The Hon. P.F. CONLON: I think your past is probably brighter than your future.

Mr HAMILTON-SMITH: How clever. I can see why so many people are leaving your department, minister.

The CHAIR: Member for Waite, do you have another question? I know the cameras are here, but—

Mr HAMILTON-SMITH: There is no point. We are obviously not going to get any answers on ICT, so we may as well move on to land services. We pretty well have had gobbledegook so far.

The Hon. P.F. CONLON: Stop behaving like a juvenile. I have answered every question and I have read the list of contracts out to him. Please, what is the question that is not answered, member for Waite? What is it?

Mr HAMILTON-SMITH: You simply have not justified or explained your \$30 million saving.

The CHAIR: Member for Waite, ask your question.

Mr HAMILTON-SMITH: We are just talking around in circles. We will move on to land services. I refer to Budget Paper 4, Volume 2, page 6.51. Given the statement in the budget papers that forecast growth for 2007-08 in the property market will see Land Services Group services in high demand, what implications will this have on the cost to government in the form of FTEs?

The Hon. P.F. CONLON: I can help the member for Waite. There was no full-time equivalent growth; they work more efficiently. In fact, we reduced the waiting time dramatically in the Land Titles Office just recently, without full-time equivalent growth.

Additional Departmental Advisers:

Mr W. Gibbings, Chief Executive, Land Management Corporation.

Mr M. Buchan, Chief Financial Officer, Land Management Corporation.

Mr HAMILTON-SMITH: I refer to Budget Paper 4, Volume 1, page 3.33. How much money has the LMC provided to government over six budgets, in terms of dividends or payments?

The Hon. P.F. CONLON: With the greatest of respect, I think if you had read the past six budgets you would probably know that.

Mr HAMILTON-SMITH: I thought, as minister, you might know that.

The Hon. P.F. CONLON: We come here fully prepared to answer all of your questions on this budget, but your first question is: what happened in the past six budgets? It is not my job to help you to think of questions about this budget. We will find out for you what the return has been over the previous six budgets, but please forgive me if I thought we were going to be talking about this budget.

Mr HAMILTON-SMITH: All right, let us talk about this year. On the same page, page 3.3, the Land Management Corporation budgeted a dividend of \$28.3 million (almost \$28.4 million) for 2007-08. It is listed on this page. Last year's budget for the LMC dividend was \$63 million, and this year's budget reveals that the dividend estimated for 2006-07

is \$43 million. There is a bit of a discrepancy between those figures. Can you explain that discrepancy?

The Hon. P.F. CONLON: There will always be differences in timing of estimated returns because, in the business these guys are in, it is quite often a question of getting land to market. If that land goes to market later rather than sooner it is going to make a difference in timing as to revenues. They are in a very solid business. They take land to market and they make returns from it. Wayne might want to tell you why there is some difference in timing. What you can be assured of, though, is that what is not returned one year (if land has not gone to market or if the joint venture has not paid them) will pay later. That is simply what happens.

Mr GIBBINGS: There were two major reasons: one was that a transfer that was anticipated to the Port Adelaide Maritime Corporation was not effected, and will be effected in the next financial year; and the other one was that the Mawson Lakes Joint Venture was anticipating a potential sale of the town centre but the executive of the joint venture decided to defer it, and that will be considered in the coming financial year.

Mr HAMILTON-SMITH: This is on the same budget page and reference. Many concerns have been raised by the development industry about the Land Management Corporation's policies in regard to the release of land. The feeling in the industry is that the LMC is operating in the marketplace almost as a business controlling and/or containing land and selling it at pumped-up prices, rather than providing land for development for urban growth. This is a view that I am sure they have expressed to you, minister, as they have to us.

The Hon. P.F. CONLON: I think they put it more elegantly than you. The complaint of developers who come to see us is not that the Land Management Corporation has not released land but that it has acted as a developer in its own right. Of course, there is a long history of that. One of the projects that I gave some of your colleagues credit for earlier today, when I spoke about the Mawson Interchange, was the Mawson development where, of course, the LMC was and still is (from memory) a joint venture partner with Delfin Lend Lease. That has been a very good project for South Australia. I congratulated the previous government on it.

That is the sort of behaviour that land developers do not like the government engaging in. Their primary complaint is, as I say, not land release; their primary complaint is that we should not develop it at all. Your comment that we release it at pumped-up prices is quite extraordinary. We release land to the market and the market pays the market price. We are not going to do anything else. In particular, we are not going to release land cheaply so that private developers can make more money out of it. That is quite a bizarre suggestion. We do not release land at pumped-up prices; we release land to the market in a timed way and pay market prices.

I have made it very clear to the development industry what our role is and will be in the future. The truth is that South Australia has a very buoyant economy and, just today, we see that new housing is leading the nation. There is big demand. There is money to be made by the developers and so they want our land to make money from. That is not surprising.

Dogs bark (and sometimes leaders of the opposition bark as well), and land developers want to make money out of developing land. Our policy is this: we release land in a timely fashion according to our planning strategies and the South Australian Strategic Plan. We prefer not to be a developer but to release the land, all things being equal.

However, we reserve the right, where a social good is to be pursued (or some other policy of the government), that cabinet can direct the LMC to be involved in some other way. That has been very successful. It has been successful for us and, I hasten to point out, it was also very successful for you at Mawson Lakes. I suggest that, on this occasion, you should not side with the property developer but with the taxpayer.

Mr HAMILTON-SMITH: Homeowners, developers and many others in the community are very concerned about the cost of land in Adelaide. Land here is very expensive at the moment. In fact, our competitive position, relative to other states, is declining in regard to the cost of land. One way to relieve that cost is to release more land, make more land available. The government has a double-whammy in place with an urban growth boundary and the LMC holding land which is not released. I will come to the urban growth boundary in a minute. The net effect of that is to push up land prices.

Will the minister tell me why a Victorian Labor government and a Queensland Labor government see the need for a 20 to 30-year plan for urban growth, which identifies growth corridors, but this state government, through the LMC, seems to have a three-year plan for land? We understand that it is rarely met. We seem to have a short-term view here.

The Hon. P.F. CONLON: Not true.

Mr HAMILTON-SMITH: Do we have a 20 or 30-year plan for the release of land to allow for development, to allow for young people to get into homes, or is there just a two or three-year plan?

The Hon. P.F. CONLON: I do not know where you get your information from. It is like the information about all those people leaving the Department of Transport; you just make it up as you go along. The truth is that we have a 12 to 15-year plan for land release and we change it as demand occurs. I assure the Leader of the Opposition that what is happening to drive up land prices in South Australia is a strong economy and a confidence that has not been seen for years. There was a period when land prices actually fell in South Australia, and that was during the term of the previous Liberal government. If you think that that period of falling land prices was better for South Australians than what is happening now, it is no surprise you are in opposition.

Not only do we release land, and I have the list here for 2007-08, I point out that the minimum growth boundary restricts the LMC as much as anyone else because we have a diminishing stock of land as well. We have now released 28 hectares at Blakeview, 63 hectares at Evanston South in October-November, work is to commence at Playford North in August-September, and at Blakeview, I think, we have released some land for housing, and also at Seaford Heights. I have also asked the LMC to review—I mean, this is like making criticisms with no information, just based on the complaints of some greedy property developers—our land holdings and see whether we can accelerate some land release, if the market environment will take it.

It is one thing to have a 30-year plan, but if you had a 30-year plan that was made in South Australia in the middle of the 1990s you would not dream of releasing this land because you had falling prices and no-one wanting to buy it. The truth is that you do have long-term plans, but you have got to adjust them to changed circumstances. The changed circumstance is this in South Australia: we have a buoyant economy with a bright future and a lot of confidence. So, I have asked

the LMC to review the land release to see whether it should be accelerated.

If we do release it to those people it will be on the basis that they develop it and do not sit on it, because we are not going to release land to developers for the purposes of speculation and driving the price up. We do not do it; we release land in an orderly fashion. They argue that there should be some more: well, I have asked the LMC to examine it and see whether we should not put them to the test. But I will tell you this: if they get land from us, they had better be developing it in a timely fashion.

Mr HAMILTON-SMITH: I ask the minister: how much land do you presently hold and how much has been released in the past 12 months?

The Hon. P.F. CONLON: In 2006-07, 135 hectares were released. We hold approximately 950 hectares within the urban growth boundary and, for various reasons, we hold about 590 hectares outside of that boundary. We have released, in the current program, about 200 hectares. That is before it is accelerated. You must understand that 200 hectares out of 900 does not leave a lot of land bank for the South Australian government. We are seeing strong economic conditions now in South Australia, much stronger than we have seen in my lifetime. In about four to five years a number of major projects are cutting in full swing and they will really drive this economy, including the resources sector. My view is that if we can release more land that is developed, not land that is held by property developers but that is developed, it will drive even stronger growth in the economy before that four or five-year period. So, we are the greatest enthusiasts for releasing land for development.

Some of my best friends are property developers, but I can tell you that there are property developers who know that there is a great deal of money to be made at the moment in South Australia and they would like to be making more of it. Well, good luck to them, but I have a bigger interest in whether they can make as much money as they can. We have a bigger interest; we have the interests of the taxpayer. We have asked the LMC, and this was several weeks ago, from memory, to examine whether we can accelerate land release for the purposes of development and not for speculation, and I think that is a good thing.

Mr HAMILTON-SMITH: What are the next parcels of land then that you expect to release and, in particular—

The Hon. P.F. CONLON: Blakeview and Seaford Heights, I think.

Mr HAMILTON-SMITH:—have you seen the Conner Holmes report, prepared on behalf of the Urban Development Institute of South Australia, which says:

The LMC should accelerate the release of broad hectare land in a range of market niches in the north and south of metropolitan Adelaide.

The Hon. P.F. CONLON: I must say that the predominance of our land is, in fact, in the north and south. We probably thought of it before the UDIA did. There is the land we talked about before: Blakeview (now released) is in the north, Evanston South is in the north—Evanston North is not in the south, I hasten to point out—and Seaford Heights is in the south. Nearly all of these land parcels are north and south now. There is very little inner land. The 45 hectares left at Northfield would be the only inner land, I think, and when the prison is rebuilt there will be some more land available there, but the land that we have available is north and south. While I do not always agree with everything the UDIA says, on this

occasion not only might it be right but we have acted ahead of its Conner Holmes Report.

The CHAIR: Before we proceed, I need to inform the member for Waite that we are talking about transport, energy and infrastructure, administered items for the Department of Treasury and Finance. The proposed payments open for examination are in the Budget Statement, in particular pages 2.8 and 2.9, and Appendix C in the Portfolio Statement, Volume 1, part 3. I think the member for Waite has been operating from a different timetable to what we have.

Mr HAMILTON-SMITH: Does the government have any plans to review the urban growth boundary, and do you accept that the urban growth boundary, combined with a slow rate of release of land, pushes up house prices and makes things difficult for first home buyers? Will you review the urban growth boundary or are there no plans to move it or review it?

The Hon. P.F. CONLON: First, the responsibility for the urban growth boundary falls within Planning, so if you want a conversation about it I will give you a conversation. Urban growth boundaries are incredibly important to make sure that development occurs in a planned way. I had not known that it was the policy of the opposition not to support an urban growth boundary, and I would be disappointed and quite shocked if it did not, because uncontrolled development is not a good outcome. These days we often suffer for past uncontrolled development, having to follow up and chase infrastructure. The truth is that there should always be an urban growth boundary. Should it be reviewed from time to time? Yes, but you do not move it every time someone decides that is inconvenient, otherwise there is absolutely no point to it.

There are some real pressures on urban growth boundaries and they should be identified and acted upon, but the notion that it should be pushed out because people believe there is more money to be made if they do that is not acceptable. That would take us back to the uncontrolled development of the past that no-one does any more. We have developments on flood plains and we have developments where there is no infrastructure because development did not happen in a planned fashion. So I support an urban growth boundary, but I have no doubt that the planning minister will review that from time to time as proper considerations apply.

Do I believe that the urban growth boundary is driving up house prices? I believe what is driving up house prices in South Australia is the fact that people are making more money than they used to and that their economy is better than it used to be as a consequence of having more confidence in the future than they have had for years. It is not just me saying this; go and read *The Advertiser* a few days ago or read Bank SA's reports. Confidence in the state is the highest it has ever been, because people have the revenue, they have the economy, and they have the confidence, and they are going out and buying houses—lots of people are buying houses. At present, and for the first time, South Australia leads the nation on new house approvals—and I think the figures were released today.

An honourable member interjecting:

The Hon. P.F. CONLON: Well, lower interest rates apply across Australia, but South Australia is leading them. We also have migrants coming to South Australia instead of people leaving; for the past two years we have had more people moving in than moving out. What is driving house prices is the fact that this is a better place to be than it has been for decades, and we do not take that for granted. I assure you that I would rather be in a state where house prices are

being driven up by success and confidence than in one in which land prices are dropping out of depression and lack of hope. That is the difference between what was happening in the 1990s under the Liberal government and what is happening now. Having said that, I have no doubt that I am going to hear about the State Bank again, because the State Bank is like the last resort of the scoundrel. However, I will just say that I am much happier living in a state where house prices are going up because people have incomes and are confident about the future than I would be living in a state where land prices fell because of depression.

There is always a price to pay for success, and there is no doubt that one of the prices for success lies in land prices. I ask the Leader of the Opposition to make a trip to Perth in Western Australia to examine the history of land prices there. I also have a quick quiz for him: what don't they have in Western Australia?

Mr HAMILTON-SMITH: I am not here to enter into a quiz, Madam Chair.

The Hon. P.F. CONLON: I will answer for the honourable member, since he does not know. They do not have an urban growth boundary. What they do have in Perth are the highest rising property prices in Australia—so maybe it is not the urban growth boundary; maybe it has been the success of the economy over there. I can say this: if we get the rest of the stuff that goes into Western Australia then we can afford a few higher house prices as well.

Additional Departmental Advisers:

Mr R. Hook, Executive Director, Office of Major Projects and Infrastructure.

Mr M. Palm, Senior Adviser, Budget and Investment Strategy.

The CHAIR: The committee is now considering lines under the Office of Major Projects and Infrastructure. Minister, do you have an opening statement?

The Hon. P.F. CONLON: No.

Mr HAMILTON-SMITH: I would like to make some opening comments. I think infrastructure stands out as a weakness in the budget, to say the least. The minister's problem is that he does not have an infrastructure plan; he has an infrastructure discussion paper that does not tell people what will be done, when it will be done, how it will be done or how much will be spent doing it. That is the bottom line. The budget also acknowledges a blow-out in the minister's fabled South Road/Anzac Highway underpass, with the admission that the government has to build a \$28 million overpass for the tram. The government was told that would be the case but it refused to listen, and now it is a \$118 million project plus \$28 million, which pushes it up beyond \$140 million. The minister also has not yet sorted out with the commonwealth how he is to pay for the Northern Expressway. I am sure he is hoping that, with a federal election looming, John Howard will ride to the rescue.

The Port Road/Grange Road project remains unrevealed. A small amount of money has been allocated but we do not know what the whole project is to cost. Again, we have no transport plan, although I heard the Premier on radio this morning saying that we did have a transport plan. Well, we do not, because the minister, or his predecessor, threw it in the bin when it was in draft form.

On top of that, we have projects emerging that not in either an infrastructure plan or the State Strategic Plan, yet they get the go-ahead and are built, such as the tramline down

North Terrace and King William Street which sprang out of nowhere. Now we have the Marjorie Jackson-Nelson Hospital, which, coincidentally, does not appear in the State Strategic Plan or the infrastructure plan either. We are now being told that this minister and this department will now, as I understand it (and I will quiz this out), guide the Marjorie Jackson-Nelson Hospital forward.

I will ask the minister some questions about that, and he can tell us what role he will take. However, his friend the Treasurer said that the minister would be pretty heavily involved in it, which, given the other blow-outs, does not fill me with a lot of confidence, when you consider that the Northern Expressway blew out from \$300 million to almost double that, and the minister has now revealed in parliament that it could go beyond \$550 million. If the Marjorie Jackson-Nelson Hospital is coming in at \$1.7 billion, what will that be? Twice or 50 per cent more? Infrastructure needs something very simple, that is, a plan and a program; Queensland has one but this government does not. What the government calls an infrastructure plan just about everyone now acknowledges is not a plan, and a transport plan would be very, very welcome.

My first question relates to Volume 2, page 6.15. Why is the government resisting a 20-year infrastructure plan and program that goes beyond the current narrow purview of the government's plan—or so-called plan—and why does the government not have a transport plan?

The Hon. P.F. CONLON: This is going to be fun.

Mr HAMILTON-SMITH: It certainly is; I have been looking forward to it all year.

The Hon. P.F. CONLON: I will just touch on a couple of points that have been made, such as that this is a budget of failure for infrastructure. The budget contains the single largest increase in infrastructure spending in the state's history. Let me run through the complaints in their order. There is no 20-year plan and, apparently, the opposition would make one. Before we go any further, I am going to put my hand on a few documents about the opposition and 20-year infrastructure plans. The first one I want to go to is a 1999 document from Dean Brown.

Basically, what Dean Brown promised in 1999 was a rolling five-year infrastructure plan—not 20 years but five years—and we have never seen one. What the Leader of the Opposition now says is that we need a 20-year plan; five years was not enough. What I have said to the Leader of the Opposition is that we have set out the biggest infrastructure spend in the state's history. We do have an infrastructure plan, and I will come back to that in a moment, as soon as I can find the appropriate documents. The infrastructure plan contained some of the things we would do, and we have done them. The opposition calls for a 20-year infrastructure plan, but it will not draw one up. The Leader of the Opposition will not take a view about what the infrastructure should be. He says that I should have a plan. I actually have an infrastructure plan.

Mr HAMILTON-SMITH: You have the resources of government and you are failing to use them.

The Hon. P.F. CONLON: We have the resources of government. When we were in opposition, we wrote policies and won an election with them by telling people what—

Mr HAMILTON-SMITH: What transport plan? You did not have a transport or infrastructure plan in 2002. It was a blank page.

The Hon. P.F. CONLON: The Leader of the Opposition needs to stop telling us how to do our job, because we are

going all right with it. If there is one revolving door in South Australia, it is the Leader of the Opposition. Before the leader concentrates too much on the beam in his neighbour's eye, he should—

Mr Hamilton-Smith interjecting:

The Hon. P.F. CONLON: You need to calm down, Marty. You need to just rein it back in and have a cup of tea. You are getting very red there, Marty. If the Leader of the Opposition wants a 20-year infrastructure plan, he should write one. Dean Brown said, 'A five-year forward infrastructure program will be released each year.' We have never seen it. The leader says he would have one, so he should draw one up. One of the problems the Leader of the Opposition will have in drawing up a 20-year infrastructure plan is that the opposition cannot keep the same policy for six weeks.

I referred earlier today to the greenhouse emissions policy. We brought a bill to the Legislative Council with an emissions target that the Leader of the Opposition said was too weak and needed to be improved. Then he went off to see John Howard and came back and said, 'It's too strong and we need to get rid of it.' The opposition cannot keep a policy for six weeks, but it can keep a 20-year infrastructure plan! More importantly, in 12 years and three successive elections, the former Liberal government promised to extend the tramline to North Terrace.

Mr Hamilton-Smith interjecting:

The Hon. P.F. CONLON: Calm down. If the—

The CHAIR: The member for Waite will allow the minister to finish.

The Hon. P.F. CONLON: Could the hysterical Leader of the Opposition just be quiet for a moment? Okay, they did not promise it three elections in a row; they promised they would look at it. So they promised it and looked at it and said it did not work. Then, four years later, they said, 'I know, let's look at the tram line again for four years,' and then did not build it. And then they said, 'Let's look at the tram line again for four years,' and did not build it. And, do you know what? After all that, and opposing it, do you know what is happening? He now likes it. I heard him say so on the radio. These people cannot keep a policy for a week, yet they are going to give us a 20-year infrastructure plan! If you believe that, I have a bridge to sell you that does not belong to me. Okay, let us come to this man's failings—

Mr Hamilton-Smith interjecting:

The Hon. P.F. CONLON: Why don't you just allow people to speak for a moment, Marty? You had a preamble that was lengthy and wrong, and we sat through it, so just let me speak.

Mr HAMILTON-SMITH: You are not answering the question.

The CHAIR: The honourable member will allow the minister to finish.

Mr Hamilton-Smith interjecting:

The CHAIR: Well, the member for Waite had his opportunity, and he will have more opportunities for questions.

The Hon. P.F. CONLON: Two years ago, we produced an infrastructure plan. Let me run through some of the things we said we would do in the infrastructure plan. We said that we would deepen Outer Harbor to 14.2 metres. And I will mention a minor thing: Victoria has been trying to do it for a decade and has not achieved it. Two years ago we said we would do it. Rod, have we finished that?

Mr HOOK: Yes.

The Hon. P.F. CONLON: We have. We have deepened Outer Harbor to 14.2 metres. We added two overpasses to the Port River Expressway. We have completed a deep sea grain berth for the benefit of the member for Schubert and his compadres. We are building two crossings over the Port River. We are upgrading rail on LeFevre Peninsula. We are building a world-class port, and I will get the information on the new shipping lines that are now coming into Port Adelaide because of the work we have done.

I have some letters that were written to me about the infrastructure plan—the plan that we do not have. The first states:

I would like to congratulate you on the release of the SA Strategic Infrastructure Plan. The council is pleased to note an increase in state funding for transport infrastructure and, in particular, the focus on facilitation of export freight.

That is from Vincent Tremaine, Chairman, SA Freight Council. Another letter says:

The government, and in particular the Hon. Patrick Conlon—I have to agree—

the Minister for Infrastructure, are to be congratulated on the plan. It is pleasing to see funding commitments made by the government for key projects upon release of the plan. . . the plan sees the largest investment of this type in South Australia for a number of years.

That is from Councillor John Legoe, President of the Local Government Association. Also, it is 'a major step forward for the state', according to Helen Nugent. The next letter states:

I congratulate you on releasing South Australia's first State Infrastructure Plan providing a blueprint for development in SA, and on spending more than \$300 million to integrate road, rail and shipping infrastructure at Port Adelaide, which will significantly help the competitiveness of export industries.

That is from Martin Hernen, Executive Officer of the South Australian Marine Finfish Farmers Association. Also, there is this letter:

A welcome strategic step which augers well for your state's future.

That is from Peter Taylor, the Chief Executive of Engineers Australia. And also this letter:

We believe that this is an excellent document for the people of South Australia and for the construction industry in particular. We welcome not only the quality of the document and its clear enunciation of infrastructure policy but also the identification of, and commitment to, a very wide range of much-needed projects.

That is from Chris Michelmore, Regional Managing Director of Connell Wagner. The next letter states:

The Mid North Regional Development Board would like to congratulate your government for creating a strategic infrastructure development plan for the state.

That is from Mark Goldstone, Chair of the Mid North Regional Development Board. Also, there is this letter:

Congratulations on the release of the strategic infrastructure plan for South Australia. For our company, as a major private sector provider of public infrastructure, it is extremely encouraging to study the plan. . . we are particularly heartened by the way in which your government is intending to work with the private sector, encouraging and rewarding innovation, combined with the much-needed reform of procurement practices.

That is from Darren Foster, Managing Director of Bardavcol. And the next letter states:

Council welcomes the release of the Strategic Infrastructure Plan for South Australia and commends the state government on this very significant initiative.

That was from the former Liberal candidate for the seat of Adelaide, Michael Harbison, the Lord Mayor of Adelaide. There are more, but I will just read this last letter. It states:

Business SA congratulates the Rann Labor government on the long-awaited release of the Strategic Infrastructure Plan for South Australia. . . in particular, I acknowledge that the plan represents a shift towards a more strategic and holistic approach to investment in infrastructure and encompasses a whole-of-government and whole-of-state approach in identifying and prioritising infrastructure requirements.

That is from Peter Vaughan. Of course, Peter Vaughan is a regular supporter of the government—I think he supported us in this budget for the first time in a very long time. He is from Business SA.

The South Australian community knows and values what we are doing. We introduced the South Australian Infrastructure Plan a couple of years ago. A project in it that Melbourne has not been able to achieve in a decade we did in that time. It is completed, it is operating, and it is building South Australia's competitiveness. Flinders Ports recently announced it has been able to secure three new shipping services to the port of Outer Harbor since the Outer Harbor shipping channel was deepened in late 2006. This is a direct result of what we set out to do, and it is a direct dividend for South Australia. The grain terminal will make our grain exports more competitive.

The Leader of the Opposition referred to the Northern Expressway and said that I have wasted money; but I will explain to the Leader of the Opposition that no-one in the department of transport has done anything to make the Northern Expressway cost more. That is not what occurred. What occurred is that an estimate was made that was wrong. Not a dollar has been spent. What I would say, and what I have said to your colleagues this morning, is: if you do not believe the Northern Expressway is a good job and does not stack up to \$550 million, we do not build it. However, we have looked at it and it does stack up. It costs what it costs. It is regrettable that estimates were wrong, but no person—not a single person—did a single thing wrong to make it cost more. It was only that they underestimated what it would cost. Having got a proper estimate now, we believe it is still an outstanding project, and so does DOTARS.

Let me go further and say this: not only have we got the biggest infrastructure spend in South Australia's history going on, not only are we doing that, but also we are going to the commonwealth, with the South Australian Road Transport Association, the RAA, the South Australian Freight Council and the Committee for Adelaide Roads, with the same approach for an increase in AusLink funding. And the one thing we can say to the commonwealth is this: if you put your money in, we spend it productively, because we have already spent our money, and we are showing that and we are doing it. We are the first government to tackle the north-south corridor—the first government ever. All that we get from the Leader of the Opposition is a desperate hope that it will cost more than what we say. That is all we get from him. This is a very difficult job. It is a very difficult and worthwhile—

Mr HAMILTON-SMITH: You never seem to deliver.

The Hon. P.F. CONLON: Never seem to deliver? Of course—

Mr HAMILTON-SMITH: You never cease to deliver.

The Hon. P.F. CONLON: Never cease to deliver? Of course, the Bakewell Bridge project is outstanding and has gone well, and I could read some letters from people about how good that project is. We have even got people now congratulating us, and Rod Hook should be congratulated, on the speed with which we have done the tram project. It has been delivered in an outstanding fashion. We delivered the

deepening of Port Adelaide at a bargain basement rate. We are delivering bridges over the port on time. If we want to talk about people and their estimates for costs and all of the nonsense we hear, let me tell you what we got when we came to government about the bridges over the port. Do you know what was funded in your budget for those bridges? Nothing! Zero! Because, apparently, they were going to pay for themselves through a toll.

That was so laughably wrong. When we examined the tolling options and worked through them, it was not even worth putting on a toll to recapture part of the cost. Talk to me about estimates of cost! You had two bridges you were going to build for free. You told us before the last election that you would duplicate the Victor Harbor road for \$130 million. That is not a priority of the Freight Council or the South Australian Road Transport Authority, but you said you would do it for \$130 million, even though what we are doing on South Road is the first priority of the RAA, the Freight Council and SARTA. You were going to duplicate the Victor Harbor road for \$130 million.

The RAA was out there saying it still wants it—you have one friend, because the RAA wants it—but it is not on our priority list. It was out there saying that it would cost north of \$350 million but that it is worth doing. I heard a rumour lately that, when you plucked a figure out of the air for redoing the RAH, some of your colleagues were not happy—we were told that quite a few were not happy. Let us get serious. We are building more productive infrastructure than the state has seen in its history. We are doing that because the state has the brightest future it has had in its history. The resource sector is enormous, the freight challenge is growing, we are breaking records for new housing approvals and everything is going right and we want more to go right. We are happy to accelerate land release because we want more to go right. However, when you set out to build things and make estimates ahead of time, it is a difficult process. We have improved dramatically our capacity to do that because we are doing more big projects than we have done for years. Our capacity in the department has been bolstered and strengthened to make accurate estimates.

There is one way you can avoid any difficulties with these projects, and that is to not build anything. You built a one-way expressway—and we will examine whether that came in on budget, which I suspect it did not—and you got Laurie Brereton to build you a tunnel in the hills, and that was your entire capital works after nine years in government. Since coming to government we have balanced the budget every year. That is the fundamental starting point. The budget was never balanced under the previous government. It has been balanced every year—

Mr Hamilton-Smith interjecting:

The Hon. P.F. CONLON: It is always our debt, but they sold ETSA in 1999 but could not balance the budget in 2000, 2001 or 2002. We have the same books and receipts and have balanced the budget every year since. By balancing the budget for six years, we now have a capacity to borrow to build productive infrastructure, which is what we are doing. The Majorie Jackson-Nelson hospital is absolutely central to reforming one of the biggest imposts on all governments and taxpayers in future: making the health system work properly and efficiently for people is about making sure our children can have as good a health service as we have. If you want to get real and if this bloke wants to get real, you have to look at 9 per cent growth in health costs against 3.5 per cent growth in revenue, when it is already a 30-year budget, and

do some simple sums. I know he did an MBA. I remember him questioning people on the Economic and Finance Committee in the old days and what good use he put it to.

Coming back to the point, if you do not build things you do not take this risk. South Australia is at the crossroads of the best place in its history. Building infrastructure is the most important thing we are doing and we are borrowing as much as is prudent to do that—not more—and balancing the budget, and this is what states need to do.

Mr HAMILTON-SMITH: Moving to the Northern Expressway, why has the minister been unable so far to negotiate an outcome on the Northern Expressway with the commonwealth, thereby holding up certainty as to the funding arrangement? When do you expect that deal to be done, and has the total package for the next year been resolved?

The Hon. P.F. CONLON: We expect it to be done soon. We have not held up—we have been talking and talking to the commonwealth. We have never had any indication of bipartisan support with the commonwealth. The only thing I heard from you is that we should pay for the extra. You said that, if the commonwealth will not pay it, South Australia should. That is such a marvellous bargaining position for me to take up there. I can see Mark Vaile and say, 'Look, you've got to give me \$250 million more and, if you don't, I'll pay it.' We are in the closing stages of those negotiations.

We hope to keep the 80/20 arrangement for a good reason. We got 80/20 in the first place because we committed our state funds to the South Australian AusLink corridor. We hope to get 80/20. There is a chance the commonwealth will not agree—it owns the money, after all. The commonwealth does it out to us guys and we never get a fair share. We hope to get 80/20. If we get 70/30, that means we will still do the Northern Expressway as it is a fantastic road, but it means we will not be able to do as much on South Road—it is as simple as that. You cannot spend money you do not have. No-one has done anything to make the road cost more. No-one has regretted more than me that the original estimates were wrong. No-one has made a mistake to make it cost more—this is simply what it costs.

When we go off to the commonwealth we say that this is the return we get for this. The return we get for it is moving freight more quickly in a growing economy, and the returns are very big. At \$550 million it is a very good road. We hope to close it soon, and if we do not get everything we want we have to deal with it. There are some outcomes where we would not be able to build the road if the commonwealth does not come to the party. If it does not agree to 80/20 but agrees to 70/30, we believe it is an important road and we will still build it, but it means we will build less of our infrastructure or build it later, because you cannot spend money you do not have.

Let us get over this nonsense and the snide remarks about me or anyone in the department wasting money, because no-one did anything to make this cost more—they did not estimate the cost right in the first place. If they had, it would still cost \$550 million. That is the point I am trying to get through to you. Let us get off to the commonwealth; why do you not support us? I hear that your colleague, the member for Wakefield, got over it three months ago and called on the commonwealth to fund the road. Why do not you do something for South Australia and help us with the commonwealth instead of trying to torpedo it every time I turn around?

Mr HAMILTON-SMITH: Do I take it from your answer, minister, that, given that you have just said that you

will not be able to spend as much on South Road, if you do not get the 80:20 funding mix on the Northern Expressway the underpass at Port Road/Grange Road will either not proceed or be permanently shifted off into the never-never?

The Hon. P.F. CONLON: Can I say that something not proceeding or permanently being shifted off to the never-never is probably the same thing.

Mr HAMILTON-SMITH: You might just program it off and say, 'We'll do it in five years.'

The Hon. P.F. CONLON: My struggle with you, and with a few of your colleagues today, is that I tell you what I know and think, and then you try to put the Babel fish in your ear and try to interpret it into Marty-speak. What I have said to you is what I have said to you: we are committed to the north-south corridor, but you have to understand our budget settings. We will balance the budget, and we will only borrow for capital that amount which is prudent. That is how you run your financial responsibilities. If we have to put money somewhere else, it delays being able to spend it there.

Mr HAMILTON-SMITH: So—

The Hon. P.F. CONLON: No, it is not 'so'. I am telling you what I am saying. After this, you can go out and do a press conference and tell them what you think I said but, while you are in here, I will say what I am saying and not what you think I said.

Mr HAMILTON-SMITH: Are you acknowledging that the Port Road/Grange Road underpass is at risk if you do not get the 80:20 mix of funding for the Northern Expressway?

The Hon. P.F. CONLON: No; we are committed to the north-south corridor. We can only spend money as it becomes available. I cannot be more honest or more clear with you. I cannot spend magic money. Against my better judgment, I have kept a record of everything the member for Waite has ever said, so the folder is big. We added it up, and it runs into billions and billions of dollars. That is the difference between being in opposition and wanting someone else to create a 20-year infrastructure plan and actually being in government and having to build infrastructure. What you do in government is spend only money that you do have and can have and is prudent to spend. You do not spend money you do not have, and you do not fund every project because it makes you feel good.

The truth is that we address priorities, we address the greatest needs in South Australia, and we spend as much as we can on that capital. That is what our capital program is all about. I heard the opposition describe \$115 million of railway re-sleeper as 'maintenance'. As I said before, if \$115 million is maintenance, when they knock down *The Advertiser* building and build a new one, that is routine maintenance, too, because it is only \$80 million and, let's face it, they will have only one building at the end of it. You have to get real in this business. We are spending all we can. We are committed to the South Road project. But understand this: if you succeed in your endeavours with the commonwealth to dud us, we cannot spend the money we would have got from the commonwealth for that, and we cannot spend somewhere else. It is simple arithmetic.

Mr HAMILTON-SMITH: Well, we are not going to get an answer on that one.

The Hon. P.F. CONLON: If you do not understand it, I am happy to go through it again.

Mr HAMILTON-SMITH: I have asked you twice about the Port Road/Grange Road underpass. You have constantly said—

The Hon. P.F. CONLON: And I said no.

Mr HAMILTON-SMITH: —that you will not have money to spend on other projects.

The Hon. P.F. CONLON: No; we are committed to—

Mr HAMILTON-SMITH: You are just dancing around the question.

The Hon. P.F. CONLON: No; we are committed to it. What it does mean is that the money may not be available until later. I do not understand—

Mr HAMILTON-SMITH: Okay.

The Hon. P.F. CONLON: Well, Marty, understand this: what would you do? Would you spend money if it was not there?

Mr HAMILTON-SMITH: I am asking the questions.

The Hon. P.F. CONLON: Because you do not have an answer.

Mr HAMILTON-SMITH: You are not answering them; that is the problem.

The Hon. P.F. CONLON: You want me to spend money I do not have. What would you do?

Mr HAMILTON-SMITH: When you are back in opposition, we are happy to oblige you any time you like.

The Hon. P.F. CONLON: I have to say, mate—

Mr HAMILTON-SMITH: One of the problems of being a minister is that you have got to answer questions. Try to answer them, Pat, just try.

The Hon. P.F. CONLON: You are going red again, Marty.

Mr HAMILTON-SMITH: Nowhere near as red and flushed as you, Pat. I do miss you, Pat. You are my favourite minister, you really are: the minister for stuff-ups. Now, let us get to the Northern Expressway.

Mr PICCOLO: On a point of order, Madam Chair.

The Hon. P.F. CONLON: No; he is rude and discourteous, but that is all right. We can live with him.

Mr HAMILTON-SMITH: You are expert at being discourteous, Pat.

The Hon. P.F. CONLON: His new approach to opposition is aggression, aggression, aggression and storming the entrenchments.

Mr HAMILTON-SMITH: You are expert at being rude. You got duded on the education cuts in caucus, didn't you? You got duded on those.

The CHAIR: Member for Waite, do you have another question?

Mr HAMILTON-SMITH: Yes, I have a question.

The CHAIR: Good; could you ask your question, please.

The Hon. P.F. CONLON: Education cuts?

Mr HAMILTON-SMITH: I refer to Budget Paper 4, Volume 2, page 6.50.

The Hon. P.F. CONLON: How many of them were unhappy when you plucked that figure out of the air, Marty?

The CHAIR: Minister!

The Hon. P.F. CONLON: You know what I am talking about.

Mr HAMILTON-SMITH: Yes, that little beagle boy group of ministers in caucus. It did not work too well on the education cuts, did it? You got rolled.

The Hon. P.F. CONLON: What I have I got to do with education cuts, Marty?

Mr HAMILTON-SMITH: Yes, they got rolled in caucus. Somebody is listening to their constituents, by the sound of it; not you, Pat.

The Hon. P.F. CONLON: Marty, Marty, Marty, you are a desperate man. Education cuts! You are attacking me with education cuts. He will be barking in a minute.

Mr HAMILTON-SMITH: You are a desperate and foolish man. That is your problem. He cannot add up.

The CHAIR: The Leader of the Opposition will have less time to ask questions. If he wants to ask questions, ask them; if not, let us go out and have a cup of tea.

Mr HAMILTON-SMITH: I am trying to ask a question, but he keeps trying to play the court jester.

The CHAIR: Could you get on with your question, please.

Mr HAMILTON-SMITH: I am happy to ask a question.

The CHAIR: Well, ask it.

Mr HAMILTON-SMITH: If he will just take off his red nose, stop blowing his whistle and stop being a clown, I will ask the question.

The Hon. P.F. CONLON: Peace, Marty, peace.

Mr HAMILTON-SMITH: Have you finished?

The Hon. P.F. CONLON: Peace.

Mr HAMILTON-SMITH: Very good.

The CHAIR: Ask the question.

The Hon. P.F. CONLON: One, two!

Mr HAMILTON-SMITH: Has he finished making a galah of himself, Madam Chair? Can I go onto the question?

Mr RAU: Take two!

The Hon. P.F. CONLON: Take two. Come on, Marty.

Mr Piccolo interjecting:

Mr HAMILTON-SMITH: Now Tony Marmalade has chipped in. Is that it?

The CHAIR: Will you ask the question; if not, I will ask the member for Morialta if she would like to ask a question.

Mr HAMILTON-SMITH: I would be delighted to ask a question, Madam Chair.

Ms SIMMONS: I think that I was just named to speak. I refer to—

Mr Griffiths interjecting:

Ms SIMMONS: No; the chair just invited me.

The CHAIR: I asked you to ask a question, member for Waite, but you took such a long time that I asked the member for Morialta to ask one.

Ms SIMMONS: I refer to the 2007-08 capital investment statement, Budget Paper 5, page 27. I notice that the budget makes provision for an overpass to take the Glenelg tram over South Road. How does this project fit with the priorities for transport as set out in the government's infrastructure plan? What progress has been made in delivering the plan?

The Hon. P.F. CONLON: As I said earlier, progress has been very good on delivering some of these key priorities. As many here know, the first project being delivered on South Road is the one under Anzac Highway, which was rated the No. 1 priority by the RAA, the Freight Council and the South Australian Road Transport Authority. It is an absolutely first-rate project. I think that we are within days of signing construction contracts.

I am extremely pleased with the design. It means that through the lifetime of building the project—which is a long and complicated one—we will run South Road north-south non-stop. We will not have to close South Road during the lifetime of the project except, I think, for possibly one weekend where there may be a diversion when we do something dramatic. I think that is an outstanding outcome for the design team and the contractors—a very good job. It is another project that a few weeks ago the Leader of the Opposition told me about as being a \$140 million project, because \$140 million had been allocated in the budget, when in fact—

Mr Hamilton-Smith interjecting:

The Hon. P.F. CONLON: I said, 'Well, that's not true. It's a \$118 million project'. That is the cost.

Mr Hamilton-Smith interjecting:

The Hon. P.F. CONLON: Goodness me. Marty, just—

Mr HAMILTON-SMITH: Madam Chair, if he is going to launch insults by way of interjection while speaking, he will get a response.

The Hon. P.F. CONLON: I am reporting a fact, Marty.

Mr HAMILTON-SMITH: If he just answers the question—we are not going to sit here—

The CHAIR: Just ask your question, please and do not provoke. The cameras have gone now.

Mr Hamilton-Smith interjecting:

The Hon. P.F. CONLON: Can you maintain the dignity of your position, please? This project was mentioned by the Leader of the Opposition. This is not an insult. He may find it insulting, because he probably knows where it leads. He said that it was a \$140 million project, because that is what was set aside in the budget.

Mr HAMILTON-SMITH: And in the Public Works Committee.

The Hon. P.F. CONLON: You will note, Madam Chair, that I have not said anything that is not merely a factual reporting. I also said to him at the time that it is not true. The latest cost estimate is \$118 million. He has persisted in publicly telling people that it is a \$140 million project, which is not true. I actually offered him a bet. I said to the Leader of the Opposition that I am prepared to bet \$100 for every million that comes in under \$118 million if he will put up \$100 for every million that comes in over \$118 million. Then he said, 'Make it 1 000'.

Mr Hamilton-Smith interjecting:

The Hon. P.F. CONLON: I am reporting facts, but he does not want them to be heard. Then he said, 'Make it 1 000.' I said, 'You're on!' and then he said, 'Oh, no; I'm not going to do that.' So, whenever the Leader of the Opposition wants to talk about this stuff, let me assure the committee that he has no ticker. It will come in at \$118 million or less, as I told the Leader of the Opposition before.

Mr HAMILTON-SMITH: So the \$28 million is not part of it, Pat? Is that it?

The Hon. P.F. CONLON: The Leader of the Opposition needs a small geography lesson. Because we had the capacity to do another piece of work on South Road and because we looked at the advanced design of that section, we believed that we could take the amount of capital we had and bring forward what would always have been in the plan: a tram crossing. That tram crossing is, I estimate, a minimum of 800 metres—I would say one kilometre—from the intersection. It is not, by anyone's stretch of the imagination, a part of the Anzac Highway/South Road intersection—it simply is not—no more than the intersection at Sturt Road and Grange Road is part of it. If we put an underpass onto Burbridge Road, is that a blow-out on the intersection?

Mr HAMILTON-SMITH: It is hundreds of metres from the intersection. It is not one kilometre at all. That is total furphy, Pat.

The Hon. P.F. CONLON: The Leader of the Opposition has a problem. He will say and do anything to get noticed, and it causes him embarrassment. The truth is that—

Mr RAU: Madam Chair, I wonder whether it would calm him down if the cameras went away, because they seem to be upsetting him.

The CHAIR: If we asked the cameras to leave, we would not have half the issues that are happening here now.

However, the cameramen have a right to be here. Minister, will you continue with the answer and ignore comments.

The Hon. P.F. CONLON: Before the Leader of the Opposition got here, we sat through four hours of civil estimates questioning. At the moment, I am trying so hard simply to provide factual information. It is simply not the fact about that tram crossing. I think the suburb would probably be Goodwood or Flinders Park; it is not even in the same suburb. From memory, the suburb that the underpass is in is the one that the medical centre is named after. It is the desperate need of the opposition to find something wrong with a very good project that leads the Leader of the Opposition to make outrageous claims about it. Kurralta Park and Everard Park are the two suburbs, I am advised. It is a big project, as it goes across two suburbs, but the Leader of the Opposition likes to say these sorts of things.

We will be able to take that railway line over South Road as a part of our longstanding objective of making a clear north-south corridor without stops at Port Road. That is a good project. Most oppositions would say that adding that is a good project. Apparently, the opposition's complaint is that they asked me to do it some time ago. I have a 2½ year old. If she asks me for something and I give it to her she says, 'Thank you, Daddy.' If the opposition asks me for something and I give it to them they say it is a blow-out. I am a peaceful and tolerant man but, honestly, can we have a little fairness. I am deeply hurt by many of the things that are said about me by the Leader of the Opposition. It is very unfair. This is a very good project and it is good for the state.

Ms SIMMONS: Along the same lines, minister, I am very pleased with the tramline extension. I refer again to the 2007-08 Capital Investment Statement, Budget Paper 5, page 25. Can the government please provide an update on the progress of the tramline extension from Victoria Square to City West?

The Hon. P.F. CONLON: Yes, we can. Not only is it underway, on target for the opening and on budget, but it is actually well ahead of schedule. Now that people have seen the infrastructure on the ground, it has been reassuring to hear in recent times the different attitude being taken by many. Unfortunately, I cannot please everyone, but I was pleased to hear that the Leader of the Opposition is now actually a bit excited about it and intends to ride it.

Mr HAMILTON-SMITH: I love trams.

The Hon. P.F. CONLON: He loves trams and he intends to ride it.

Mr HAMILTON-SMITH: It should not be done as a first project.

The Hon. P.F. CONLON: It just should not be done as a first project. I will come back to that. We actually examined it. We actually looked at what the opposition put together, the cost-benefit analysis. This tramline had the best cost-benefit analysis of any public transport project that had been suggested over that time. When it starts we have one concern and that is that it will be very full.

The Leader of the Opposition tries to escape the fact that the opposition did promise to do it for three successive elections by saying that it promised to look at it and discarded it. Opposition members must have short-term memory problems if they needed to look at it three times. The information gathering that we based our analysis on was, as I understand it, commenced under the previous government. I do not know what information it was getting and looking at, but I sat in the chamber while the member for Schubert spoke to the resolution by the member for Morphett, calling on us

to do this. Perhaps he had not seen the stuff they had looked at.

The tram project had one of the best cost-benefit analysis outcomes of public transport projects we have seen. It is going to be incredibly successful. It would be a great world if people would recognise the quality of some projects and help us get more of them. An acceptance of this (and it will be accepted) will mean that, ultimately, we will make this beautiful city even more beautiful and people friendly by running trams through the entire square of it.

I have a dream that one day you will be able to board a tram in Victoria Square and, if you want to, go up to the east end, or up to Hutt Street, or down to the west end and to the Marjorie Jackson-Nelson. It is a terrific project ahead of time, and I congratulate Rod Hook. I cannot wait to see Liberal members of Parliament piling on to it at lunchtime to go down to the market. They will be piling on by the dozen because, if there is one thing they like, it is a free ride.

Mr HAMILTON-SMITH: Before we leave that subject, what percentage of public transport users use the tram, compared to buses and trains? Would it be less than two per cent or three per cent? Perhaps you can come back to me later.

The Hon. P.F. CONLON: No; we will give it to you now.

Mr HAMILTON-SMITH: We see that you have invested so much money into something that two or three per cent—

The Hon. P.F. CONLON: Sorry; are you now opposed to it again?

Mr HAMILTON-SMITH: No. Can you tell me—

The Hon. P.F. CONLON: No, come on, mate. Are you supporting or opposing? What is it this week?

Mr HAMILTON-SMITH: What percentage of people use transport—

The Hon. P.F. CONLON: We will tell you what it is.

Mr HAMILTON-SMITH: I am just curious to know.

The Hon. P.F. CONLON: We will also give you the number of people who use the Beeline service and the number of people it will increase by. But what is your point? Do you think we should not run trams? Do you think we should close the Glenelg tramline? What is your point?

Mr HAMILTON-SMITH: I will go to the next question while I am waiting for an answer.

The Hon. P.F. CONLON: No; what is your point? We will give you the information, but what is your point? Do you think we should not run trams at all?

Mr HAMILTON-SMITH: My point is pretty simple, minister, and I have made it on innumerable occasions. If you spent \$31 million on the bus system or the rail system you might get a better result for more people. That is the simple point. No-one on this side has ever been opposed to trams. We have always made the point that it is simply the wrong priority.

The Hon. P.F. CONLON: With the greatest respect, we are spending more than \$31 million every year.

Mr HAMILTON-SMITH: You have built it now, and the money has been spent.

The Hon. P.F. CONLON: Member for Waite, you cannot raise a completely spurious point and run away from it. I do know that you cannot keep a policy for more than a week, but you have to keep one for more than five minutes. What I say is that we spend more than \$31 million every single year on it. We released \$115 million worth of spending on re-

sleeping the railway lines. This is a capital project, remember. It is a capital project with \$31 million of capital.

We are spending something like \$450 million in capital next year. We are spending much more in other public transport areas. We spend more than that buying buses. You cannot mislead people by saying that \$31 million in capital might have accelerated buying some buses. I can tell you this: we will get a better return for this piece of capital work. I cannot wait to come back into this chamber in a year and show you the transport figures on that. I strongly suspect that, when I do show them to you, it will not be in your current role as Leader of the Opposition.

Mr HAMILTON-SMITH: Let us move on to the western extension of the Northern Expressway. This is the research you were doing, which you acknowledged in the House of Assembly, to push a further expressway from Waterloo Corner, west of Port Wakefield Road, down to link up with the Salisbury Highway. This is the work that was to, presumably, replace what was originally going to be a six-lane Port Wakefield Road, joining Waterloo Corner to Salisbury Highway but which you excised from the project in order to get it down to \$550 million.

The Hon. P.F. CONLON: That is not true.

Mr HAMILTON-SMITH: Whatever the case may be—

The Hon. P.F. CONLON: Do not make up stories.

Mr HAMILTON-SMITH: What is the status of the work on the western extension to the Northern Expressway? How much will it cost? The main question is: will you ultimately be going back to the commonwealth for a further 80:20 contribution to complete the Northern Expressway from Waterloo Corner to Salisbury Highway? What you are really doing is delivering (from the expressway onto Port Wakefield Road) a bountiful surplus of new traffic without doing the Port Wakefield Road work as originally envisaged in your own state infrastructure directory. You will have to do this western extension. What is the status of that? What will it cost? When will it happen?

The Hon. P.F. CONLON: It would be much easier to keep one's patience with the Leader of the Opposition if he did not, in every question, throw in a spurious remark or, on occasions, just downright misleading statements. This is not part of the original Northern Expressway. That is just a nonsense. It is plainly incorrect and I will explain why. The fact is that sometimes projects change as they go along and they are further explored. As I have explained to the member for Waite before, I think the proposal actually came up for a road there in 1993; it was going to be a two-lane rural road in 1993. A lot of the work leading up to costings were done under both governments. The truth is that you accept the responsibility on your watch for estimates, but a lot of the work leading up to it was done under both governments. The estimate was wrong, and we have been through all that, but we will come back to it.

The scope for the project changed dramatically from the one looked at under the previous Liberal government for a two-lane rural road, and it grew and got bigger and better. The contemplation that we had a few years ago was that the Northern Expressway would terminate at improvements on Port Wakefield Road. We are still going to make improvements on Port Wakefield Road; in fact, they will be the first part of the project which will deliver benefits ahead of the new road.

In examining this, one of the things that we took into consideration—and it is our experience also in accelerated land costs—was that it is more expensive to acquire corridors

around existing roads because people are using the land, and there is a lot of vacant land on the other side. So, we now believe that it may be a better outcome for taxpayers, the commonwealth and us if we in fact add to it. We are going to do works to improve Port Wakefield Road, and they will be done first and will be a terrific benefit for people travelling north-south. The expressway will be done, and we are investigating whether we do not further extend the expressway some time in the future through that vacant land to connect up with the Port River Expressway—very good thinking, I would have thought.

The truth is that the works we are doing on Port Wakefield Road and the Northern Expressway set us up for at least 2016, so it would not be necessary to do anything before then. If it does add to the value of it, yes, we will go and talk to the commonwealth. And do you know what? I do not know whether I will ask for 80:20—I am going to ask for as much as I can get. I might ask for 100 per cent, because that is what you do. When you are a state dealing with the commonwealth, you try to get the best deal for your taxpayer. If I thought I could get away with getting 100 per cent from the commonwealth, I would ask for it. So, yes, I might ask it for 80:20 but, actually, I think 100 per cent has a nice sound to it. The commonwealth has an awful lot of money—a lot more than we have got.

It is simply specious to say that this was removed. It was never in the original scope. A new road on the western side was never in the project. It is an entirely new piece of road. Since we came to government we have added overpasses, which were not in the Liberal project; they should have been, and we have put them in. The risk we would take, as you say, is that we blow out the project. We just made it better. The truth is that, as you build a project and look at it, you try to make the best of it and sometimes you make it better. I assure the member for Waite that all we are doing is building the best roads we can for the people of South Australia to move freight better.

You have had political fun with cost estimates being wrong but, at the end of the day, at some point you have to face up to a responsibility to the state and start supporting these things, like your federal colleague and the member for Wakefield has. At least he knows that the interests of his constituency and the interests of South Australians is bigger than some shallow political point scoring.

Mr HAMILTON-SMITH: That is fine, minister, except that, as you have pointed out, the Port Wakefield Road component of this project will only hold capacity till 2016. So, is that not an acknowledgment that the project as a whole, linking it to the Port River Expressway, does not hold water beyond 2016?

The Hon. P.F. CONLON: If you want to be a cross-examiner, and if you are not going to do a law degree or study law, I point out that there is a videotape called 'The Ten Commandments of Cross-Examination'. Simply, you are not going to trick me into saying, 'Yes, I agree with him; that must be what I said.' I said what I said; I did not say your Babel Fish Marty-ised version of it. The truth is this: that road—we will go through it again—was started in 1993 as a rural two-lane road. You make changes as you go along. I will show you the DVD of what it will look like. It is not a rural two-lane road; it is an absolutely magnificent structure. As we go further we look at it and if we find that we might get an even better outcome with a new road on the western side, and what is wrong with that? What is wrong with South Australians getting another piece of new road?

Mr HAMILTON-SMITH: Is there a plan or an intention for Mr Jim Hallion to move from the Department of Transport, Energy and Infrastructure to another department—perhaps you could just rule that out, if there is not—and for Rod Hook to be promoted into a new position with increased responsibility?

The Hon. P.F. CONLON: Here is something I will say to you, because Marty was in the media trying to sell them on this story last night, saying that—

Mr Hamilton-Smith interjecting:

The Hon. P.F. CONLON: No; I think the comment was that the chief executive's role in the Department of Transport is a revolving door. I did point out that the average life expectancy of the head of the Department of Transport is considerably longer than the average life expectancy of the leader of the opposition in South Australia, so he probably wants to be very careful about going down that path. I will put on the record that Jim Hallion is the best chief executive with whom I have ever worked. My understanding with Jim is that he thoroughly enjoys the role he has at present and intends to stay for a while. Sometimes people leave because they have other opportunities.

I assure you that Jim Hallion has a contract, not a prison sentence. I think we get along very well together. I am not quite as good a sailor as Jim. My view is that Jim Hallion is here for the long haul. He is a great chief executive and I hope he stays with me forever, because I reckon that the three of us together will be in government for two decades. But that is not my decision; he has got his own role. I just think that, when you do politics, it is pretty unfortunate when your politics involves going into the lives of public servants and their choices in life and their choices about employment. It is their business; it is not your business.

Mr HAMILTON-SMITH: Hang on.

The Hon. P.F. CONLON: Hang on what? You just asked me whether this bloke is going to get a job somewhere else. I mean, that is his bloody business, is it not? I will tell you this: I hope he does not, because he is the best chief executive I ever had. However, if he wants a job somewhere else it is his bloody business and not yours.

Mr HAMILTON-SMITH: What was asked was simply whether there were going to be any changes in senior management. You did not have to go into all of that. Do you want me to repeat the question?

The Hon. P.F. CONLON: No, I heard it. You said: is he going to go over and run Premier and Cabinet?

Mr HAMILTON-SMITH: It is very important, because you have had a succession of ministers—

The Hon. P.F. CONLON: And you have had a succession of opposition leaders.

Mr HAMILTON-SMITH:—and a succession of senior managers through this portfolio and it has caused quite a lot of upsets along the way.

The Hon. P.F. CONLON: To whom?

Mr HAMILTON-SMITH: That is why it is important. I can tell you that the parliament—

The Hon. P.F. CONLON: Defend yourself all you like, but it is none of your bloody business.

Mr HAMILTON-SMITH:—and the people want to know about changes in your department, because there seem to be an awful lot of them. Not many people seem to want to stick around, and that is why we want to know.

The Hon. P.F. CONLON: Madam Chair, there is absolutely no basis for him saying that.

Mr HAMILTON-SMITH: Well, if you want to reply to reasonable questions in an offensive way you will get it back.

The CHAIR: The Leader of the Opposition has made his statement. I do not see what budget line this is relevant to.

Mr HAMILTON-SMITH: I am happy to move on.

The Hon. P.F. CONLON: No; I am going to answer. This guy wants to throw insults and then move on as if he owns the joint. Since he became the Leader of the Opposition he actually believes he owns this joint; he is the most arrogant Leader of the Opposition I have ever seen. He thinks he has succeeded. I will say this: what he thinks is a reasonable question and what I think is a reasonable question are miles apart. I will leave it at that. However, I will say that I sincerely hope that Jim Hallion stays with me for as long as I am in this portfolio. I have no reason to believe otherwise, but it is not my business and it is not the business of the Leader of the Opposition.

The CHAIR: Does the Leader of the Opposition have another question?

Mr HAMILTON-SMITH: I do have another question, but I would just like to say that asking questions about senior management changes is quite reasonable.

The CHAIR: What you have to say is irrelevant. Do you have another question?

Mr HAMILTON-SMITH: Let me move on to water and the desalination proposal at BHP's Whyalla site. First, is the minister involved in the detailed planning for that project in conjunction with BHP, and is the minister aware of whether a funding arrangement has been struck with the commonwealth on that?

The Hon. P.F. CONLON: I am not the lead minister on that, and I am certainly not responsible for negotiations with the commonwealth on it, so I will not comment on that. However, I have had a good deal to do with BHP Billiton for many years, because we believe that the way to get a good result is to work closely with the company. We have worked with it every step of the way on this project. Most recently senior ministers broke bread with BHP representatives at Ayers House, from memory, and talked about all their needs, wants and desires. We work closely with them on every aspect.

Recently, I had land around that site at Port Bonython transferred to the Office of Infrastructure for the purposes of perhaps strategically developing an industrial site, and it may be that that could be a site for a desalination plant. So I have had a lot of involvement, but I am certainly not the lead minister and have had no involvement in negotiating funding arrangements with the commonwealth.

Mr HAMILTON-SMITH: I refer to Budget Paper 4, Volume 2, page 6.40, regarding Ceduna's port at Thevenard. Is the minister involved in any plans for the future of that port?

The Hon. P.F. CONLON: That is one of the ports the opposition privatised when it was last in government, and, of course, that has had a significant dampening effect on our ability to control it. However, I have spent a lot of time with the people at Ceduna—with Tony Irvine, Julie Low and Mark Cant from the Regional Development Board there—who, I must say, do an outstanding job. We have some great people in the regions, including those three. Tony Irvine is, of course, the CEO at Ceduna council.

We have talked about the port of Thevenard and I have had a look at it. There is a whole load of things in the equation that I would like to bring together and, of course, there is the potential Iluka mineral sands development there

and the question of whether that goes onto rail, because one of the benefits it has is that it would not take much of a spur to get it onto the Transline. There is a whole load of issues, but they have done some marvellous work locally on the development plans there. The latest version I have seen has reduced the cost of any potential deepening (they think it is now cheaper than it was before), but from the last time we looked I think there will still be a gap between the deepening and the revenues that could be earned from the volumes. Given that it is a private port operated by Flinders Ports, it will not be done with goodwill; it will have to be a commercial decision. That is the nature of private businesses: they operate to make money. I have also taken an interest in whether or not barging is a solution to some of these things, and we have spoken to Flinders Ports about that as well. Barging is, of course, the solution being used by OneSteel at Whyalla.

We have been talking about it on and off for a couple of years, so I am not quite sure I can remember everything I have spoken to them about, but we take a keen interest. We would love to see those regional centres grow. Personally, I have a lot of mates in Ceduna, including Mark Comas; I have had a fish at his property. They are a great bunch of people and there is some great fishing over there, so the more reason I have to get there the better, I think. Great oysters, too.

Mr HAMILTON-SMITH: I refer to page 6.40 and the Eyre Peninsula grain logistics project. Is any commonwealth revenue expected for the program other than what is noted in the paper, which is not itemised or included in the budget? Where are we going with the Eyre Peninsula grain logistics project? Where is the commonwealth money at the moment and what is planned for the future?

The Hon. P.F. CONLON: Again, the work over there was inspired by the work Rod Hook did on the regional infrastructure plan. It is very unusual for the state government to provide funding for what is essentially a private railway line, and it was our very strong submission to the commonwealth—

The CHAIR: Time is up, being 3.30 p.m. There being no further questions, I declare the examination of the proposed payments to the Department for Transport, Energy and Infrastructure and administered items for the Department for Transport, Energy and Infrastructure adjourned to Committee B on 28 June, and examination of the proposed payment to administered items to the Department of Treasury and Finance to Committee A on 28 June.

[Sitting suspended from 4.29 to 4.45 p.m.]

Attorney-General's Department, \$85 288 000
Administered Items for the Attorney-General's
Department, \$50 841 000

Membership:

Mrs Redmond substituted for Mr Hamilton-Smith
Mr Pisoni substituted for Mr Griffiths

Witness:

The Hon. M.J. Atkinson, Attorney-General, Minister for Justice, Minister for Multicultural Affairs.

Departmental Advisers:

Mr J. Maguire, Chief Executive Officer of the Justice portfolio.

Ms D. Contala, Executive Director, Corporate and Business Services, Attorney-General's Department.

Mr A. Swanson, Director, Finance Section, Attorney-General's Department.

The CHAIR: Estimates committees are a relatively informal procedure, and there is no need to stand to ask or answer questions. The committee will determine an approximate time for the consideration of proposed payments to facilitate the changeover of departmental advisers. I ask the minister and the lead speaker for the opposition to indicate whether they have agreed on a timetable for today's proceedings. The timetable is 4.45 to 5.30 p.m., the Attorney-General's Department; 5.30 to 6.00 p.m., Minister for Multicultural Affairs and Multicultural SA; 6 to 6.30 p.m., State Electoral Office; and 6.30 to 7.15 p.m., Courts Administration Authority and the Minister for Justice. Is that the timetable that members have in front of them?

Mrs REDMOND: It is the timetable I have in front of me, Madam Chair, but I would not say that we have agreed to it. We certainly requested more time, particularly for the first section, and that was not granted. So, we are suffering the timetable but, yes, that is the timetable that is in front of us.

The CHAIR: Changes to committee membership will be notified as they occur. If the minister undertakes to supply information at a later date, it must be submitted to the committee secretary by no later than Friday 7 September. I propose to allow both the minister and the lead speaker for the opposition to make opening statements of about 10 minutes each, if required. There will be a flexible approach to giving the call for asking questions, based on about three questions per member, alternating each side. Supplementary questions will be the exception rather than the rule. Any member who is not part of the committee may, at the discretion of the chair, ask a question. Questions must be based on lines of expenditure in the budget papers and must be identifiable or referenced.

Members unable to complete their questions during the proceedings may submit them as questions on notice for inclusion in the House of Assembly *Notice Paper*. There is no formal facility for the tabling of documents before the committee. However, documents can be supplied to the chair for distribution to the committee. The incorporation of material into *Hansard* is permitted on the same basis as applies in the house, that is, that it is purely statistical and limited to one page in length. All questions are to be directed to the minister. The minister may refer questions to advisers for a response. I also advise for the purposes of the committee that there will be some freedom allowed for television coverage by allowing a short period of filming from the northern gallery.

I declare the proposed payments open for examination and refer members to the Budget Statement, in particular pages 2.9 to 2.12 and Appendix C, and the Portfolio Statements, Volume 1, part 4. I welcome the Attorney-General and ask whether he wishes to make an opening statement.

The Hon. M.J. ATKINSON: Yes. I am pleased to have a parliamentary examination of what was a generous budget for the justice portfolio and the departments under my responsibility. The safety and security of the South Australian public are priorities of the Rann government, with more than \$114 million extra over four years allocated in the state budget for law and order programs. I notice that the South Australian Council of Social Service has criticised us for that, saying that it is not necessary because the crime rate has

come down 30 per cent during the period we have been in government.

Since 2002, the Rann government has continued to back its stand on law and order, not just through legislation but also through increased funding in areas across the justice system. As part of this budget, that includes increasing SAPOL's annual budget by 53.6 per cent as compared with 2001-02 under the Olsen government. An amount of \$24.4 million has been allocated over four years to create an additional 125 beds in the state's prisons to allow Correctional Services to manage the increasing prison population until the \$400 million-plus new Mobilong Prison is completed. Drug testing of drivers in South Australia will be expanded after the 12-month trial ends in July, with a budget allocation of \$11.1 million over four years. I am sorry the member for Schubert is not here, because he will be pleased. This will increase detection rates of drug-impaired drivers, and that will in turn support SAPOL's road safety focus.

An amount of \$8 million has been allocated to expand the police buildings in Roxby Downs and a further \$4.4 million has been allocated to meet employee lodgings and transport costs, as Roxby Downs is set to expand owing to the mining boom in South Australia. South Australia's aerial firefighting capacity will be expanded through a \$4 million allocation, and \$2.1 million over four years has been allocated to continue the improvement of bushfire prevention programs.

We have provided the courts with additional funding of \$648 000, indexed annually, to increase the maximum amount payable to jurors for income reimbursement and travel expenses. Those funds were not increased during the life of the Brown or Olsen governments. That is on top of \$1.4 million of extra annual funding to the Courts Administration Authority granted last year, some of which we beseeched the Chief Justice should be spent on jurors' fees.

I am pleased to report that South Australia's newest courthouse, which includes the first outdoor courtroom intended to address cultural issues, was officially opened in Port Augusta this very month. The outdoor courtroom allows a magistrate to sit and conduct a court case outside in a culturally sensitive manner if required. The new court is a landmark building for Port Augusta. As a contemporary court it makes clear statements about the accessibility, accountability and transparency of the judicial process. The Rann government is a court-building government. This is the fifth court constructed under a Labor government, the others being at Port Lincoln, Port Pirie, Berri and Victor Harbor.

Mr Pisoni interjecting:

The Hon. M.J. ATKINSON: All in non-Labor electorates. The budget also delivers other measures within the Attorney-General's Department, including:

- nearly \$3.6 million over the next four years to provide video conferencing facilities to protect vulnerable witnesses in the criminal justice system;
- an additional \$830 000 over four years for Operation Flinders, a doubling of our pledge to this highly regarded program that helps youth offenders through a series of camps each year (Operation Flinders was to be slated for de-funding under the previous government: in particular, it was a savings target of former chief executive Kate Lennon);
- providing the Crown Solicitor's office with an additional 5.5 full-time equivalent staff members to do more industrial safety prosecutions;
- capital funding of \$1.4 million to improve the information available for assessing applications for bail; and

· almost \$1.4 million over the next four years in developing a state-of-the-art robotic system in South Australia's DNA laboratory.

Mr PISONI: Is that a summary of your questions?

Mr PICCOLO: Madam Chair, I have a point of order. This is opening comments. The member will have ample time to ask his questions.

The Hon. M.J. ATKINSON: Since the member for Unley encourages me, the Rann government is investing in the development of a state-of-the-art robotic system that will allow DNA samples to be robotically managed from receipt to completion, and enable a system that will expertly interpret the profiles as they enter the system. This will mean that South Australia will not only have the toughest DNA laws in the country but also will be amongst the most technically sophisticated. The new system will allow samples to be tracked by bar code and therefore eliminate the possibility of samples becoming mixed up.

We have made legislative changes and are now backing those up with an investment to make DNA work as a smarter crime-fighting tool. Anyone doubting the value of DNA technology need only look at the latest figures for cases solved as a result of taking DNA samples. From January to December last year, SA Police charged 62 people with a total of 495 offences relating to 404 separate incidents using available DNA profiles. During this time, cases solved as a direct consequence of DNA evidence included: three rapes; eight robberies; 22 aggravated serious criminal trespasses; 187 non-aggravated serious criminal trespasses; 200 thefts; one avoid apprehension; one drug matter; one pervert the court of justice; and 13 other property offences. This is corroboration of how DNA evidence is invigorating the investigation and prosecution of old cases, solving rapes, robberies and aggravated assaults. DNA will be instrumental in solving crimes and also eliminating suspects and exonerating the innocent.

The budget is about more than just the provision of new funding; it is also about responsible financial management. As part of the 2006-07 budget, the government conducted a comprehensive review of priorities and the efficiency of existing policies and activities across government. In my own department a range of savings was identified, which included the consolidation of policy planning and strategic functions across the department. This savings measure will refocus these functions, remove overlap and duplication, and improve efficiency across the department without jeopardising service delivery.

Work is now being finalised on the proposed new structure for these areas to address the remaining savings target from 2007-08 onwards. The Rann government has pledged to be tougher on law and order than the Brown and Olsen governments—indeed, tougher than the Bannon and Arnold governments—and, as Attorney-General, I have pursued a robust legislative reform agenda that has included laws to:

- give longer sentences to the most serious offenders;
- improve self-defence law in the home;
- improve the rights of victims;
- clamp down on crowd controlling;
- create new drink and food spiking offences;
- provide better laws to deal with gatecrashers;
- extend the DNA laws; and
- put in place important social reforms.

Mr PISONI: I have a point of order, Madam Chair. Earlier today, you advised that opening statements should be

restricted to 10 minutes. The Attorney-General has been going for 12 minutes, and we have only 45 minutes for this committee.

The CHAIR: Yes, Attorney-General, I was just looking at the clock thinking you have had your 10 minutes. Could you perhaps finish your opening statement?

The Hon. M.J. ATKINSON: I have one sentence to go. That important social reform was the domestic partner law that came into effect on 1 June. Let's go with questions.

Mrs REDMOND: By way of opening comment, I say every year—and I will continue to say it until someone makes a change to this system—that it strikes me as ridiculous year after year that we have the time of very senior officers on very good rates of pay, taken up not just in coming here and sitting in this place for interminable amounts of time but also, I know from other experiences in my life, a number of those officers and their underlings have spent considerable time preparing for this and there must be a better and more useful and productive way for us to engage the taxpayers' money than this process.

Secondly, as the member for Unley has highlighted, the amount of time allocated to over \$50 million in the budgetary process is such that we are left with a little less than half an hour, which is a nonsense. It is totally inadequate to enable us to have any real effect in terms of what is meant to be our opportunity to question the government about this process. That said, I will briefly read in the omnibus questions and do so for each and every portfolio of this minister, as follows:

1. Will the minister provide a detailed breakdown of the baseline data provided to the Shared Services Reform Office by each department or agency reporting to the minister, including the current total cost of the provision of payroll, finance, human resources, procurement, records management and information technology services in each department or agency reporting to the minister, as well as the full-time equivalent staffing numbers involved?

2. Will the minister provide a detailed breakdown of expenditure on consultants and contractors in 2006-07 for all departments and agencies reporting to the minister, listing the name of the consultant or contractor, cost, work undertaken and method of appointment?

3. For each department or agency reporting to the minister how many surplus employees are there as at 30 June 2007, and for each surplus employee what is the title and classification of the employee and the total employment cost (TEC) of the employee?

4. In the financial year 2005-06 for all departments and agencies reporting to the minister, what underspending on projects and programs was not approved by cabinet for carryover expenditure in 2006-07?

5. For all departments and agencies reporting to the minister, what is the estimated or actual level of under expenditure for 2006-07, and has cabinet already approved any carry-over expenditure in 2007-08 and, if so, how much?

6. (1) What was the total number of employees with a total employment cost of \$100 000 or more per employee, and as a subcategory the total number of employees with a total employment cost of \$200 000 or more per employee, for all departments and agencies reporting to the minister as at 30 June 2007?

(2) Between 30 June 2006 and 30 June 2007 will the minister list job title and total employment cost for each position with a total estimated cost of \$100 000 or more—

- (a) which has been abolished; and
- (b) which has been created?

7. For the years 2005-06 and 2006-07 will the minister provide a breakdown of expenditure on all grants administered by all departments and agencies reporting to the minister, listing the name of the grant recipient, the amount of the grant, the purpose of the grant and whether the grant was subject to a grant agreement as required by Treasurer's Instruction No. 15?

8. For all capital works projects listed in budget paper 5 that are the responsibility of the minister, will the minister list the total amount spent to date on each project?

I refer the minister to Budget Paper 4 Volume 1, page 4.59, subprogram 1.2, the Office of the DPP. I refer first to a note that appears at the bottom of the subprogram, which states:

(a) Note the 2006-07 Estimated Result net cost of this subprogram does not reflect the estimated under expenditure of the ODPP in 2006-07.

Can I have an explanation of precisely what that means. I do not understand how you can have a budget of \$14.296 million, an estimated result of \$14.583 million and then a footnote stating in effect that the estimated result is in some way not an accurate reflection.

The Hon. M.J. ATKINSON: I am advised by Treasury and Finance that the 2006-07 estimated result represents the 2006-07 budget, plus approved variations: for instance, cabinet approvals including items approved in the 2006-07 mid-year budget review. The 2006-07 estimated result does not include potential underspends by agencies. These form part of the 2006-07 budget result.

Mrs REDMOND: Will the minister explain what amount was not expended?

The Hon. M.J. ATKINSON: Yes. The amount that was not expended by the Office of the DPP is just short of \$500 000 in a total budget of roughly \$13 million. If we look at previous years, there were underspends in 2005-06 and in 2003-04 and an overspend in 2002-03. There was just short of a \$500 000 underspend in a budget of about \$13 million, made up as follows: about \$1 million on salaries, partly because it has taken a long time to go through the proper process of appointing a deputy and MLS 2s and 1s. That is offset by an overspend on legal fees, presumably by briefing out, of about \$200 000; an overspend of \$150 000 on witness expenses; and various other expenses of \$150 000.

Mrs REDMOND: When the minister talks about an underspend of about \$1 million on salaries (and he referred to the delay in appointing a deputy), is that the issue about which his Chief Executive wrote to the staff of the Office of the Director of Public Prosecutions by way of email and which was recently reported in the paper?

The Hon. M.J. ATKINSON: The Chief Executive of Justice sent an email to staff of the Office of the DPP which was accurate and balanced, and I support his doing that. I do not really quite see where the member for Heysen has been coming from on this.

Mrs REDMOND: Several questions flow from that. First, how would the CEO feel if someone from your office wrote to his staff, whether or not it was accurate (and that is a matter that is in dispute)? Secondly, I understand that the terms of the Director of Public Prosecutions Act actually give the administration and control of his office to the Director under section 6(3) of that act. As I understand it, the Director's complaint, at least partly, is that he has been thwarted in not having control of the spending of the budget because he does not have control of the selection process; therefore, it is the CEO who has led to the delay in the

spending of the money and then seeks to blame the Director of Public Prosecutions for the underspend.

The Hon. M.J. ATKINSON: Apropos the authority of the Chief Executive, by way of a minute, dated 27 November 2006, the DPP informed the Attorney-General that his independent advice from a prominent queen's counsel supported the advice of the Solicitor-General and the Crown Solicitor about the authority of the Chief Executive. The DPP is not the Chief Executive Officer. The Solicitor-General's advice states that the DPP Act authorises the DPP to administer and control the office after the Chief Executive has allocated staff and resources. The advice goes on to state that the DPP Act does not confer any power on the DPP to appoint persons to his office.

If the Liberal Party wants to change that, it can move to amend the DPP Act. The act probably requires the DPP to be consulted about whether or not persons should be assigned to his or her office; indeed, that is why, on the panel appointing the deputy, and on the panel appointing the MLS1s, we had, of course, the DPP. Advice from the Crown Solicitor points to the Public Sector Management Act and the Chief Executive's being the only person authorised to appoint persons as executives in the Attorney-General's Department, including the Office of the DPP. The PSM Act also requires that the Chief Executive must be a party to all executive employment contracts and must determine the duties, titles and remuneration levels of positions. So, for these reasons, the Chief Executive is entitled to decide the composition of the selection panels and the job and person specifications for executive positions.

Of course, before making any decision, the Chief Executive will carefully consider the views of the Director of Public Prosecutions or, in fact, where appropriate, other divisional heads. So, the Chief Executive has taken the advice that was given to him and ensured that anything he has done through the recruitment process complied with the law. That we would have a lawful merit-based approach to appointments was settled, I thought, in English-speaking countries in the 19th century. I am surprised by the alternative contention that the Office of the DPP should become a fiefdom in which the power of appointment is not under the PSM Act but is given to one person.

Mrs REDMOND: I think that the Attorney-General deliberately misunderstands the position I put; that is, first, it would be perfectly in order for the DPP to go through the entire selection process, having obtained the CEO's approval for the statement of duties, or whatever you want to call it, and, absolutely, the CEO has to sign off on. However, there is no need for the CEO to delay it. Secondly, the—

The Hon. M.J. ATKINSON: The CEO to what?

Mrs REDMOND: To delay it, and to control the actual process.

The Hon. M.J. ATKINSON: The CEO did not delay it.

Mrs REDMOND: That is the second point I want to make. It appears to me that the CEO is blaming the DPP for a delay for which he is the prime cause.

The Hon. M.J. ATKINSON: I do not think that is fair. Indeed, I shared the member for Heysen's concern when I first heard about the email. I made the point, I think publicly and also in discussion with Mr Pallaras, that, if one talked about the underspend, did not mention the components of the underspend and why there may have been an underspend on salaries, it would not be fair. However, now that I have looked at the email the CEO circulated, I am satisfied that it is fair and balanced and takes that into account.

One would not expect the process, whereby people from interstate and overseas are interviewed for these MLS1 positions by a panel of five people, some of whom are very important, including the Police Commissioner and the DPP himself, to be a quick process. They are busy people; they are hard to get together. We have done it now. The deputy has been appointed, we have the MLS2s appointed and the MLS1s were appointed today.

Mrs REDMOND: Clearly, we will maintain different positions about the authority and the appropriate use of the CEO's time.

The Hon. M.J. ATKINSON: I ask you to amend the law then. I ask you to move to bring the law into line with the Liberal Party's position.

Mrs REDMOND: I do not believe that it needs to be brought into line. The act already clearly says that the DPP has the administration and control of his office. There is no reason why that cannot be interpreted in an appropriate way to mean what it clearly says, that is, that the DPP controls his office and has the administration of his office. Yes, the CEO has to tick off on the final appointments after the process has been gone through, but there is absolutely no reason why the DPP should not have much more control of those appointments. To blame him for an underspend when it is the CEO who has caused it is simply an untenable position.

The Hon. M.J. ATKINSON: With respect, the member for Heysen asserts that the CEO delayed the process. She has no substratum of fact for that assertion. She just asserts it because she wants to believe it, and because it suits her political position. Mr Pallaras took advice from Mr Whittington QC and I took advice from the Solicitor-General, Chris Kourakis QC. They both came up with the same answer on this point. The advice they gave does not suit the member for Heysen; nevertheless, the advice exists.

Mrs REDMOND: I will move on. At page 453, in the highlights for 2006-07, there is a reference in the Office of the Director of Public Prosecutions to the finalisation of the Consultants Organisational Review into the Office of the DPP. What were the findings of that review?

The Hon. M.J. ATKINSON: I read that long-anticipated review of the Office of the DPP on a train between Sydney and Newcastle. Indeed, it required the return trip, as far as Gosford, to complete it. I am sure the member for Heysen does not want me to read out all 50 recommendations, so could she be a bit more specific?

Mrs REDMOND: Perhaps I will move on to the next part of the question as I do not need to have the whole of the detail of the findings put in. Normally, when you read these documents, the highlights—including the finalisation of a review—would almost always be appropriately echoed in the targets for the next year with something like the commencement of the implementation of the 50 recommendations of the review, yet there is no such target mentioned for 2007-08. I just want to know why no target appears there for the implementation of the findings of that review.

The Hon. M.J. ATKINSON: In the words of John Cleese, I think carrying out the organisational review recommendations are the 'bleedin' obvious'. That is what we have been doing, except where we have said that we do not wish to carry out the recommendation in the case of activity-based costings. We carried out the recommendations as to personnel this year (2006-07) through the appointments. The government approved additional funding after consideration of the recommendations of the ODPP Organisational Review. It was done by Lizard Drinking. About \$165 000, excluding

GST, has been paid to date for the review. The total cost of the contract was \$200 000.

The government broadly supports the recommendations of the review. The two major issues not funded—and I presume that is what the member for Heysen wants to concentrate on—were the establishment of a separate business service function in the office. Media liaison, information technology, finance, human resources and administrative functions are, and can continue to be, provided by the Attorney-General's Department. The department will work with the Office of the DPP to increase the support provided in these areas. Treasury does not support an activity-based costing process at this time. So, in line with the above, cabinet has approved additional funding in the budget for this financial year to carry out most of the review's recommendations.

The review recommended total continuing funding of \$958 000 for the office. The cost of the corporate support functions was estimated at \$204 000. This leaves \$754 000 continuing as being required to fund the cost of carrying out the other recommendations. So, I think the government has done the bulk of what the long-awaited organisational review recommends, and Mr Pallaras's public criticisms of the government have not been going further than the organisational review recommendations.

Mrs REDMOND: If we go back to page 459 and into the performance commentary, there are four dot points listed about the aims of the criminal prosecution service: that it apply the highest ethical and professional standards; it is recognised for its independence, professionalism and standards of excellence; that it endeavour to deal with victims of crime with sensitivity and to respect their special needs; and to strive for excellence, efficiency and effective communication in its work with the police, the courts and other entities within the criminal justice system. I assume that the Attorney agrees with those dot points. If so, can he explain how he expects those aims to be achieved when file loads for the prosecutors within that office are as high as they are, often being double and, in some cases, four times the file loads of prosecutors in similar organisations in other states?

The Hon. M.J. ATKINSON: When one talks about file loads in the various states, we are not comparing apples with apples, so I think the member for Heysen's assumption is flawed. However, let us assume it is correct and have a look at the file loads, bearing in mind that a member of the parliamentary Liberal Party said that under the Liberal government the Office of the DPP ran on the smell of an oily rag. That is the record that members on my right bring to this committee.

January 2003: number of files in the office, 1 529; solicitors, 21.8; average file load, 70.14. January 2004: number of files in the office, 1 617; solicitors, 21; average file load, 77. January 2005: number of files in the office, 1 806; solicitors, 31; average file load, 58.29. February 2006—the last snapshot by the organisational review—number of files in the office, 2 375; solicitors, 44.83; average file load, 52.98. I am advised that the latest snapshot now is: number of files in the office, 2 600; solicitors, 48; average file load, 54.

So, I am willing to accept that the file load may be marginally above the snapshot taken by the organisational review. However, even given that, the file loads have been coming down under this government. I understand Mr Pallaras has ordered his deputy, Mr Martin Hinton QC, to look further into the file load question and to see what happens in other states. His report is with Mr Pallaras and

will be with me soon. I am open to taking a well-prepared submission to the mid-year budget review.

Mrs REDMOND: Further to that, first, can I ask whether, for those same years, you have information on how many prosecutors there were and what their file loads were? I understand the job of the solicitors in the office to be different from that of the prosecutors. Secondly, how does any of that justify even the current average file load of 54, given that the New South Wales DPP, for instance, has an average file load of 15 to 25 for each prosecutor?

The Hon. M.J. ATKINSON: The New South Wales DPP counts the files very differently. I am awaiting a report from Mr Hinton, and I have every confidence that he will send me a sensible, well thought through report that can form the basis of a submission to the mid-year budget review. We have injected more than \$6 million in extra funding to the ODPP since we were elected, and it is just over 12 months since a consultant's report on the reorganisation of the office. It is fair for the government to say that any budget submission going forward to Treasury should be robust, factual and able to withstand the scrutiny of the budget process. Since the organisational review we have appointed 12 executives at the Office of the DPP. I am sorry that this discussion is occurring in the media. I think it has a tendency to undermine the public's confidence in the prosecution service and, the Liberal Party will say, in the government. I would like to see Mr Pallaras in court as often as he is in the media.

Mrs REDMOND: In relation to that, surely the reason why it is in the media is that your Treasurer responded to a question in the budget lock-up as to whether there would be—

The Hon. M.J. ATKINSON: A question, incidentally—

Mrs REDMOND: I have not finished my question.

The Hon. M.J. ATKINSON: A question—

Mrs REDMOND: Attorney, I am in the middle of asking a question; a straightforward question about whether there was an increase in funding for the DPP, to which the Treasurer replied that there had not been a request. That brings me to the whole point of your statement that the budget submission going forward should be robust, factual and able to withstand scrutiny of the budget process. I know, from comments you have made earlier, that you felt that the DPP's budget application was not appropriate to send forward. Why would it not have been appropriate for you to go back to the DPP and say, 'Dear sir: This is not an appropriate document; I need it this way,' or, 'I need some other information if you want to have any chance of getting this through to Treasury'? Why did you choose simply to not pass it on, not go back to him, and just delete it from the system, basically?

The Hon. M.J. ATKINSON: Those members of the opposition who have had experience in government will know that agencies make bids, and those bids are often ambit claims. Any responsible minister has to protect the taxpayer from the unjustified elements of those claims. I am not the minister for the DPP. I am a minister of the crown for all of South Australia, including those people who have to pay tax. So, my job is to make sure that offices are operating efficiently and that their bids are fair. For 2007-08, the ODPP requested an extra 9.2 full-time equivalents and \$913 000 for the increase in police. This was based on an estimate about an increase in workload; an additional 100 police officers being recruited in 2007-08, half of whom would be directed at investigating indictable offences at patrol or CIB level. In 2007-08, these 50 officers would generate an extra 200

investigations, resulting in an extra 150 committals, resulting in an extra 88 arraignments, resulting in an extra 17.6 trials.

In 2010-11, the ODPP requested an extra 32 full-time equivalents and \$3.4 million. This was based on estimates regarding the increase in workload, with 400 police officers being recruited by 2010-11, half of whom will be directed at investigating indictable offences at patrol or CIB level. In 2011, these 200 officers would generate an extra 800 investigations, resulting in an extra 600 committals, resulting in an extra 300 arraignments, resulting in an extra 60 trials. Given the uncertainty about the timing of the referral of these matters, I think it is appropriate to first consider the actual level of matters referred and the impact on the ODPP and the ODPP budget. It is expected that this will provide the ODPP with the opportunity to strengthen the justification for budget bids at this level, hence, Mr Hinton's report.

There is also an assumption about the Mullighan inquiry. This is based on an extra 300 matters being referred to the ODPP. Given the uncertainty about the timing of the referral of these matters, it is considered appropriate to first consider the actual level of matters referred and the impact on the ODPP and the ODPP budget. It is expected that this will provide the ODPP the opportunity to strengthen the justification for budget bids of this level. There are currently 11 matters from Commissioner Mullighan with the Office of the DPP and three opinion—that is to say, before-charge—files in the office. There are about 151 cases in police prosecutions, but the actual amount that will flow through to the ODPP and the timing are unknown.

The CHAIR: I just point out that we are over time now. Could you wind up?

The Hon. M.J. ATKINSON: Sure. What I am trying to do is just be sensible and practical.

The CHAIR: The time for the examination being up, I declare the examination of the Attorney-General completed.

Mr PICCOLO: I move:

That the time for the sitting of the committee be extended beyond 6 p.m.

Motion carried.

Membership:

Mr Hamilton-Smith substituted for Mrs Redmond.

Additional Departmental Adviser:

Mr S. Forrest, Executive Director, Multicultural SA.

The CHAIR: I call the Minister for Multicultural Affairs to the table and refer members to the Budget Statement, in particular pages 2.9 to 2.12 and Appendix C, and the Portfolio Statement, Volume 1, part 4. I will point out that the last member was able to make her point without fighting, and I hope that the member for Waite will take that into account. Does the minister wish to make an opening statement?

The Hon. M.J. ATKINSON: Only this, Madam Chair, that last year, I think, the opening question of the Leader of the Opposition was to list all the grants made by Multicultural SA, and I presume he will not ask the same question again this year, because he got a very comprehensive answer.

The CHAIR: Does the Leader of the Opposition have an opening statement?

Mr HAMILTON-SMITH: Only to say that the efforts of the government regarding multicultural affairs generally enjoy bipartisan support. We are as one in our embrace of the multicultural communities, but I do have some questions,

because I somehow find that at times it is difficult to extract information from the Attorney-General and this is a wonderful opportunity. So, I ask him in regard to Budget Paper 4, Volume 1, page 4.53 whether he will list the additional grants provided by Multicultural SA, as I would love to compare them with last year's and those of the year before. I know he can be brief, so he can be as brief as possible.

The Hon. M.J. ATKINSON: I will give the Leader of the Opposition a full and comprehensive answer.

Mr HAMILTON-SMITH: If it is statistical I would be delighted if the minister would table it, because then we could get on with some other questions.

The CHAIR: Does the Attorney have statistical information that he wishes to table?

Mr HAMILTON-SMITH: I tell you what, in a spirit of bipartisanship I would be happy to accept a copy of the list if he feels he could give it to me. It would save time. Perhaps the Attorney would like to table the list.

The CHAIR: Perhaps we could be sensible about this, Attorney.

The Hon. M.J. ATKINSON: As he does so often, the Leader of the Opposition leads with his chin. On this occasion I will spare him the natural consequences of his conduct and will supply him with a list of the grants.

Mr HAMILTON-SMITH: The Attorney becomes ever more reasonable as every year in parliament unfolds.

The Hon. M.J. ATKINSON: I would like to say that when I came to office, when the member for Waite was a minister in the Kerin government, the multicultural grants were \$50 000. I trebled those grants to \$150 000, and I have now doubled them to \$300 000.

Mr HAMILTON-SMITH: A move fully supported by the opposition—

The Hon. M.J. ATKINSON: As only opposition's can.

Mr HAMILTON-SMITH: —and I commend the minister for that initiative. If only we had—

The CHAIR: Can we stop all this backslapping and get on with the questions? We know that you are charming gentlemen and are very well-intentioned, but we would like some questions.

Mr HAMILTON-SMITH: I can only dream of having the amount of money around the cabinet table that the minister has access to. I look forward to receiving a copy of those grants as soon as possible. My next question is: can the minister highlight what he sees as the major achievements or outcomes in the portfolio this year that he feels should be brought to the attention of the committee?

The Hon. M.J. ATKINSON: The first thing to say is the increase in funding to ethnic groups. I think the provision of land tax relief to ethnic groups is very important because some of those groups are struggling. I was at the Slovenian Club for its 50th anniversary on Sunday, together with the member for Norwood. There were not very many Slovenian Australians to begin with, and now that the older members of the community are dying it is a struggle for the club to keep going. Land tax relief is very important to them, as it is to the Estonians and the Latvians. Each of the state's peak lobby groups for multicultural affairs will receive an extra \$100 000 over four years, so the Multicultural Communities Council and the Migrant Resource Centre have each received increased funding of \$25 000 this financial year.

Our aim is to increase the percentage of South Australians who accept cultural diversity as being a good thing. We want to increase net overseas migration gain to 8 500 per annum by 2014, and we want to maintain regional South Australia's

share of the state's population. We have had some success in getting representatives of regional South Australia onto the South Australian Multicultural and Ethnic Affairs Commission—we have Peter Ppiros from the Riverland, Gala Mustafa from Mount Gambier, and Petar Zdravkovski from Port Lincoln. I think we have also had success in getting more newly arrived, smaller groups represented on the South Australian Multicultural and Ethnic Affairs Commission.

We have increased ethnic participation in the Christmas pageant—the leader may have seen the float—and the Australia Day parade has become overwhelmingly a Multicultural SA parade. We contributed to the Anzac Day youth vigil, getting some newly arrived young people participating in that. I believe the Interpreting and Translating Centre has been working well and it has a better, more reliable and more efficient system for bookings and assignments. I think its invoicing is also better, and that is due to a web-based system that we funded. I do not think South Australia has anything like the Cronulla riots in Sydney.

Mr HAMILTON-SMITH: I refer to the same budget line, page 4.53. Is the minister expecting to provide additional funding to the Multicultural Communities Council and the Migrant Resource Centre in the coming year?

The Hon. M.J. ATKINSON: As I said, funding to both the Migrant Resource Centre and Multicultural Communities Council has gone up a lot under this government—well ahead of the consumer price index. They are also free to apply for grants under the multicultural grants scheme, and from time to time they have received those. So, I think they are prospering under the current dispensation.

Ms SIMMONS: As the minister and the Leader of the Opposition know, I am very passionate about multicultural affairs, particularly the young people coming up in this area. I refer to Budget Paper 4, Volume 1, page 4.53, which refers to the establishment of a youth advisory committee. I ask the minister to provide members with further information about this initiative.

The Hon. M.J. ATKINSON: The South Australian Multicultural and Ethnic Affairs Commission holds consultations with the leaders of ethnic communities. The leaders of these communities have expressed a concern about the lack of engagement of youth in the life of the community, and those of us who attend functions at the clubs know that that is regrettably true; there are a few exceptions but not many. So, as a first step to address this, a youth advisory committee to SAMEAC will be established, and it will provide advice to the commission on programs and policies that address the issues and concerns of youth.

The committee will be responsible for recommending topics for forums and other events that raise awareness and encourage discussion on key issues for youth of culturally and linguistically diverse backgrounds and identify and promote the achievements and contributions of youth of culturally and linguistically diverse backgrounds. The newly appointed Michelle Dieu of the Overseas Chinese Association will chair the youth advisory committee. A lot of it gets down to the clubs providing fun for young people. Clearly, the Croatian Club, both at Gepps Cross and at Brompton, manage to do that, and the other clubs could well look at what the Croatians do that makes them a success.

Mr PISONI: I refer to Budget Paper 4, Volume 1, page 4.53 'Targets' and 'Highlights'. I note in the highlights of Multicultural SA that there is no mention of the establishment of a leadership program that was a target in last year's budget for 2006-07. Will the Attorney-General advise whether that

program ever went ahead and whether there are any plans to include it as a target or highlight for Multicultural SA?

The Hon. M.J. ATKINSON: I can assure the member for Unley that it is still going; there just was not enough room on the page to include it. Sometimes the government is modest about its achievements.

Mr PISONI: Can the Attorney provide some detail about the program?

The Hon. M.J. ATKINSON: We are pledged to train women from culturally and linguistically diverse backgrounds to equip them so that they have the knowledge, skill and increased confidence to seek leadership positions in their community. Since 2002, women from many cultural and linguistic backgrounds have benefited from a certificate 3 and certificate 4 frontline management course which has been jointly funded by Multicultural SA and the Office for Women and which is provided by Workplace Education at the TAFE SA Adelaide city campus. The Drews women have been very keen on this course.

In 2006, a women's leadership course was delivered through TAFE SA Adelaide city campus and an evaluation of the women's leadership program was done. SAMEAC itself is a good example of how a board can achieve gender equity in a mix of cultural backgrounds among its members. It has strongly supported the training of women so that they have better opportunities to take on leadership roles and to nominate for boards and committees. One of the most successful programs for achieving this goal is its women's leadership courses. The fifth of these courses has recently finished (25 May) at Adelaide TAFE. It is the fourth such course conducted in the metropolitan area in as many years. A highly successful women's leadership course for 24 women was conducted in the Riverland in 2005. We are very keen in multicultural affairs, as we are in the courts, to spend money in regional South Australia because we are a government for all South Australians. Indeed, we have two country members in our cabinet.

Mrs Redmond interjecting:

The Hon. M.J. ATKINSON: Well may the member for Heysen choke. As she says, we are a Labor coalition government. The latest—

Mrs Redmond interjecting:

The Hon. M.J. ATKINSON: The member for Heysen just interjected, 'National socialist government'. I ask her to withdraw that remark.

The CHAIR: The member for Heysen is not even a member of the committee. The member for Heysen will be quiet or move out of the chamber.

The Hon. M.J. ATKINSON: Since the remark has made it onto the record, I wonder whether the member for Heysen will withdraw the interjection.

Mr PISONI: It made it onto the record only because the Attorney-General put it onto the record. It would not be on the record if the Attorney-General had not been trying to win political points from it. So, the Attorney should wear it.

The CHAIR: Is the member for Heysen prepared to withdraw the remark?

Mrs REDMOND: No.

The CHAIR: The member for Heysen is not prepared to withdraw the remark. We have seven minutes left of this session, so will the Attorney-General just get on with it.

The Hon. M.J. ATKINSON: Madam Chair, the natural and ordinary meaning of 'national socialist' is in reference to the German National Socialist Workers Party, and the

member for Heysen has, in effect, referred to the government as a Nazi government, and I think she should withdraw.

Mr PISONI: On a point of order, Madam Chair, it was the Attorney-General who put the reference to national socialist onto the *Hansard* record and not the member for Heysen.

The CHAIR: Attorney-General, we do not know whether *Hansard* recorded the remark until you pointed it out. The language is not unparliamentary. I suggest we move on.

The Hon. M.J. ATKINSON: Very well.

The CHAIR: Would you like to continue answering the question?

The Hon. M.J. ATKINSON: The latest women's leadership course has again been jointly funded by Multicultural SA and the Office for Women so it can be provided gratis to participants. Graduates receive a Certificate 3 in business frontline management. The course attracted 43 applicants for the 15 available places. The participants were from a wide range of backgrounds, including Liberian, Somalian, Iranian, the former Yugoslav republics, Lebanese, Papua New Guinean, Chinese, Filipina, Greek, Italian and Indigenous. Planning for another course this calendar year is now under way. Multicultural SA is also in negotiations with the Office for Women and TAFE SA to provide a short course in computing skills for some graduates of the latest course and some participants in the new course who need extra tuition in this competency to gain maximum value from the leadership course.

Mr PISONI: The target for 2006-07 describes a program. Is the program only the course that is described on page 4.62 that I think you were describing, minister? Is the course the only part of the program?

The Hon. M.J. ATKINSON: Yes.

Mr PISONI: There are no additional parts of the program?

The Hon. M.J. ATKINSON: Yes. I presume you do not misunderstand any part of 'yes'.

Mr PISONI: I can understand 'yes', thank you.

The CHAIR: Member for Unley, do you have another question?

Mr PISONI: Yes, I do. I am also interested in the target that was mentioned for the 2006-07 year, that is, increasing the number of culturally and linguistically diverse people appointed to government boards and committees. I notice that is no longer a target, nor is it a highlight of this budget. I wonder if there is something that you might like to tell us.

The Hon. M.J. ATKINSON: I will refer that question to Mr Forrest.

Mr FORREST: The process we use to increase the number of people from a CALD background to government boards and committees is to use the data produced by the boards and committees information system to look at the vacancies that will occur in the coming months and determine which of those boards or committees are most relevant to people from a CALD background, then to source nominees that we think would be suitable for that board to discuss with them their interest in it; and then to provide advice to the minister that he nominate those people to the relevant minister for inclusion on the new board. It is a process we have just started, because we think it is a very efficient way of providing information to the ministers appointing people to provide them with information about appropriate members of the community who could represent CALD people on the boards and committees.

Mr PISONI: How successful has that been?

Mr FORREST: We have just started it in that format.

Mr PISONI: Has anyone been appointed yet under that system?

Mr FORREST: We do not know, because we have not got to the point of appointments being made on the system that we have started.

The Hon. M.J. ATKINSON: I might mention that John Sulan, one of my first appointments to the Supreme Court, was born in Prague in the Czech Republic, which increased the diversity of the Supreme Court a great deal.

Mr HAMILTON-SMITH: I refer to page 4.63, regarding interpreting and translating services. I note that there is a discrepancy in the budget in this line in that \$61 000 was the budgeted figure but the estimated result is twice that. Can the minister explain why our performance doubled the budget?

The Hon. M.J. ATKINSON: For ITC their wages went up, as part of an enterprise bargain. I can tell you that, if you talk to any interpreters and translators, they have a compelling case that they are not valued in salary and fees as they should be.

Mr HAMILTON-SMITH: I have a supplementary question, Madam Chair, because it has doubled. Are the wages double? The budgeted amount was \$61 000 and we spent twice that. Is it wholly explained by wages?

The Hon. M.J. ATKINSON: I will refer the question to Mr Swanson.

Mr SWANSON: The costs shown in that table are actually net costs. They are expenditure less revenue, so in most cases for this program that would be around zero. However, during the year there was, I understand, some salary supplementation received which may not have been offset by revenue during the year. But, certainly, the total cost for interpreting and translation services is—

Mr FORREST: \$3.6 million, I think, roughly.

Mr SWANSON:—possibly over \$3 million. So the actual expenditure base is a lot more significant than the figures being shown in that table.

The CHAIR: There being no further questions, I declare the examination of the proposed payments of the Attorney-General's Department and administered items of the Attorney-General's Department adjourned to Committee B on 2 July.

State Electoral Office, \$2 253 000

Membership:

Mrs Redmond substituted for Mr Hamilton-Smith.

Departmental Advisers:

Ms K. Mousley, Electoral Commissioner, State Electoral Office.

Mr D. Gully, Deputy Electoral Commissioner, State Electoral Office.

The CHAIR: I declare the proposed payment open for examination and refer members to the Budget Statement, in particular, pages 2.9 to 2.12 and appendix C and the Portfolio Statement, Volume 1, pages 4.130 to 4.144. Does the minister wish to make an opening statement?

The Hon. M.J. ATKINSON: My opening statement was for all portfolios.

The CHAIR: Does the lead speaker for the opposition have an opening statement?

Mrs REDMOND: No, but I confirm that the omnibus questions I read earlier apply also to this section. I refer to Budget Paper 4, Volume 1, page 4.131. In the highlights for 2006-07 appears the note, 'Provided support to the 2006-07 Electoral Districts Boundaries Commission'. We are aware that it completed its report on 29 March 2007. Can I confirm that the new boundaries under that report take effect only at the 2010 election?

The Hon. M.J. ATKINSON: Yes.

Mrs REDMOND: Is it in any way an offence to hold oneself out as being the member for an area when one is not?

The Hon. M.J. ATKINSON: If the member for Heysen wishes me to utter the truism that members are elected for the boundaries upon which they are elected at the 2006 general election, I am happy to recite that for her.

Mrs REDMOND: That is exactly what I would like you to state. I have a copy of a letter from the Electoral Commissioner dated 12 April 2007, advising that in the absence of any legislative requirement she intends to follow the custom and practice of the past two electoral commissioners and not provide information on the new boundaries until six months prior to the next state general election. She is responding to a request from the then Leader of the Opposition asking for the provision of the data set relating to the new boundaries. She says that she will not provide that, in accordance with custom, until six months prior to the next election. Can the Attorney or the commissioner suggest how a certain Labor MP has written to people who are not in her electorate (and in deference to her I will not name her), and what action can be taken to ensure that MPs do not write letters welcoming to the electorate people who will not be in their electorate until the 2010 election?

The Hon. M.J. ATKINSON: I am advised by the Commissioner that information about enrolments outside the House of Assembly district for which the member was elected would not have been provided by the State Electoral Office but would more likely have been provided by the Australian Electoral Commission.

Mrs REDMOND: Is there any impediment to people writing, because it is very confusing for the electors who have elected one member, who intends to represent them until 2010, to receive a letter from another member, particularly if it is someone from another party, saying, 'Hi; welcome to my electorate.'

The Hon. M.J. ATKINSON: I understand the point the honourable member is making. It takes my mind back to 1979 when I was a law student and I sat in on the Court of Disputed Returns for the state district of Norwood. Don Dunstan had retired at that election and the candidates were Frank Webster, Liberal, and Greg Crafter, Labor. Frank Webster won at the general election. His election was challenged on the grounds that in a letter in the Italian language Mr Webster had described himself as 'il vostro deputato', which means, I gather, in Italian 'your member of parliament', whereas in fact he was not their member of parliament but merely a candidate. Therefore, it seems that if any candidate did what the member for Heysen is alleging—and I do not have the letter before me—and if a member of parliament has been holding herself out as a member of parliament representing an area for which she was not elected, then that would go into the mix if the result were close at the next general election. This can be avoided by a simple tweaking of the wording of the letter.

Mr PISONI: I refer to the same budget paper, page 4.135, regarding non-parliamentary electoral services. I notice negative figures in the column. Am I right in assuming that the State Electoral Office charges for those services?

The Hon. M.J. ATKINSON: Yes.

Mr PISONI: For what organisations do you conduct elections that you do not charge for?

The Hon. M.J. ATKINSON: I am advised that the State Electoral Office charges a fee for service for everyone, including local government.

Mr PISONI: Does the office conduct trade union elections?

The Hon. M.J. ATKINSON: No. I am advised that the office does not conduct ballots for state registered unions, but it does conduct enterprise bargaining ballots.

Mr PISONI: Are they also charged?

The Hon. M.J. ATKINSON: Yes.

Mr PISONI: Is there full cost recovery on the charges?

The Hon. M.J. ATKINSON: My word! Were you worried about freebies for the unions?

Mr PISONI: I was just asking you the question, minister.

Mrs REDMOND: On page 4.31, the very first dot point under targets for 2007-08 relates to youth enrolment. I have a number of questions to clarify what is happening. It is expressed that our state youth enrolment is higher than the national average. The first part of the question is: what is the national average, and what is our rate of youth enrolment?

The Hon. M.J. ATKINSON: I refer this to the Electoral Commissioner.

Ms MOUSLEY: At the time of producing estimates notes, the national average for 18 year olds was 67 per cent and 77 per cent for 19 year olds. As at March 2007, we have 60 per cent of eligible 18 year olds and 80 per cent of 19 year olds enrolled.

Mrs REDMOND: Can I have those figures again? It was 67 per cent of 18 year olds and 77 per cent of 19 year olds as the national average.

Ms MOUSLEY: That is correct.

Mrs REDMOND: Presumably, if you took both those figures together, you would have something in the order of 72 per cent as the national average.

Ms MOUSLEY: About that, yes.

Mrs REDMOND: The state enrolment rate is 60 per cent and 80 per cent; is that correct?

Ms MOUSLEY: That is correct, yes.

Mrs REDMOND: Would that not make an average of 70 per cent, which would be lower than the national average, rather than higher, as stated in the target?

Ms MOUSLEY: Yes, but these figures change quite considerably. In getting the information downloaded from the federal system, the figures vary. So, we believe at this point in time that we have a higher percentage because we are currently undertaking a number of enrolment activities to entice young people to get their names on the roll.

Mrs REDMOND: I guess the thrust of my question really is: how do we capture this age group? Do we use information from births, deaths and marriages and, if so, what is the statutory authority for that? More importantly, how do we capture information about anyone who moved to the state before they were 18 years of age?

Ms MOUSLEY: It is difficult to get a finite answer on that number because the figures are usually supplied by and compared with ABS census data. As reported in the paper only this week, it has only just been released for the first round of information. So, it is using population estimates to

give us an indicator of what it thinks the figures might be. However, those figures have to be adjusted for those who are not eligible to be on the roll—those who were not born in Australia or who do not have citizenship requirements to enrol. That is why it is very difficult to ascertain the correct percentage, and they are very broad figures.

Mrs REDMOND: I want to explore that a bit. I am interested in what strategies there are to increase the levels. If you cannot identify how many there are and, presumably, where they are, apart from putting an advertisement on the television to suggest that people might like to enrol, how do you increase those levels?

Ms MOUSLEY: We have identified a number of strategies to undertake over the next 12 months. We have only recently been given access to data from the South Australian Senior Secondary School Assessment Board. Prior to this year, in the results pack at the end of each year, we have been sending out an enrolment form with an information pack saying, 'You have just turned 17 or 18, put your name on the roll.' We found that that was not producing a very effective outcome for the office, so we have now gained access to their data and, in a joint relationship with us and the Australian Electoral Commission, we are preparing a customised birthday card for 17 and 18 year olds, whom we will target with information about enrolment and a new enrolment card for them to enrol when they turn 17 and 18. We have their birth date captured on the database, and we will use that as a source of information.

In January this year, we undertook a radio promotion with Nova FM, which we believe has the highest incidence of young listeners in its audience. We targeted that with the Australia Day cricket match. We were fortunate enough to have a number of tickets to the Australia Day cricket match provided to the office, and the incentive was for those who were enrolling for the first time to have their details go into a draw to win the tickets. So, there is an incentive to try to get people interested and also enrolled at the same time.

Recently, we formed a partnership with the Rock the Vote organisers, which is a non-partisan organisation stemming from an organisation initially established in America and which targets enrolment and youth participation by giving them an opportunity to voice their opinions. They are trying to empower youth. We participated in the national launch of that program at the Governor Hindmarsh Hotel just a couple of weeks ago. I believe that it was very well received by the shoulder-to-shoulder crowds of young people who came in from about half past seven to eight o'clock onwards.

The Hon. M.J. ATKINSON: I add to that that it is one of the targets in the South Australian Strategic Plan to have enrolment of 18 and 19 year olds better than the national average by 2014. However, let us call a spade a spade. Opinion polling of young people has consistently shown lower than average adherence of young people to the Liberal Party. It is in the interests of the Liberal Party to ensure that these young people, including people who are tenants and change address more frequently than homeowners, are removed from the electoral roll.

To that end, changes were made to the commonwealth Electoral Act by the Liberal Party, using its Senate majority, to try to remove as many people as possible in these categories from the electoral roll. The principal means to do that is to close the rolls on the same day that the election is called so that young people enrolling for the first time do not have time to do it, and people who have changed address do not have time to do it. So, my message to members of the

opposition is that, if they are expressing concern about the lack of young people enrolled, it is not a genuine concern—physicians heal thyself.

Mrs REDMOND: I object to the idea that the Attorney seeks to attribute to any member sitting here motive as to our questions. My questions are directed purely at trying to detail—

The Hon. M.J. ATKINSON: We are just Nazis.

Mrs REDMOND: I did not call you Nazis.

The Hon. M.J. ATKINSON: You did.

Mrs REDMOND: No, I did not. Is the Attorney suggesting that there is something wrong with the process whereby when someone changes address they are removed from the roll for that address?

The Hon. M.J. ATKINSON: No. I just like to give them time, when an election is called, to realise that an election is coming up and they are going to be called upon to vote and, as they have moved house since the last election, you need to give them an opportunity. It is the calling of elections that rings bells in people's minds about enrolment. I do not know about the member for Heysen—perhaps she, being a political activist, is different from the rest of society—but when you move address—

Mrs REDMOND: I do think about re-enrolling.

The Hon. M.J. ATKINSON: The first thing you think of is not re-enrolling. The first thing you think about is the phone, gas, electricity, water and the redirection of your mail. The first thing you think of is not changing your electoral enrolment unless, of course, you are the member for Heysen.

Mrs REDMOND: Before I was the member for Heysen—when I was quite a young person—I moved address. I wrote to the Electoral Commissioner—not in this state—and they failed to re-enrol me and then sent me a letter for failing to vote. They got a ripper of a letter back from me.

The Hon. M.J. ATKINSON: Yes, I bet they did. I have received some of those letters from you over the years.

Mrs REDMOND: I finished the letter with, 'I remain, sir, your most humble and obedient servant.' I remember that.

The Hon. M.J. ATKINSON: The member for Heysen, in particular, has expressed opinions about the quality of the people who work in the Crown Solicitor's Office. She is very lucky I did not show it to them.

Mrs REDMOND: Still following this track of who gets enrolled and when, my understanding is that, once one is enrolled, it is an offence not to attend at the polling place and get your name marked off.

The Hon. M.J. ATKINSON: It is not compulsory voting; it is compulsory attendance.

Mrs REDMOND: Yes, I understand that. Is it compulsory to enrol? Is any offence committed by someone who simply chooses not to enrol in the first place?

The Hon. M.J. ATKINSON: Alas for South Australia, it is not an offence to fail to enrol when eligible but, once one has enrolled, there is an obligation to keep it up to date.

Mr VENNING: Once you are enrolled you have to stay enrolled.

The Hon. M.J. ATKINSON: Correct.

Mr Piccolo interjecting:

The Hon. M.J. ATKINSON: No. Federally, I believe, there is an obligation to enrol. If the member for Heysen would like to move a private member's bill to make enrolment compulsory for state parliamentary elections, it would show that she is in earnest in this question, and I certainly would pledge my support here and now.

Mrs REDMOND: I am certainly in earnest about it, but it is not actually a problem. When I am door-knocking in my electorate, there are very few people who are not enrolled.

The Hon. M.J. ATKINSON: Well, all I can say is that you must not do very much door-knocking.

Mrs REDMOND: I do a lot of door-knocking.

Mr VENNING: Maybe they are informed in her electorate.

Mrs REDMOND: The people in my electorate are very well informed and well educated.

Mr VENNING: That is why they vote for her.

The Hon. M.J. ATKINSON: In fewer numbers than ever.

Mrs REDMOND: I wanted to inquire about the enrolment status of two other groups of people. I know there has been some public debate nationally and in this state, but I want to get on the record clearly what the situation is with respect to prisoners who, I understand in this state, are eligible to vote. I would like some clarification as to the basis upon which they are eligible and whether, in fact, any penalty is imposed if they fail to vote. Again, once they are enrolled, are they penalised if they choose not to vote? That is the first part of the question.

Mr PISONI: Lock them up.

The Hon. M.J. ATKINSON: 'Lock them up' interjects the member for Unley. Perhaps I could ask the commissioner to outline the law on this.

Mrs REDMOND: I just want to be clear about that.

Ms MOUSLEY: Under state legislation, prisoners are entitled to enrol if they so wish. Therefore, if they are enrolled, they are then required to vote. If they fail to vote, they would then get a notice asking why they failed to vote.

Mrs REDMOND: What would be the consequence of them—

Ms MOUSLEY: It would depend on the response that they provided to us. If they had trouble obtaining a postal vote, obviously we would consider that in a reasonable light.

The Hon. M.J. ATKINSON: I think some commonsense has to be used in prosecution policy here.

Mrs REDMOND: I would expect so. The other group that I am curious about—

The Hon. M.J. ATKINSON: I thought the next question was going to be about David Hicks.

Mrs REDMOND: No. The other group that I am curious about is people who, over a period of time, begin to suffer dementia. I suspect that, as we have an ageing population and we baby boomers get to the ripe old ages that we are going to reach, we are going to have to come to terms with the issue of dementia. However, clearly, there are people who suffer from dementia who are still on the roll. I would presume that there is some ability, for instance, for a doctor to certify someone as no longer being competent to vote. Is there a process, and has the issue been thought about in terms of future enrolments and how we are going to deal with the issue of our ageing population?

Ms MOUSLEY: That topic has been discussed at length at the Electoral Council of Australia meetings, which is a quarterly meeting of the commissioners around Australia, both state and federal. Under federal requirements, if a person is considered to be of unsound mind—and it might be relating to Alzheimers or dementia (memory faculty issues)—they are able to have a doctor sign a certificate to say that they can no longer understand the nature and significance of voting.

That works in cases where we are informed of it and we can remove their names from the roll but, in a number of instances, we use an internal system where we capture

information on a database. At any particular election event people might come up and say, 'Mum and Dad can't come along and vote today because they have Alzheimer's,' or dementia, etc.—whatever the case may be—and we keep a record of that information so we can put them on to our database with a flag.

Mrs REDMOND: Yes, but my kids might do that to me tomorrow!

Ms MOUSLEY: This is why we do not make it too easy to have people's names removed from the roll on those grounds, particularly if people fluctuate between days when they are quite with it and other days when they are not so with it. We have found that, if we were to pre-empt and take people's names off the roll without certification, they do get very upset. They will then have the opportunity of going along and having a vote, or having a postal vote sent out to them or, if they are in an institution of any sort, they can be visited by an electoral team to take their vote at the time of the election. They are given assistance in marking their papers but, at the same time, if they are confused and they do not know, that is fine; we take a record of their names so they do not get a fine.

The Hon. M.J. ATKINSON: I would pause suitably before calling a by-election for Heysen—on the old boundaries, of course.

Mr RAU: I have a supplementary question. I will not go into any detail about this because I gather that it is contrary to public policy to do so, but some years ago in the lead-up to a federal election a gentleman was going around propagating a certain voting behaviour. He was prohibited from continuing to propagate his views. Do you know the gentleman I am talking about?

Ms MOUSLEY: No.

The Hon. M.J. ATKINSON: I think you are referring to Albert Langer.

Mr RAU: I am, indeed.

The Hon. M.J. ATKINSON: And the vote would be one, two, two, two.

Mr RAU: I am wondering whether that is a problem under our provisions.

The Hon. M.J. ATKINSON: No. That would just be an informal vote. The commissioner advises me that if someone were to advertise that as a valid way of voting they would be committing an offence under the act.

Mrs REDMOND: I have one further question in relation to the last explanation about officers taking people's votes in nursing homes and other like residences for people who may be suffering from dementia. Do those officers then have a discretion as to whether they believe that the person is confused? Are they still allowed to vote for Bob Menzies? What is the line that they draw in practice in dealing with that situation?

Ms MOUSLEY: When our teams visit each of the institutions, there would have been a number of contact calls before they got there. They usually talk to the administrators or the nurse in charge to ascertain who is capable of voting. Who can and who cannot cast a vote can change on a daily basis. From the advice that is given to them from the nurse in charge, the administrator or whoever the person might be, they will go around and visit each of the people and if, at that time, they are confused and say, 'No, I don't want to vote,' that is fine; we do not force the issue. Those who want to vote but need extra explanations as to how to cast their vote for the person or party of their choice are given instruction on how to complete their papers.

Mr PISONI: Would that not be passed on to a power of attorney?

Ms MOUSLEY: No.

Mr VENNING: Our method of voting here in Australia generally is still balloted one, two, three, four. There is another system called Robson's scramble (or another name) where the names are scrambled.

The Hon. M.J. ATKINSON: Robson rotation.

Mr VENNING: Robson rotation, that is it.

The Hon. M.J. ATKINSON: We have a shocking system whereby, instead of being in alphabetical order, there is a random choice of position on the ballot paper. I deplored that when it was introduced, but it is with us now. What the member for Schubert is asking about is Robson rotation, whereby there is a different order on each ballot paper; the order on the ballot paper alternates and is almost random.

Mr VENNING: You have to think about which one is on the paper. You cannot take a 'how to vote' card outside. First of all, how prevalent is that new system anywhere?

The Hon. M.J. ATKINSON: Robson rotation operates in Tasmania and the ACT.

Mr VENNING: To bring it into South Australia would need an act of parliament to change it to that?

The Hon. M.J. ATKINSON: Yes.

Mr VENNING: There were no recommendations; you discussed this at your joint quarterly meetings?

The Hon. M.J. ATKINSON: Yes.

Ms MOUSLEY: I would not be recommending it.

Mr VENNING: You would not?

Ms MOUSLEY: No. From an administrative perspective it makes it much easier to have the same sequence of names; that also then refers and relays on to scrutineers who are observing the process as well. If you are observing how votes are flowing, you cannot then just look for a position on a ballot paper: you have to look for the person's name, find out where it is and then ascertain what number they got. I feel that the system we are currently using is a much simpler, easier, more practical process to be using.

Mr VENNING: With this system you would have think more, would you not?

Ms MOUSLEY: You would have to think a lot more, but that is on both sides of the equation.

Mr VENNING: I think it has a lot of merit.

Mr PISONI: I have a question that relates to the roll. I must admit that when I became interested in politics I was quite surprised to find out how publicly accessible the roll was. It did concern me that it could be used in domestic violence or other situations to find out where people live.

The Hon. M.J. ATKINSON: I can answer that straightaway in that there is provision for a person to apply to have their address suppressed on the electoral roll, so that their name does not appear on it.

Mr PISONI: That is if they know they might be a victim.

The Hon. M.J. ATKINSON: Yes.

Mr PISONI: People hold grudges for all sorts of reasons. I am wondering whether there has been any consideration to at least ask people who wish to see the roll for identification before they are given access to it. The thing that most surprised me was that I simply walked in and asked to see a particular letter run. This was back when it was on microfiche or microfilm. I could have been a terrorist looking for a particular person who had a political influence and who was not a public figure and could have found out where they lived. So, it did—

Mr Rau interjecting:

Mr PISONI: No; phone books are very inconclusive. If you were in business, John, you would understand how inconclusive phone books are for finding out where people—

The Hon. M.J. ATKINSON: He is in business; he is at Murray Chambers.

Mr Rau interjecting:

Mr PISONI: You are not in retail. Obviously, there would be people in business who might find that a way to get into people's homes as well. I am just wondering, because we are in such a different society, and the way information is so much easier to gather, whether there needs to be any consideration—at least in the spirit of having publicly available documents—as to whether there should not be some requirement for people to identify who they are before they are given that information.

Ms MOUSLEY: It is a public document; you are quite right in that respect. At this point in time, I am not aware of any instances that have led to an issue from the misuse of our information. What goes beyond our office we are not aware of, and all of the AEC offices also provide the same facility to actually look up a person's name and address on the electoral roll. In the days—

Mr PISONI: I would be surprised if people would even know that that is how somebody got their information, because I know that when doorknocking and you have the electoral roll with you, people are often quite shocked that you know who they are before you knock on their door, and when you explain that you are using a publicly available document they are quite surprised.

Ms MOUSLEY: We do not advertise the fact that it is available as a public document, but there are a number of people out there in certain occupations, etc., or just different interest groups—those searching their heredity, for instance—who will have daily searches of the electoral roll for a number of different reasons. In the days when microfiche was used, we had a system whereby people would give us their details, so that if any of the slides went missing we could at least follow that up.

Mr PISONI: I was not asked for details.

Ms MOUSLEY: Was that in the days of microfiche?

Mr PISONI: Yes. Do you see that there may be a need for a review?

Ms MOUSLEY: There is no current requirement that I am aware of, but if you could raise some certain issues or examples with me I would be quite happy to look into it, and if there is a problem I will definitely investigate it.

The CHAIR: Looking at the time, it is now time to move on. I declare the examination of the proposed payment of the State Electoral Office completed.

Courts Administration Authority, \$78 745 000.

Departmental Advisers:

The Hon. J.J. Doyle, Chief Justice, Supreme Court, Courts Administration Authority.

Mr G. Thompson, Courts Administrator, Courts Administration Authority.

Mr T. O'Rourke, Director, Corporate Services, Courts Administration Authority.

Mr P. Louca, Chief of Staff, Attorney-General's Department.

Mr M. Harrison, Manager, Business and Financial Services, Courts Administration Authority.

Mr M. Church, Manager, Management Accounting Services, Courts Administration Authority.

The CHAIR: I declare the proposed payment open for examination and refer members to the Budget Statement, in particular, pages 2.9 to 2.12 in Appendix C, and the Portfolio Statements, Volume 1, pages 4.106 to 4.129. Minister, I understand that you do not have an opening statement in this case. Would the lead speaker for the opposition like to make a statement?

Mrs REDMOND: No, thank you.

The CHAIR: Do you have any questions?

Mrs REDMOND: I just confirm that the original omnibus questions will apply to this section as well; I do not have to read them again. I will just get a nice quick one out of the way first of all, Attorney, and that is, what is the actual amount per day or other measure by which jurors' payments will increase? You mentioned in your opening statement that jurors' payments will increase.

The Hon. M.J. ATKINSON: The maximum is from \$100 to \$125. Shortly after we got into government, as I recall, we increased it for long trials, such as 'the bodies in the barrel' murders, for instance. On application, \$200 is the maximum daily payment for long trials.

Mr VENNING: Have you changed it for mileage?

The Hon. M.J. ATKINSON: Yes, we have. We have increased the kilometre rate for travel from 20¢ per kilometre to 60¢ per kilometre, and that is very important for those outside metropolitan Adelaide. As I say, this is a government which has a special affinity with people outside metropolitan Adelaide, and that is why we have two of them in our government as ministers. I note that that allowance was not increased during the entire life of the Brown and Olsen governments.

Mrs REDMOND: Do you also note that that was because the state was bankrupt because of your government? I refer to Budget Paper 3, Appendix C, page 7, regarding fees and charges. In round figures, the income from fees and charges for court and probate fees is expected to increase from \$16 million in 2006-07 to \$23 million in 2007-08, which is almost a 50 per cent increase, certainly well beyond CPI. What is the basis and justification for the increase?

The Hon. M.J. ATKINSON: The government believes that court fees in South Australia ought to be around the middle range for court fees in Australia. The Courts Administration Authority put forward options to raise \$8 million over three years from 2007-08 to 2009-10. These measures were approved. The Magistrates Court summary and enforcement fee was increased by \$11 to recover 50 per cent of costs, taking it from \$115 to \$126. The measure relates to fees in the Magistrates Court that are paid for on commencement of proceedings for summary applications and for making an enforcement under the Expiation of Offences Act 1986. These offences are paid by offenders, and therefore the increase is targeted on a section of the community that should make a contribution to the provision of justice. We also increased civil lodgement fees in the Supreme, District and Magistrates Courts closer to the national cost recovery average.

Increasing the civil lodgement fees will more closely align them with national cost recovery averages, as determined by

the 2006 Report on Government Services by Mr Greg Smith. South Australia has one of the lowest percentages of cost recovery for civil fee collections in Australia's jurisdictions. If the member for Heysen is saying that the fees should be lower then we would have to increase taxes to fund our courts, and she should send that message to the leader and the parliamentary Liberal Party for their deliberations on taxes which they announced this week.

Mrs REDMOND: Madam Chair, do I have to spend time during this estimates hearing correcting the record because the Attorney constantly seeks to put words in my mouth? I made no such suggestion as the Attorney has just attributed to me; I asked a simple question about the basis for the 50 per cent increase in income on a particular line of the budget.

The Hon. M.J. ATKINSON: We also increased the Victims of Crime levy so that we could fund the Rann government's benefits for victims of crime, as the member for Unley knows. For instance, former attorney-general Trevor Griffin made, I think, eight ex gratia payments as attorney-general in five years; I have made more than 100.

Mr PISONI: This has all been done; we have done all this.

The Hon. M.J. ATKINSON: When you are on a good thing stick to it.

Mrs REDMOND: I refer to Budget Paper Volume 4, page 107 and the highlights for 2006-07 and targets for 2007-08. When I looked at last year's budget, according to last year's targets all the recommendations of the criminal listings review were to be implemented in the year we are just finishing. My questions are: how many, and which, of the recommendations of the 2005-06 criminal listings review remain outstanding, when are they to be implemented and what has caused the delay?

The Hon. M.J. ATKINSON: Yes; the residue was referred to the criminal justice taskforce. I expect it to report very soon indeed with important recommendations that will challenge both the government and the opposition.

Mrs REDMOND: In the highlights list on that page there is also a target for 2006-07 which says, 'establish the Magistrates Court diversion program at Murray Bridge'. However, that appears neither in the highlights for 2006-07 nor in the target for next year. If it has been abandoned, why? It appeared in the target for 2006-07 in last year's budget papers and, if you go through and check it off, nearly everything listed in the highlights for 2006-07 is a repeat of what appeared in the targets for 2006-07 in last year's budget papers; however, that one is notable by its absence.

The Hon. M.J. ATKINSON: That matter was deferred pending the appointment of a new Chief Magistrate to ensure that the proposal was supported. We now have a new Chief Magistrate, Liz Bolton, and I am sure she will turn her mind to it.

Mrs REDMOND: Another target from 2006-07 was the establishment of dedicated court facilities at Amata and Ernabella, but when I looked at the highlights for 2006-07 neither of those is listed as having been achieved. What is the cause of the delay and why do the new targets for 2007-08 list only Amata? Where has the Ernabella proposal gone?

The Hon. M.J. ATKINSON: The answer is that the proposal is attached to the police stations planned for those two settlements and, in another estimates committee, it was mentioned that SAPOL has had difficulty getting contractors to work on the APY lands—especially as we are in what is effectively a full employment economy and the building

industry is chugging along very well. I am advised by Mr Thompson that the proposal is now restricted to Amata.

Mrs REDMOND: Can we have an explanation as to why Ernabella has fallen out of the proposal?

The Hon. M.J. ATKINSON: We can take that question on notice and direct it to the police.

Mrs REDMOND: I really struggle to understand why, when we have so many highly paid public servants here, any question needs to be taken on notice. The whole point of estimates committees is that we are able to ask questions and have the expertise here to answer those questions.

The Hon. M.J. ATKINSON: The member for Heysen's repeated indignation today is the product of her never having served in an administration.

Mrs REDMOND: Absolutely right.

The Hon. M.J. ATKINSON: The position is that the court development at Amata and at Ernabella as originally proposed are both dependent on police initiatives, and I am not the police minister. But what I have promised to do is to get an answer for the member for Heysen. I cannot recall the member for Heysen being critical of me in the past for delays in answers or for not answering questions.

Mrs REDMOND: I simply become more frustrated looking at the number of people who are here, knowing the salaries that are being paid. As I said earlier, knowing the number of people who have been engaged in the preparation for budget estimates, it strikes me that, from any side of this house and from any party, it is an inordinate waste of taxpayers' money to approach the whole budget estimates the way we do. However, I am not holding you personally accountable, Attorney, so maybe we can move on to the next question.

The Hon. M.J. ATKINSON: I understand that the position of the parliamentary Liberal Party was beautifully expressed by that master tactician Rob Lucas, who said that there should be 4 000 fewer public servants in South Australia. So, I understand the member's position.

Mrs REDMOND: Once again, Madam Chair, the Attorney is putting words into my mouth that have nothing to do with anything I have said.

The CHAIR: I have noticed that the Attorney-General is doing that, and I ask him to desist and answer the questions. I am sure there are motives there that we do not understand, but I do not think you need to try to interpret them, Attorney-General.

Mrs REDMOND: If we can move on to page 4.108. I note in the 'Investing payments summary' that there is obviously money from the 2006-07 result which finished the Port Augusta courts complex, and I congratulate the government on the opening of that court complex earlier this month. I understand—

The Hon. M.J. ATKINSON: We are a court building government.

Mrs REDMOND: I am glad to hear that, because that brings me to the crux of my question. I notice that there is no other investment for court works as such. There are total minor works of just over \$1 million. What I want to know is: what action has the government taken to address underfunding of courts. After the 2006-07 budget was brought down on 26 September 2006, the Chief Justice, in an interview on ABC 891, said:

I think we are under funded and there are things we would like to do for the public through the courts that we can't do and, in a sense. . . it has a kind of stifling effect on the system because people to some extent stop promoting change and improvement because I

think 'Well, what's the point? I can do a lot of work on it, not much chance of getting it,' so gradually the system goes into a kind of holding state where you just continue to do the basics.

My question is: what has this government done since the last budget to address the Chief Justice's concerns about the inadequate facilities in a number of our courts, particularly courts in the city area?

The Hon. M.J. ATKINSON: Well, we are a court building government, and we have built courts—

Mrs REDMOND: You built the Port Augusta court; I saw that.

The Hon. M.J. ATKINSON: In Port Augusta, \$12 million worth of courts. It says in the Bible, 'In my father's mansion there are many rooms,' and that is certainly true of Port Augusta, because there is a room for everyone. The DPP, the Legal Services Commission, the police, prosecutors, the Aboriginal Legal Rights Movement, you name it, they have a room. We have built courts at Port Pirie, Port Lincoln, Victor Harbor and Berri, and they are good courts. So, we are a court building government and now, as time and finances permit, we will turn our attention to other courts.

Mrs REDMOND: Well, there is certainly nothing in this budget. Is there anything in your forward estimates towards addressing the problems expressed by the Chief Justice last September in relation to metropolitan and particularly city courts?

The Hon. M.J. ATKINSON: Consultants GHD Pty Ltd have been engaged to explore some practical options of providing up to four additional superior criminal courts to assist with the reduction in the backlog in criminal cases awaiting trial. We are looking at the possibility of having more criminal courts upstairs, on the top floor of the Sir Samuel Way building, and we are looking at the possibility of criminal courts being erected on that vacant block of land behind the library fronting Wright Street. We would hope that those additional courts would be part of an overall plan to redevelop the Supreme Court, as the Chief Justice and his brother and sister judges have long advocated. However, that would cost tens of millions of dollars, and the government is not in a position to do that now. If the member for Heysen wishes to announce an opposition policy on that, she is welcome to do so. However, currently, we do not have the money in the budget for that. We did at one stage look at the tram barn site as a possibility for a public-private partnership to provide the courts needed, but that did not progress. Indeed, I do not think the judges themselves wanted that arrangement.

Mrs REDMOND: But you can confirm that there is nothing in the forward estimates up until 2010-11 to address the issue?

The Hon. M.J. ATKINSON: The member for Heysen observes correctly.

Mrs REDMOND: If you accept the need to do some redevelopment in the future, why is it alright to propose a hospital that will not be completed until 2016, or possibly even 2021, but not deal with the issue of the courts development?

The Hon. M.J. ATKINSON: We promise only what we can deliver, and I think it would be fair to say that those of us who go doorknocking or listen to talkback radio do not hear quite as much of a clamour for superior court redevelopment as we do for hospital redevelopment, and I notice the member for Schubert smiles. So, we have set up a consultancy. GHD Pty Ltd is acting for us with a view to designing

practical options for building extra courtrooms. The first thing is to develop a business case. This is a government of fiscal rectitude.

Mrs REDMOND: I refer to the Magistrates Court, sub-program 1.1, criminal jurisdiction, Budget Paper 4 at page 1.10 dealing with resource allocations. The performance summary indicates that 'an expected decline in civil lodgements in the Magistrates Court will enable reallocation of resources to address the increased backlog in the criminal jurisdiction'. There is no mention of any reason for this expected decline that I can see in the commentary on sub-program 1.3, which is the civil jurisdiction. So, what is the reason for the expected decline, and what is the explanation for the increase from 32 per cent to 36 per cent of matters pending completion which are more than six months old?

The Hon. M.J. ATKINSON: The Chief Justice will respond to that question.

Chief Justice DOYLE: I can only hazard a guess, I have to say, but I think it would be just reflecting a trend that the Magistrates Court is observing in civil lodgements. As you probably realise, we often know very little about why particular areas of lodgements go up and down. Sometimes we can make an educated guess.

Mrs REDMOND: There has been no change in the jurisdiction, has there?

Chief Justice DOYLE: No, nothing like that. But in the Supreme Court and the District Court you get these ups and downs, and often it is very hard to work out just why they have happened. As I said, sometimes something has happened and you can say that is the reason but, as far as I am aware, there is nothing of any particular significance and it probably just reflects a general downward trend. At the moment, in the Supreme Court, appeals to the Full Court have declined quite sharply in the past few months. We actually do not have a clue why that is so, but the past couple of months have been lower than in my whole 12 years, with no apparent reason for it.

Mrs REDMOND: Through you, Attorney-General, perhaps the Chief Justice could also explain this. In the reallocation of resources that will be enabled to be redirected to reduce the backlog in the criminal jurisdiction, are those resources primarily magistrates civil matters?

Chief Justice DOYLE: Yes, that is basically what it means. In the larger centres they tend to specialise, so the magistrates go to either civil or criminal. If they decide they need less in civil, they can move perhaps one or two more into criminal.

Mrs REDMOND: As you said, magistrates tend to specialise, and my experience is that there are very few who specialise in civil in the Magistrates Court. Most of them are expert at handing out summary justice but know very little about civil procedure. Indeed, I remember having a conversation with someone who is no longer a magistrate to the effect that he appeared to wait six weeks, then call on a directions hearing and ask the solicitors where things were at, because that was how he knew what he was supposed to do next, because we told him. I think that is a fairly common pattern, particularly in regional courts. Is there, overall, enough magistrates?

The Hon. M.J. ATKINSON: Before the Chief Justice responds to that, the government has provided for an extra full-time equivalent magistrate by appointing two part-timers half time.

Chief Justice DOYLE: I think probably overall there are about enough. I meet with the Chief Magistrate about every

two weeks, and we do not have a set agenda but he has not raised with me a concern about the number of magistrates. Obviously, like any organisation, if there were more we could probably turn over cases a bit faster, but I do not think there is a general feeling that there is a shortage of magistrates. People are concerned about delays in the criminal area, so I suppose it is only logical that if civil eases off you will move more people into crime if you can.

Mrs REDMOND: Still in regard to the criminal jurisdiction, on the same page, the performance indicators, the performance commentary states that backlog indicators for the higher courts show an overall slight improvement, and that seemed to me to be a bit misleading because there is an overall slight improvement for the Supreme Court but the District Court figures show that, in spite of a target of only 10 per cent of cases pending completion of more than 12 months old, they in fact went from 27 per cent in 2005-06 to 29 per cent in 2006-07. What is the reason for that, and to what extent are various failures to fund various aspects impacting on the backlog? That is, is it possible to break down the degree to which the failure to address court facilities, the delays in appointing new judges, the failure to appropriately fund legal services, the failure to appropriately fund the office of the DPP, or anything else, account for the level of delay in that jurisdiction?

The Hon. M.J. ATKINSON: I will ask the Chief Justice to respond.

Chief Justice DOYLE: First of all, as you probably appreciate, it is very difficult to say anything very satisfactory in about two lines on most of these matters. We could talk almost for half a day on it. In relation to the figures, and the District Court in particular, I looked into that myself, and the explanation I was given was that, for cases more than 12 months old, the backlog has jumped from 27 per cent to 29 per cent because in the past year or so there has been an increase in the number of lodgements. So, they are all relatively new cases but, because the number has gone up, they are clogging up the system. The improvement that was detected was that, with the older cases (more than two years old), they had got them from 8 per cent down to 7 per cent. Whether you call that overall a slight improvement or a slight worsening we could debate, but all these figures are difficult to interpret. If you look at the Supreme Court you will see that for lodgements pending completion we should not have any more than 24 months old and we have 4 per cent. That is actually about two cases but, in any system, you always get a couple that hang around and, for one reason or another, you cannot get rid of them.

As to allocating reasons, we cannot. We could not say that 10 per cent is due to DPP resources and 15 per cent is due to ours. All we can do is look at the end result and we know that a whole range of factors, like police resources, DPP resources, the number of judges, the number of courtrooms and practitioners' habits all play a part. This is why it is so hard to solve it, because you can change one thing but then you find that because you have not changed the habits of the profession the change you made did not actually produce the benefits you thought it would. That is no excuse for doing nothing, and we are trying hard to do something about it—witness the Rice report and now the task force. I am hopeful the task force will come up with good and workable proposals, but I am realistic enough to recognise that it will take a lot of work to really make it work.

In part, picking up what the Attorney said, while it is no answer to simply add more courtrooms, if you can make the

processes more efficient you should. Having a few more courtrooms available would help and we can turn over a few more cases. I certainly do not suggest that the number of courtrooms is the golden key to the problem as there are other factors as well.

Mrs REDMOND: Indeed. That brings me to the next question on the same page, namely, that I have had some reports from practitioners, particularly in the criminal jurisdiction, of trials of maybe a week being abandoned because of lack of a courtroom or judge. To what extent does that impact on these figures, given that if you have a week long trial, certainly when I was practising, you were listing a long way out? What is the listing time on average at the moment and what impact does that have on these results? If you have a trial that goes off that is a week long, it will push it out from being 18 months to two years or whatever.

Chief Justice DOYLE: I will ask the Chief Judge to write to you and give a more detailed response, but the general answer is that we over list significantly: we have to as things are because, if you listed only one case for each judge, cases either become pleas of guilty or you find witnesses are missing and the case cannot proceed. The Chief Judge adjusts the formula from time to time. At times he has increased it and, when they have found that for too many cases there is not a courtroom available, they have decreased it. There is a formula he works on and it is adjusted from time to time.

My view is that the number of cases where there is not a judge or courtroom available is too high, but I recognise that if we go the other way we are inevitably saying to people that they have to wait longer for their case to be heard. If a case is not reached because there is no judge or courtroom, we do everything we can to give it priority next time and, secondly, we list it again as soon as we can. There is a degree of churning that is unsatisfactory and inefficient and very hard on the people involved. If you are a witness or whatever and you go to court and on the day are told that there is not a judge or courtroom available, it is devastating. On the figures I have the backlog has reduced from about 13 months to currently eight months and we relist them if they are not reached within three to four months, but the whole picture is still not satisfactory.

Mrs REDMOND: In the criminal jurisdiction do they do the same as they used to do in the civil jurisdiction cases where the practitioner has to sign off on the case before it is listed and say that all these things are in place?

Chief Justice DOYLE: We do that in crime and in civil. However, things go wrong—witnesses get sick or disappear—but there is an unsatisfactorily high level of cases in which, despite all this, close to trial we are told that the prosecution have come up with a late statement they need to look into or that the defence has come up with something. That aspect is not working satisfactorily, and that is one of the aspects of professional practices we have to keep working at.

Mr HANNA: In the Courts Administration Authority papers there is not a reference to a target of more restorative justice practices. I understand there have been a couple of cases—death by dangerous driving and so on—that have been the subject of these sorts of practices in the past year. Within existing budget constraints, what scope is there for furthering this sort of practice?

The Hon. M.J. ATKINSON: We did trial adult conferencing. That trial is at an end. We use restorative justice in youth justice and a variant of it in the increasing number

of diversionary courts, but we are not proposing to fund another go at it at this time.

Mrs REDMOND: Referring to Budget Paper 4, Volume 1, page 4.111, the performance commentary states 'this year there has been a more rigorous approach to home detention'. Can the Attorney advise what is meant by 'more rigorous approach to home detention'? The second part of the question is: are there sufficient home detention bracelets to operate the home detention program at maximum efficiency?

The Hon. M.J. ATKINSON: That is correctional services. The member for Heysen is thinking of the wrong committee.

Mrs REDMOND: It is on the first line of page 4.111: Specialist Courts.

The Hon. M.J. ATKINSON: I am advised that, because the Department for Correctional Services is now more rigorous in policing home detention and administering drug testing, it is having implications for the courts. However, the question of why it is now more rigorous, and what is the form of that rigour, is a matter for the Minister for Correctional Services.

Mrs REDMOND: When I read the whole comment in the performance commentary on page 4.111, I expected to see below it improved rates of completion in the Drug Court program. However, the actual completion rate dropped significantly from 42 per cent in 2005-06 to only 30 per cent in 2006-07. I appreciate that they are low rates because of the nature of the people involved in them, that is, drug addicts. Is there any explanation as to why there has been such a significant decline in the completion rate of that program?

The Hon. M.J. ATKINSON: The Chief Justice will respond.

Chief Justice DOYLE: As I understand it, it is linked to the answer just given. Because the policing, not just of home detention but also policing generally, has tightened up, in particular things such as urine testing, they are finding more people who are in default. This means that it defers their successful completion. Alternatively, if the defaults are repeated, they are, in effect, put out of the program. In other words, more rigorous policing of compliance is turning up more defaults than in the past, which means that people have either to stay in the program longer or they are put out of it. So, the completion rates are going down because the policing is tighter. 'Completion' means successful completion without a breach being detected. It lasts 12 months, so it is not just a short-term thing. They have to be drug-free for 12 months.

Mrs REDMOND: On a financial issue, I refer to page 4.109, Court and Tribunal Case Resolution Services. Under Income, 'other' seems to have an aberration in terms of a budget of \$68 000 in 2006-07 but an actual income of \$520 000. What produced the dramatic change in 'other' from what was anticipated?

The Hon. M.J. ATKINSON: Trevor O'Rourke from Corporate Services will respond.

Mr O'ROURKE: What that relates to is that, in 2005-06, we had \$1.075 million. In there was not only interest paid by Treasury but also funding for the court's assessment and referral drug scheme. It was not approved when the budget was set in 2006-07 but, as to the estimated result in 2006-07, Treasury has funded the court's budget, which is reflected in the \$520 000. There has been no funding approval for 2007-08 as yet.

Mrs REDMOND: I refer back briefly to page 4.112 and the changes in the District Court lodgments. The explanation in the performance commentary states, 'This increase is due

in part to an increased number of personal injury cases taking longer to resolve.' This is a two-part question: why are more personal injury cases taking longer to resolve and, if that is only part of the explanation, what percentage is attributable to that and what other factors are causing the delays?

The Hon. M.J. ATKINSON: The Chief Justice will respond.

Chief Justice DOYLE: I think that I would have to ask the Chief Judge whether he could give you a more detailed answer. Again, I think that this is one of those situations where we do not really know why it is that, at a given time, personal injury cases seem to be slowing down. It could be something such as a change in policy by an insurer that has a large stake in the field. There are a number of factors. As you know, in general terms, personal injury matters are reflected by a lot of things outside the control of the court, such as recovery from injuries and medical reports.

I think that we will have to take those questions on notice and see whether we can give you a more detailed answer. However, my impression is that probably the answer will be that we do not really know of any particular factor why at the moment personal injury cases have slowed down. As you would appreciate, you hear anecdotal things, but often when you check on them they turn out to be unreliable or related only to a handful of cases, whereas people often generalise from one case to all cases.

Mrs REDMOND: Through you, Attorney, to the Chief Justice: is this performance indicator of 10 per cent really an appropriate indicator? Is there any real hope that the courts will ever get to the point where they meet that performance indicator, or would it be more realistic to increase it? Clearly, the figures we have seen over the past few years are well in excess of that 10 per cent.

Chief Justice DOYLE: It is so hard with statistics. The two standards—only 10 per cent more than 12 months old and none more than two years old—come from a national set of statistics. Generally, there has been a trend to say, 'Let's have one set of performance measures for everything.' Inevitably, what that means is that, in some areas, that performance measure may be appropriate; in other areas, it is really pointless because, as I mentioned, two criminal cases are outstanding. I do not think you will ever get to the stage where regularly you have no cases more than two years old.

Mrs REDMOND: But this figure standardises it to a national level?

Chief Justice DOYLE: Yes, so they are inevitably rather arbitrary. At least they have the advantage that most courts around Australia now are using the standard measures across all jurisdictions. However, the spin-off from that is that, because the measures are sort of unsympathetic to what they are measuring in some areas, they start to lose some of their value. If you look at our Supreme Court Annual Report, because we are not confined to the national measures, you will find a good deal more detail there and, in fact, it is easier to understand.

On the other hand, if you were presented with that for all the courts across Australia, you cannot then match it up because we use more detailed measures in our Supreme Court report, but they differ from the measures used by other courts around Australia. So it is a trade-off question, and the present mode or the present favoured approach, I guess, is uniform standard measures.

Mrs REDMOND: I have one very brief final question which may have to be taken on notice. Given that we are on a national standard, is the Chief Justice aware of whether any

other jurisdictions around the country actually achieve that performance?

Chief Justice DOYLE: Probably not in terms of no cases beyond two years. We tend to use them as targets. That is what we strive to do. We know that, if in any given year we actually achieve it, we will be very pleased. But we use it as a target and we do our best. In the Supreme Court—being a smaller court with a smaller volume—we get close to it at times. In some areas, like criminal and civil appeals, we often actually perform better. However, being a lower volume

court, we have a better chance of getting odd years where we can get everything cleaned up.

The CHAIR: The time being what it is, I declare the examination completed. I thank everyone for their assistance today.

ADJOURNMENT

At 7.17 p.m. the committee adjourned until Thursday 28 June at 11 a.m.