

HOUSE OF ASSEMBLY
Thursday 25 June 2009
ESTIMATES COMMITTEE B

Chair:

Hon. P.L. White

Members:

Mr M.R. Goldsworthy

Dr D. McFetridge

Mr T. Piccolo

Mr J.R. Rau

Hon. L. Stevens

Mr I.H. Venning

The committee met at 09:00

DEPARTMENT FOR TRANSPORT, ENERGY AND INFRASTRUCTURE, \$800,605,000

**ADMINISTERED ITEMS FOR THE DEPARTMENT FOR TRANSPORT, ENERGY AND
INFRASTRUCTURE, \$12,696,000**

TRANSADLAIDE, \$2,079,000

Witness:

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

Departmental Advisers:

Mr J. Hallion, Chief Executive, Department for Transport, Energy and Infrastructure.

Mr R. Hook, Deputy Chief Executive, Department for Transport, Energy and Infrastructure.

Mr B. Stobbe, Chief Executive, TransAdelaide, Department for Transport, Energy and Infrastructure.

Mr M. Palm, Manager, Budget & Investment Strategy, Department for Transport, Energy and Infrastructure.

Mr J. Tepohe, Chief Financial Officer, Department for Transport, Energy and Infrastructure.

Mr R. Richards, Director, Sustainable Transport Policy, Department for Transport, Energy and Infrastructure.

Ms H. Haselgrove, Acting Executive Director, Public Transport, Department for Transport, Energy and Infrastructure.

Mr S. Matters, Executive Manager, Corporate Services, TransAdelaide, Department for Transport, Energy and Infrastructure.

The CHAIR: The estimates committees are a relatively informal procedure and, as such, there is no need to stand to ask or answer questions. The committee will determine an approximate time for consideration of proposed payments to facilitate the changeover of departmental advisers. I ask the minister and the lead speaker for the opposition whether an agreement has been reached on the timetable for today's proceedings.

The Hon. P.F. CONLON: Yes.

The CHAIR: I have a copy of that. Changes to committee membership will be notified as they occur. Members should ensure that the chair is provided with a completed request to discharge 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 17 July 2009. This year, the *Hansard* supplement containing all estimate committee responses will be published on 2 October 2009.

I propose to allow both the minister and the lead speaker for the opposition to make an opening statement. I will allow up to 10 minutes each. There will be a flexible approach to giving the call for asking questions based on approximately three questions per member. 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. All questions must be based on lines of expenditure in the budget papers and must be identified or referenced, and they must be addressed to the minister. The minister may seek assistance from officers, but all questions must be directed through me to the minister.

If members are unable to complete any questions during the proceedings, they may submit them as questions on notice for inclusion in the assembly *Notice Paper*. I remind members that there is no formal facility for the tabling of documents before the committee. However, documents can be supplied to the chair for distribution to the committee. The incorporation of material in *Hansard* is permitted on the same basis as applies in the house; that is, it is purely statistical and limited to one page in length.

I also advise that, for the purposes of the committee, television filming will be allowed from both the northern and southern galleries. I declare the proposed payments open for examination and refer members to Portfolio Statement, Volume 1, Part 6. I now call on the minister to make an opening statement, if he so wishes. Do you wish to make an opening statement?

The Hon. P.F. CONLON: I don't think so.

The CHAIR: Dr McFetridge, do you wish to make an opening statement? I will allow up to 10 minutes.

Dr McFETRIDGE: I just want to make more of an announcement rather than a statement: that Harry McFetridge was born yesterday morning and I wish him safe travel through this journey of life.

The CHAIR: I will now transfer the rights to the usual opening batsman, and that is the lead speaker for the opposition. Proceed with your questions, Dr McFetridge.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 6.31, sub-program 4.2, Passenger Services. Can the minister provide me with a breakdown of the \$22.6 million increase in expenditure between the 2008-09 and 2009-10 budgets for free public transport during off-peak periods for seniors; increased bus contract obligations; additional bus and tram services; increased funding to TransAdelaide; and other various public transport related initiatives that contribute to the increased expenditure?

The Hon. P.F. CONLON: I suspect I will not be able to give you that information on the spot. The free public transport to seniors is, from memory, about \$10 million a year. Honestly, I think we will probably have to take that on notice. I do not think anyone here could break it up. The free public transport figure is an estimate, because it has never been done before. We estimate that it will cost about \$10 million a year. I think it will be money extremely well spent, and it has been extremely well received. I know that Tony Piccolo was a great champion for this idea. In fact, I think it is safe to say that it was Tony's idea to give free public transport to seniors; he was a very strong advocate. We estimate that aspect of it to be \$10 million per year, but it will come down to just how popular it is. I suspect that it will be very popular. The rest of it we will take on notice; I think that is the best that we can do.

Mr VENNING: Can I ask a supplementary question relating to that?

The CHAIR: If it is a supplementary question.

The Hon. P.F. CONLON: Yes; if you get a seniors card—we are happy to accept that you do not work more than two days a week.

Mr VENNING: Is the free off-peak public transport available to country travellers? I know that the government subsidises some country services.

The Hon. P.F. CONLON: It is available to everyone in South Australia who has a seniors card. I think you qualified for that about 30 years ago, Ivan. It applies to every South Australian. In fact, as I understand it, anyone coming from interstate is eligible for a seniors card.

Mr VENNING: In the country regions themselves?

The Hon. P.F. CONLON: You do not get it where there is no public transport. In regard to the earlier question about the breakdown of the increased funding, \$700,000 per annum of that is for increased inspection and maintenance on the TransAdelaide system; \$620,000 per annum is

for increased security and graffiti removal—and I can tell you that it is a very important initiative—and \$2 million in 2009-10 for operational support for public transport rail services; and \$300,000 for an extension of peri-urban services.

Mr VENNING: I have a supplementary question. The government subsidises some of the country services provided by private operators. Are seniors using those services able to avail themselves of this privilege, because you do subsidise the services, anyway?

The Hon. P.F. CONLON: No. I think I am correct in saying that we do not actually subsidise regional services. What we do is pay for the concession holders using that service. We are limited, but it is too difficult to apply this to those regional services. To make the point, I would say that, whenever one of your constituents comes down from Gawler to Adelaide, they are entitled to a service. Every South Australian who holds a seniors card is entitled to a service in the metropolitan area, but it is simply too difficult to arrange it with the many various providers in the regional areas.

Mr VENNING: Is there any chance—

The CHAIR: Order! Does the minister want to respond further?

The Hon. P.F. CONLON: I have just been told that Ivan will be on the frontbench soon, which I think is marvellous; I am looking forward to it.

The CHAIR: Order! There have been three questions from the opposition.

Dr McFETRIDGE: I understand the member for Schubert's enthusiasm; he is doing the best for his constituents. I refer to Budget Paper 4, Volume 1, page 6.29. How much has been budgeted in total for 2008-09 and 2009-10 as part of the operating expenditure for bus substitute services for the Belair, Gawler and Noarlunga line rail upgrades?

The Hon. P.F. CONLON: I will have to get that information for you later.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, pages 6.69 and 6.70, in relation to the Bombardier maintenance contract. What will be the financial impact on the Bombardier maintenance contract if the new trains are of a type not currently worked on by Bombardier? Likewise, what will be the effect on the maintenance contracts when the new Alstom trams arrive?

The Hon. P.F. CONLON: It will have no effect at all on the Bombardier maintenance of trams contract.

Dr McFETRIDGE: In relation to the trains, is it too early to know as yet?

The Hon. P.F. CONLON: In terms of the trains, we have not yet made a purchase decision. I think we will be buying about 50 new trains in 2013-14. So, I will not be able to give any detail until we make a decision about what will be purchased. In short, the current purchases have no effect at all on the current Bombardier contract. As I understand it, that contract was written by a much better minister than me. Madam chair did that years ago, and it is a very good contract. Really, I think we should pause to reflect and congratulate the chair on what a good job she did.

Dr McFETRIDGE: Will the government be entering into another contract with Alstom, then, to maintain the Alstom trams?

The Hon. P.F. CONLON: The bulk of tram maintenance is done in-house. We have government employees who do that. Something we tend to like, which the Liberals tend not to like, is having government employees. As I understand it, the bulk of that maintenance is done in-house. Of course, the new trams will be under warranty. The trams are slightly second-hand (I think one of them has done about two-weeks' service), but they come with a new tram warranty. If any work were to be required pursuant to the warranty, we would expect the manufacturer to take responsibility for that. However, ordinary maintenance is predominantly done by government employees.

I point out that one of the arrangements we will be entering into, as a result of the new trams, is an arrangement with Yarra Trams in Victoria. We are very happy to have a very large company like that involved with us here in South Australia. We think it is a net addition to our capacity to run the system. However, most maintenance is done in-house.

Dr McFETRIDGE: Will the training of the drivers for the new trams have much of a financial impact?

The Hon. P.F. CONLON: The cost of the training for the drivers is included in the overall cost of the purchase of the trams, which is something I do not think the media fully understand yet.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 6.59, relating to fuel diesel supply. How many days' strategic fuel supply does the government have for trains and bus operations?

The Hon. P.F. CONLON: Well done Duncan, that is one I don't think we have in the briefing papers. I am told five to seven days.

Dr McFETRIDGE: Is that biodiesel or fuel diesel?

The Hon. P.F. CONLON: No, I think we run buses on about 10 per cent and we are trying to get higher and are running trials, but it is diesel—diesel, I think.

Dr McFETRIDGE: As a supplementary, I have correspondence from the federal environment minister, Peter Garrett, who is questioning the availability of E85 fuels in South Australia and you may need to take that up with him, particularly with our encouraging the motor vehicle industry to produce E85 capable cars. I refer to Budget Paper 3, page 2.15: have speed limits been reduced on the O-Bahn and, if so, why and does this apply to all buses on the O-Bahn, and what will be the effect, if any, on time-tabling?

The Hon. P.F. CONLON: I am certain the short answer is no, that there have been no speed restrictions on the O-Bahn. I did not follow the rest of the question.

Dr McFETRIDGE: I understand undulations are developing in the O-Bahn and that it has been affecting the automatic air suspension on some of the buses and they have had to slow down for safety reasons. Is the minister aware of that and has there been an effect on time-tabling?

The Hon. P.F. CONLON: I do not know why you say that you are aware of undulations, as we are not aware of undulations and we run the system. It is terribly important that we do not make up stuff.

Dr McFETRIDGE: I am not making this up, minister. I was as alarmed as you are, minister.

The Hon. P.F. CONLON: You have form.

Dr McFETRIDGE: I don't think so. I promise you that I don't make up things.

The CHAIR: The minister has the call.

The Hon. P.F. CONLON: As a result of having one of the only two O-Bahn systems in the world, it is hard to get buses made for it. We had some issues with turntables—they were quite public. We managed to write a contract with Scania to get buses with turntables that are not an issue. So often I listen to the member for Morphett and he has some latest story: undulations, speed restrictions—it is just not true. Why do you do this? Why are you so persistent?

Dr McFETRIDGE: That is a brave statement, minister.

The Hon. P.F. CONLON: Mate, I am not brave dealing with you. I have heard some of the greatest rubbish in the world come out of your mouth in parliament. I remember you attacking public servants for doing their job and you named them in parliament—I remember that, and they remember it too. I remember you talking about legionnaire's disease out of the airconditioning on trams. You described a dangerous black powder that was forming on top of the tram. That dangerous black powder was called carbon, and most human beings are made of it. It is fairly common stuff. Forgive me, I will take the risk and put your undulations and speed restriction in the category of another Duncan McFetridge invention.

Dr McFETRIDGE: You do that at your own peril, minister.

The Hon. P.F. CONLON: I can hardly sleep at night wondering what you are going to do to me.

Dr McFETRIDGE: I am pleased you stay awake at night because of me. I shudder to think what the thoughts are. We will move on, minister, if you don't mind, as I have a question on complaints about ticketing. I refer to Budget Paper 4, Volume 1, page 6.3. It didn't take long, did it: 28 minutes past nine.

The Hon. P.F. CONLON: Let us get this on the record, mate: you have a track record as long as your arm for inventing things. There are not undulations or speed restrictions on the

O-Bahn. Aren't you ever slightly embarrassed about the bloody nonsense, pardon the language? Tony Piccolo is here today and I know you once said to him, after the last time you made up a story and got embarrassed with it, 'Don't worry, I only have to get one right.' That is the approach: don't worry about all the ones I get wrong—I only have to get one right! I hope you enjoy opposition because that is a luxury you can only enjoy in opposition. When you are in government you have to get everything right. They were your own words: I only have to get one right! If you have some pride in what you do you should get it all right and be truthful, honest and not invent things.

Dr McFETRIDGE: Budget Paper 4, Volume 1, page 6.30: complaints about ticketing. How many complaints in 2007-08 were there in the areas of punctuality, service changes, quality in staff, and fares and ticketing?

The Hon. P.F. CONLON: How many complaints were made to whom?

Dr McFETRIDGE: To the Office of Public Transport—to your department, minister. To your department, to officers of your department, minister—just tell me.

The Hon. P.F. CONLON: Just tell you how many complaints have been made to officers of my department: oddly enough, I don't know. My office is in the Roma Mitchell building. I walk past people every day who have caught trains; most of them are quite complimentary and some of them might have complained. Do I put that in the list? Just tell me so that I understand what you are asking for.

Dr McFETRIDGE: I think that your officers have some information there.

The Hon. P.F. CONLON: If you want the formal complaints—do you want the commendations as well?

Dr McFETRIDGE: I am asking about complaints at the moment.

The Hon. P.F. CONLON: In 2007-08, in terms of complaints, the number is 7,105, which was down on the year before. In terms of fares and ticketing, I think you asked about, the number is 196, which is significantly down on the year before. We had a number of suggestions for service changes, and the number of commendations is 664, up from 532 the year before. Let us be honest about this: you mob were in government for nine years and did not spend a dollar on the public transport system. The place was suffering from a massive under-investment.

Dr McFETRIDGE: I wonder why.

The Hon. P.F. CONLON: You wonder why? You were not able to be the government because you had problems. They had serious problems so they were not able to be the government; they just kind of hung around for nine years and did not do anything. The truth is that there was massive—

Dr McFetridge interjecting:

The Hon. P.F. CONLON: You did. You privatised electricity, at a much lesser price than—

Dr McFETRIDGE: You supported it.

The Hon. P.F. CONLON: No, we never did. We never, ever supported it. I would have to say that, if you could read, you could go back through the records and find that we never supported the privatisation of electricity. I do point out that Kennett in Victoria at least got a much better price than you bumbling fools did. And I do remember the Auditor-General's Report on the sale of the—

Mr Goldsworthy interjecting:

The Hon. P.F. CONLON: It was all our fault; we held it up. I remember the Auditor-General's Report on the employment of the American-spiv consultants at \$100 million to sell ETSA. I remember the glory days of your government, but let us come to the point. Even before you there was a massive under-investment—

Mr Venning interjecting:

The Hon. P.F. CONLON: Ivan, come on; you are going to be on the front bench soon. Apparently you and Mitch are new best friends; is that true? There was a massive under-investment in public—

Mr Venning interjecting:

The Hon. P.F. CONLON: Look, if you interrupt, I will just take longer. I do like the member for Schubert; he is a nice fellow. People say that I hate all the Libs. No, I like him and Gunnie. It

gets a bit thin after that. The truth is that there was a massive under-investment in public transport and, in particular, in the rail system. This government has stepped up to the mark with \$2 billion of our money. I am very proud of the fact that, through our relationship with it, the federal government is actually kicking in \$646 million. There is so much money around—

Dr McFETRIDGE: It is \$2.6 billion you are spending now?

The Hon. P.F. CONLON: If you allow me to finish, it is \$2 billion from us and \$646 million from the commonwealth. It is a difficult sum, but I reckon that it would probably add up to \$2.64 billion. I come back to the point: it is the first and biggest investment in public transport the state has seen, and it is the first time since federation that the commonwealth government has been convinced to invest in public transport. This is a subject, I can tell the member for Morphett, I am happy to talk about all day, because the commitment and performance of this government, in terms of investment in public transport, as opposed to what we used to get from you, is transformational, I think is the best word.

We have recognised, as a government, despite difficult times, that there is a paradigm change in Australia about the way in which people will get around in the future. The car will not be king anymore. I am a great supporter of renewable energy; and, if I could spend some time talking about it, this state has been remarkably successful in renewable energy—without doubt the most successful in Australia, but—

Dr McFetridge interjecting:

The Hon. P.F. CONLON: Mate, I do not think anyone in the Liberal opposition should go off on relevance. I do not think that relevance is an issue you guys should raise. Let me tell you this, and I will come back to public transport: the reason I raised renewable energy is that, as proud as we are, the greenest thing you can do is invest in public transport, and we are investing in public transport in a way that no government in South Australia ever has before, and I am very proud of that.

Mr Venning interjecting:

The Hon. P.F. CONLON: Ivan, you ride a bike? I do encourage cycling. I do know that Ivan is a keen cyclist. In lycra he does look like a character from *Little Britain*, but we will leave that alone. If you want to ask questions about public transport we will do it all day, because this is the government that has invested in public transport like no government before. We have made the single largest investment in the history of the state in public transport. I am very proud of the people who work for us in the Department for Transport, Jim Hallion and Rod Hook.

I want to emphasise the work we have done to secure a massive injection of federal funds for the first time since federation. So that we understand, for the first time since federation the federal government is putting money into public transport and we did better out of it than any other state, and I am proud of that. If you want to talk about public transport, I am here for the rest of the day.

Dr McFETRIDGE: I refer the minister to Budget Paper 4, Volume 1, page 6.69 and train breakdowns. When will the reports be released on the Adelaide rail yard derailment and the Noarlunga train breakdown, and will these reports be released in full?

The Hon. P.F. CONLON: Which reports do you refer to?

Dr McFETRIDGE: The investigation reports into why they broke down and how the incidents were handled.

The Hon. P.F. CONLON: Are you talking about the rail safety reports?

Dr McFETRIDGE: The rail safety reports, any reports. You said that there would be investigations into these incidents, and we are looking for any reports that are available on them.

The Hon. P.F. CONLON: From memory, we talked about the Adelaide derailment. Isn't it marvellous? Here we are in estimates in 2009, and the best you can do is go back over a year to dredge up some bad news from then. You are special, aren't you? I do not know whether you have short-term memory problems, Duncan, but you actually asked this question. We went through this at some length in parliament.

The answer was (and I love this one) that the cause of that derailment in Adelaide was what they call a fishplate. It was one put in during the term of the Liberal government; so it got lost in the system that was put in place by the former Liberal government. The cause of that derailment

in Adelaide was the systems put in place by the former Liberal government and the former minister for transport.

Dr McFetridge interjecting:

The Hon. P.F. CONLON: No; you do not understand it. You actually did ask this question about releasing the report, and I was giving the answer. Can I tell you that I make no decision personally about the release of reports. That is a decision made, I think in this case, by the Rail Safety Regulator. As I told you in parliament I cannot remember how long ago, the recommendation of the Rail Safety Regulator was that the full report should not be released because otherwise (from memory, this was the argument put to me) they will not get the candour and honesty from interviewing people if those people know that their comments will be made public.

Let me tell you this, Duncan. In some bizarre future world, you may be a minister, and I hope that, when you are, having known you personally for some time, you take the advice of people smarter than you—because that is what I do. I am quite ready to acknowledge that I have a number of people—

Dr McFetridge interjecting:

The CHAIR: Order!

The Hon. P.F. CONLON: No, mate. I do not know when you think you were put in charge, but you were not, okay? Duncan, my understanding is that you are going to be out and that Ivan is going to be in as soon as the new person takes over.

Mr Venning interjecting:

The Hon. P.F. CONLON: Ivan, come on! Mate, you look younger, you look better and you look brighter.

Mr Venning interjecting:

The CHAIR: Order! We have a point of order.

Mr VENNING: There are too many sideshows.

The CHAIR: If members continue to interject, they cannot call foul when the minister responds to their interjections. If they do not want the minister to respond to interjections, do not make the interjection. Minister, have you completed your answer?

The Hon. P.F. CONLON: I do apologise. I go on at length because I am so fearful of the next question from the member for Morphett. Please roll out another one for me.

The CHAIR: And the next question is, member for Morphett?

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 6.69. What disaster recovery plan does TransAdelaide have for breakdowns and accidents, and how often are these practised with the emergency services?

Mr STOBBE: In relation to the question, we just completed another exercise only a few weeks ago that included all the emergency services. It involved a tram incident, and we undertook it at the Glengowrie depot. As I said, it involved all the emergency services and, by all accounts, the whole project went well, and there were some learnings. We undertake it on an annual basis.

The Hon. P.F. CONLON: Can I say that I think Mr Stobbe is doing an outstanding job running TransAdelaide.

Dr McFETRIDGE: Yes; I think that Mr Stobbe is a breath of fresh air. I refer to Budget Paper 4, Volume 1, page 6.69: security. What agency will be providing the extra security on public transport systems and at what cost? When will these extra security be commenced?

The Hon. P.F. CONLON: It will be the same people who do it at present. When will it commence? I would hope on 1 July because we do this quite unique thing of budgeting: we budget for financial years. In short, the new security people will be the same as the old security people; there will just be more of them, and they will be working longer hours. Of course, we have brought ahead by an hour the presence of the security people on trains, and we have increased their number.

They will be employed under the same conditions as when you were last in government, but the difference is that there will be 60 per cent more of them and they will work longer hours, We

think it is a terrific initiative, and I thank you for allowing me to point it out. I point out that, as a result of our increase in police numbers, there are also many more Transit Police than there used to be.

Dr McFETRIDGE: Part of the question was: what is the cost of the extra security?

The Hon. P.F. CONLON: It is \$1.5 million over four years.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 6.69: the redeployment waiting room. How many TransAdelaide staff are in the redeployment waiting room? What are their classifications, and what is the total amount of their salaries and other charges?

The Hon. P.F. CONLON: What is the redeployment waiting room? As far as I can ascertain, we do not have a redeployment waiting room, so can you get your questions somewhere closer to the facts? What are you talking about?

Dr McFETRIDGE: Are there unallocated staff, who are still on salaries, sitting around in offices doing menial tasks?

The Hon. P.F. CONLON: Menial tasks? To be honest, I do not know. We do not have any in TransAdelaide.

Dr McFETRIDGE: That is good news. In Budget Paper 4, page 6.18 concerning rail services City West, will normal rail services be disrupted during the relocation phase of the rail yards at City West and, if so, for how long?

The Hon. P.F. CONLON: No.

Dr McFETRIDGE: How many of the Adelaide based employees will be moved onto the new Dry Creek depot, and what car parking provision has been made for those employees who will remain in the city?

The Hon. P.F. CONLON: When we relocate the rail yards you want to know what car parking facilities—

Dr McFETRIDGE: Will be left here.

The Hon. P.F. CONLON: Oddly enough, we did not anticipate that question. I acknowledge it is a biggie, but we will just have to get back to you. Seriously; this is the Parliament of South Australia. You are asking me what car parking provisions are made for the relocation of the rail yard. Can we lift our game?

Dr McFETRIDGE: You do not think it is important where the employees park, how you plan it and so on? I would have thought it was a pretty simple question.

The Hon. P.F. CONLON: Yes, it is a simple question; I think 'simple' is a wonderful description of that question. I would assume that the car parking will be adequate. We encourage people to use public transport, and over the next few years we will be spending record levels on investment in public transport. One of those projects will be the relocation of the rail yards. When we relocate the rail yards there will be adequate parking for the purposes.

We are talking about being the government of South Australia that has invested in public transport in a massive way. We are buying new rolling stock, we are resleepering, and we are electrifying. The member for Morphett will have to forgive me if I have not turned my mind to the number of car parks in the new rail yards. They will be adequate. The Department for Transport in South Australia is transformed from the tired, underfunded people you used to employ way back then. That is a fact. We are proud of what we are doing. I will get back to you on the car parking, but I will tell you this: I might even get one marked out for you out there in the new rail yards—a permanent position for the opposition spokesperson for transport.

Dr McFETRIDGE: It is a sad, sad day.

The Hon. P.F. CONLON: Let's lift the game, eh?

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 6.18, concerning rail yard bus relocation. Where will the government be relocating the buses that are now parked down by the rail yards?

The Hon. P.F. CONLON: One of the great things about buses is that you can drive them around to somewhere else.

Dr McFETRIDGE: Round and round the city.

The Hon. P.F. CONLON: Apparently, we have a contractor called Transitplus, and it will decide where to park its buses.

Dr McFETRIDGE: So, we do not know?

The Hon. P.F. CONLON: No, I do not, and I am kind of happy that I do not. I have to say that, if I spent my time worrying about where a contractor parks his buses, I would think there was something wrong with me. I am not making a judgment about you; you may take seriously the issue of where a contractor parks their buses. I happen to think we have bigger issues.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 1.69, involving a similar issue of dead running time. What will be the cost of dead running railcars to the new Dry Creek rail facility?

The Hon. P.F. CONLON: We do not expect things to change at all significantly, but we will have to get the actual detail of that. It has been pointed out to me that electrification and resleeper mean they will be in the depots for less time. One of the things we will do as a result of our record investment is resleeper the lines and electrify them, and the trains will run faster, so they will spend less time dead, as you call it. They do not have to be refuelled, because they run on electricity. So, as a result of the investment of this government, the entire system will work much better than it has in the past.

I do not have the numbers on dead running to there, but I am reliably advised by the people next to me that there is no significant detriment in going to Dry Creek rather than Adelaide. One of the few things that we agree on in politics in South Australia is that there is a better use for that land that I see out of my window every day than a rail yard. It is a marvellous site. We believe it should be the site for a world class hospital; the opposition agrees that it could be better used, but its latest idea is for a sports stadium; that is what you guys are still on about. Mark, are you guys still committed to building a stadium on the rail yards?

Mr GOLDSWORTHY: A very important piece of infrastructure.

The Hon. P.F. CONLON: There you go: a very important piece of infrastructure. The one thing we do agree on is that there are better uses for that piece of land than a rail marshalling yard. We do not agree on what the better use is; we think a hospital is marvellous, and I look forward to using that hospital one day (but not too soon). You think it should be a sports stadium, but there is no doubt that the one thing we agree on is that there are better uses for that land than putting trains on it.

Mr VENNING: As the minister is aware, at the moment the ERD Committee is inquiring into a reference on public transport generally across the state, and yesterday it specifically looked at the Barossa problems. If it cannot supply trains, is it feasible for the department to supply buses that link in with the scheduled Gawler to Adelaide services so that at least a few times a day it can run linking services into the Barossa under the metro ticket system?

The Hon. P.F. CONLON: I thank the member for Schubert. I put on the record that he is a genuine fellow who genuinely represents his area, and he plagues us about public transport out there.

Is it feasible? It is a difficult word because if you were to be entirely economic, you would not run public transport at all. I think the taxpayer subsidises three out of four dollars in the public transport system. About 75 per cent of the system is paid for by the taxpayer and about 25 per cent is paid for by the user. So, no public transport system is feasible. You make a judgment when you provide services as to the demand for those services and the cost. I believe that the northern suburbs out towards Gawler, where they have a very good local member—

The Hon. L. Stevens interjecting:

The Hon. P.F. CONLON: Sorry, and the other members on the Gawler line. There is no doubt that it is the growth area at present. The massive investment in road infrastructure through there, the presence of the interstate rail, and the fact that we were able to deepen Outer Harbor to 14.2 metres all means that the northern suburbs have infrastructure and jobs.

I think, at present, the numbers for public transport out there do not quite stack up, but it is the growth area of South Australia. If I were to predict the future, I think there would be much less in the south and much more in the north and, in those circumstances, those numbers that I talked about before become far more 'doable'. We do not have plans at present to increase public transport services there, but I think it is inevitable that there will be increased services in the north because it is the growth part of South Australia.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 6.31 regarding taxi revenue. Has the minister discussed with taxi owners the impact of additional taxi plates on owners' revenue streams and market value of the taxi plates?

The Hon. P.F. CONLON: Have I discussed with taxi owners? I have discussed it with the radio control people. There are a lot of taxi plate owners, so I could not say that I have discussed it with everyone. But yes, we have certainly discussed it with the representatives of industry. Some of them have different views than others; in fact, I can guarantee that some of them believed it was a good idea to put out more plates and some of them believed it was a bad idea. But yes, we have certainly discussed it.

We have probably talked to the taxi industry more than any government has before. We have the Premier's Taxi Council. I am happy to say that I consider Ron Barton to be a mate of mine—he is a good bloke. I talk to Wally Sievers; I talk to all of them. Yes, we have discussed it with them. At the end of the day, we made the decision and we made it on the basis of the interests of South Australians.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 6.31. Where is the current boundary for the metropolitan taxi zone? Does this include Mount Barker? Is the zone going to be increased?

The Hon. P.F. CONLON: What are the current boundaries for the metropolitan taxis?

Dr McFETRIDGE: For the metropolitan taxis, yes. Are you going to increase it and does it include Mount Barker at the moment?

The Hon. P.F. CONLON: No, it does not. If you catch a taxi from the city to Mount Barker, of course, we regulate that taxi service. We will get to the metro boundary, but it is metro. No, Mount Barker is not within the metro boundary.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 6.69. What overseas travel has been undertaken by TransAdelaide staff during 2007-08 and 2008-09? Who went and what for?

The Hon. P.F. CONLON: I will get you the details, but I can tell you that one of our blokes has been travelling to Spain a lot recently. We have bought some trams from the Spanish local government in Madrid, and they would forgive me for saying this but they have processes that would choke us to death. We have had a lot of people in Spain. Randall Barry is there at the moment because you cannot do a contract apparently unless you have signed it in Spain, and he has my delegated authority to go there and sign it. I spoke to my wife about my going to Madrid instead of delegating it to Randall, but she was not impressed with the idea. That is what you do.

I can assure the member for Morphett that South Australia is changing; it is not the place it used to be. It is bigger and better, with the brightest economic future of any state in Australia, and Australia is the place to be in the world, and I think that is a fantastic thing. What it does mean is that we are in the world, we are an exporting state and our people travel. Most recently they have travelled a lot by trams. I am proud of that. As a result of that, we will have a capacity that is 50 per cent larger in trams than the previous government. We are quite proud of that. We have had to go to Spain a lot for it. I will find out the rest of it.

I am advised that we have sent technical people to Madrid to check the trams to make sure that we were buying the right thing. No-one else from TransAdelaide has travelled in the past year other than for the tram purchase in Spain. Being the nice bloke I am, I can tell you in a broader sense that, in public transport and in transport in general, we have some people who are members of international committees and they travel for that. In fact, I am such a good bloke I will get you those details even though you did not ask for them.

The TransAdelaide people travelled this year entirely associated with the tram purchase from Madrid.

If you want transport in general, I am advised that 13 international flights will be taken by DTEI employees at a total cost of \$50,000 for the 2008-09 year. Not bad really. Those health people travel more than that, don't they?

Mr VENNING: I refer to page 6.29, the same line. In relation to the wine train, I understand that you and your department are involved in continual negotiations with the current owner of the wine train, Mr John Geber. Is there anything to report? Are we making progress?

The Hon. P.F. CONLON: I can honestly say that I have not had anything across my desk on the wine train for as long as I have been the Minister for Transport. Apparently, we are waiting for him to get back to us. He has a responsibility to get some accreditation. I can tell you—

Mr VENNING: I have a supplementary question. I understand your department has had several reports. I know the Hon. Dennis Hood has tried to get some information from you under FOI.

The Hon. P.F. CONLON: It is actually not true, and I am glad you have given me this opportunity because it is very annoying. It is a low level annoyance this notion that we refuse to give some reports on an FOI. There are no reports. I make the point right at the start; that is, we as ministers do not influence the FOI decisions: they are made by the departments. There are no reports. As I understand it, there is a series of internal documents where the people in the department have conversed with each other about—and often I think quite tangentially—the train.

There is no report to give anyone. There is nothing in the nature of a report. I have been the Minister for Transport since about 2005 (or something like that) and I have never had anything come to me about Barossa rail proposing that we do anything. This sort of fanciful stuff that some sort of secret study has not been released or acted on is not true. There are some documents that are not reports. They are internal documents which refer to the Barossa. They were not released. They are five to seven years old, I am told, and they are inconsequential.

The difficult politics of it is that we are not doing Barossa services. I am very clear about that: we are not. No-one in the department has ever suggested we should and we are not. We are not winning any points with people in the Barossa by saying that, but the simple fact is that, on our understanding, it would not wash its face. Public transport, as we talked about earlier, does not wash its face.

Mr VENNING: Should I ask the Minister for Tourism that question and not you?

The Hon. P.F. CONLON: The point you have raised is that, yes, it is probably a more important issue from the consideration of tourism than it is for public transport. Unfortunately, our obligation is to run public transport the best and most economic way we can. I come back to this point: when we run public transport, it is subsidised. It is about 75 per cent subsidised by the taxpayer. We do not have magic money; we only have taxpayers' money. We have to make decisions about the best way to spend that money on behalf of taxpayers.

The Barossa service has not been a matter of great discussion within the department because it certainly is not a priority. If you look around our services in South Australia and around the country, there has been a huge increase in demand for public transport and you put those taxpayer dollars in the best place you can. My advice is that is not the best place.

Mr VENNING: I hear the answer. I continue on the same line. I think we all know that no passenger transport service pays in the state, and I do not expect the Barossa one would either, but that is the criteria being used. My last question on this line is—

The Hon. P.F. CONLON: Mate, you own about 35 cars; what would you do with public transport? How many cars do you own, Ivan?

Mr VENNING: That is hypothetical; it is an irrelevant question. The minister would know that most Barossa people drive to Gawler, park their cars and use the Gawler service to commute to Adelaide, which is a good service. We continually have a security problem in the Gawler car parks. I understand the department does control these car parks. What can be done, because cars are continually being stolen and vandalised? Cars are left there all day, with some of them often remaining there into the evening when it is dark, and the vandalism is extremely high.

The Hon. P.F. CONLON: I will get Bob Stobbe to talk about this in a minute. What I will say is that we as a government are quite proud of our influence on crime statistics, particularly motor vehicle crime. When we came to government, we used to lead the nation by a long way in motor vehicle crime and we have improved that. Mike Rann is unashamedly tough on the people who interfere with your wellbeing and property.

I was very encouraged to see that one of our Supreme Court judges has been positive about the new bikie laws that have been made, and I think it is a tremendous step forward. I am sure that Mike is in the other place and is more than happy to talk about this himself. What I will say is that things are better now than they were seven years ago in terms of motor vehicle crime and crime in general. One of the reasons is—and I used to be a police minister—that we dramatically

increased the number of police officers when we came to government, and that is something I am proud of.

Mr VENNING: What about a car park attendant?

The Hon. P.F. CONLON: I have not finished yet, Ivan. I love listening to me. Do you? I really enjoy it. Bob might want to say something about it, but what I will say is that, in terms of rail security, there is more now. I think in terms of security people, 60 per cent more than there were, and they work longer hours than they used to. We have stepped up to the mark there. There is no doubt that you could do more if you had unlimited resources, but we have stepped up to the mark. We do 60 per cent more—it is actually more than 60 per cent more, because it is 60 per cent in numbers and, in terms of hours, they actually work an hour longer as well. Bob, do you want to add anything?

Mr STOBBE: Yes.

The Hon. P.F. CONLON: I know that Tony Piccolo is a very active local member, so I have to tell you that, if we were going to do anything, we would do it for Tony, because he never lets up on you. He is the hardest working local member I have ever seen. He never lets up on you. He is in our office about three times a week. He is always buying my staff chocolates. I know what it is all about, mate. It is about him getting his way.

Mr STOBBE: If I could add just a few points: in relation to the Gawler car park, we have actually received some additional funding to enhance the CCTV coverage. You may also be aware that there is a proposal to expand that car park as well to provide additional car parking spaces. That is still under review, but it is likely to proceed.

In addition, we work very closely with SAPOL in terms of identifying the hot spots. We encourage both our employees and the general public to let us know where there are issues. We respond very quickly to known hot spots, and SAPOL is involved—both uniformed and undercover operations—and it has been very successful. You can see the success rate of SAPOL. We work very closely with SAPOL, and we are very happy with that arrangement.

Mr HANNA: I refer to the same budget paper volume. In sub-program 4.2, passenger services, I am pleased to note the reference to additional bus and tram services. Of course, I am particularly concerned about the electorate of Mitchell. A particular point of reference is the development of the Hallett Cove shops, which is going to mean an increased demand for people to get from Trott Park, Sheidow Park and maybe Old Reynella—across the suburbs, in a sense, usually against the flow of public transport routes—to the Hallett Cove shops. Also, in Seaview Downs and Seacombe Heights, increasingly the population is older, and they have to walk across or up the hills—more than 500 metres usually—to get to a bus stop. Is there anything there which will assist the people in the electorate of Mitchell?

The Hon. P.F. CONLON: Off the top of my head, I cannot tell you. What I will say—and you would know—is that, in the area that you are talking about, we actually put \$3 million into a road that we ordinarily would not fund, because we recognised the unusual circumstances. What is the connector road called?

Mr HANNA: Patpa Road.

The Hon. P.F. CONLON: Patpa; that's right. I would like to think that they named it after me, but apparently not. It means something else. I am advised, and as you have identified, we have actually bought new buses—not just replacement buses, but extra buses—and we have funded extra kilometres, which is the key point. I am told that there are five p.m. peak service increases and one a.m. peak service increase (Mitcham to city and city to Mitcham), so there are extra services for Mitcham out of those extra funds.

Mr HANNA: I am the member for Mitchell, not Mitcham.

The Hon. P.F. CONLON: Why are you saying it like that? I know you are the member for Mitchell because we swap suburbs every time there is a redistribution. I know all about that. We will get you the details. We always go out of our way to help you, Kris.

Mr PICCOLO: I am trying to find the reference. It was a supplementary question asked by the member for Schubert in relation to car parking.

An honourable member: It's 6.39.

Mr PICCOLO: Thank you; 6.39. Can the minister elaborate on the new security arrangements proposed for not only the Gawler station but also for Gawler Central station, and could he perhaps provide some background as to why the car parking has been increased?

Mr VENNING: Can we buy lock-up spaces? Can you provide lock-up spaces?

The Hon. P.F. CONLON: I will come back to it. I want to put on the record that Tony Piccolo, the former mayor of Gawler, is the greatest champion for his area that I have ever dealt with. When I said that he is in my office three days a week, I am probably understating it. He has been an enormous champion for services out there. I know that, as a result of his work, he has had a number of meetings with Bob Stobbe about these issues. Bob, would you like to put something on the record? Before Bob starts, in short, as a result of the work done by Tony Piccolo, there are 60 extra car parks out there. In terms of security—I think we talked about this a little earlier—I will hand over to Bob.

Mr STOBBE: We have seen a significant increase in patronage, not just at Gawler, and we would like to see a continuation of that, obviously, as we expand our rolling stock and also our network. We often hear from MPs or the public about requirements at various stations. Gawler is one that we are looking at, but there are a number of other stations and park-and-rides that we are also considering expanding because of the increase in patronage. Gawler is just one of them.

As was mentioned by the minister, we are increasing the car parking there by around 60 car parks and, no doubt, that will quickly fill as well. So, we will have to look at other opportunities as well, as we continue to see this increase in patronage. I think I have previously discussed the security there.

Mr PICCOLO: Gawler Central as well?

Mr STOBBE: The same arrangements are in place at Gawler Central in terms of improvements to CCTV. I should have said previously that there have been significant upgrades and improvement in the lighting for the platforms and car parks, which will enhance security. We will continue to look at other opportunities to enhance the security as we go forward.

Dr McFETRIDGE: Minister, my question is based on an allegation that has been put to me. I hope the minister can discredit the allegation because it is a significant issue, and I hope it is not true. I refer to Budget Paper 4, Volume 1, page 6.31—Taxi accreditation. Can the minister assure the committee that no taxi drivers in South Australia are using illegally obtained accreditation?

Recently, on a trip to the airport, a fellow who claimed to be a taxi owner told me that two Department for Transport employees had been suspended because they had been issuing false taxi driver accreditation, and he quoted the figure of 47. I have not been able to verify this alarming allegation. If the minister is able to publicly discredit the allegation, that would be wonderful for the taxi drivers.

The Hon. P.F. CONLON: Can I guarantee that people will not act unlawfully? No, I cannot; I would be a mug if I did. The truth of the matter is that we have laws in place and, if people choose to break the law, they are criminals. I cannot guarantee you that every person in South Australia will obey the laws we make. However, what I can say is that, if you have some substantial allegation about this sort of behaviour, I urge you to deliver it to us, and we will act upon it. We cannot act upon things we are not told about. If you seriously have information, I ask you to deliver it to us so that we can act upon it.

I have no doubt that, as in every other walk of life, the majority of people in the taxi industry are lawful, hardworking people. However, I have no doubt that the industry, like any other, will occasionally attract people who choose to be less than lawful, and that is regrettable, but it is not unique to the taxi industry. I will say, though, that South Australia has always had the best taxi industry in Australia. It is not perfect, but it is an industry that has so often offered an opportunity to migrants to Australia to find their way, to work hard and to build a future, and that is something of which we can be proud and they can be proud.

Are there people in the taxi industry who are prepared to act unlawfully? Yes. Are there people in the banking industry or any industry on earth who are prepared to act unlawfully? Yes, there are. If the member for Morphett has some substantial information, he should give it to us and it will be acted upon because, as a government, we do not like people who act unlawfully. Even more importantly, the vast majority of people in the taxi industry are hardworking, decent people who are working for their families, and we would prefer that they are not tainted with allegations. I say to the member: if you have any information, bring it to us and it will be acted upon.

Dr McFETRIDGE: I put on the record that I hold the taxi drivers of South Australia in high regard. They do a difficult job, often under very difficult circumstances. I refer to Budget Paper 4, Volume 1, page 6.8—Ministerial office resources. Minister, there have been some issues about the use of Cabcharge vouchers by TransAdelaide employees. I know that most of these Cabcharge vouchers have been used for exceptionally good reasons, but the issue has been raised with me about TransAdelaide employees being given Cabcharge vouchers to travel home from TransAdelaide social functions.

The Hon. P.F. CONLON: I just hope you have some reason for putting that on the record. I hope it is not another one of your inventions, because it reflects very poorly on people. You are talking about human beings. I remember you came into the other chamber and launched what I think was one of most outrageous attacks on a public servant, and you named him—and I think he will remember it for the rest of his life—and it was absolutely wrong. You accused him in cowards castle of acting inappropriately, bordering on corruptly, and it was wrong. You have never, to my knowledge, apologised to the chamber or to him for it.

We will look at your allegation, but I really hope there is some basis to it. You can come into this place and hop into me as much as you like, because I can take it. However, public servants who are doing their job—and if, God forbid, you are ever the government, they will do the job for you—should not be used as a political football. I know and Tony Piccolo knows, because he is out there, that your attack on that public servant was disgraceful, and I have never seen a trace of embarrassment or apology from you for it. So, yes, we will look at your allegation, but I do hope that one day you will take seriously the fact that you have been given high office and access to privilege and you should use it with some degree of responsibility and, I dare say, honesty.

Dr McFETRIDGE: That completes the questioning. I appreciate the fact that the government has not asked any questions, other than those asked by Mr Piccolo. We are happy to now move on to Transport Planning Services.

The CHAIR: We will now proceed to Transport Planning Services.

The Hon. P.F. CONLON: Heather Haselgrove is now leaving the chamber, but she is also leaving TransAdelaide as she has taken up a job running public transport in Hobart. I wish her the very best and thank her for all the work she has done for us.

Departmental Advisers:

Mr Andrew Milazzo, Executive Director, Transport Services Division.

Ms Trudi Meakins, Executive Director, Policy and Planning Division.

Mr Phil Allan, Executive Director, Safety and Regulation.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 6.17: DTEI's structure. Has the Department for Transport and Energy been restructured to remove the Department for Transport into an entirely different structure and, if so, when will this happen?

The Hon. P.F. CONLON: I did not understand the question: is the Department for Transport being restructured into something else?

Dr McFETRIDGE: Yes.

The Hon. P.F. CONLON: No. There are planned changes around TransAdelaide. I am bemused as it is a government department. There is no doubt we have a savings target and no doubt that it is likely to lead to a reduction in jobs in the future, but that is something in the environment of the global financial crisis for which we cannot apologise, but as to the structure of the department itself, it is a government department.

Dr McFETRIDGE: You said something about TransAdelaide.

The Hon. P.F. CONLON: To be completely frank—and I have said it before—the structure of TransAdelaide was set up by the previous Liberal Government as a precursor to privatisation. They created a body corporate that could be hived off and sold. As a result of the good judgment of the people of South Australia, we came to government and that did not happen, but we inherited a corporate structure for TransAdelaide that I do not think is entirely appropriate for an ongoing government agency. Let us make no mistake: this is a government agency. It is a government agency that does service for South Australians—it is not a business. If it were a business it would go broke because, as I said earlier, public transport (particularly trains) is subsidised \$3 for every

\$1 by the taxpayer, so you have to recognise that it will not be privatised and will never be privatised under this government.

Dr McFETRIDGE: But it has been restructured, has it?

The Hon. P.F. CONLON: Yes, we are looking at TransAdelaide because we believe the thing you put in place when last in government as a precursor to the privatisation was wrong. Unfortunately in the modern world we are all captives of accountants and how you account for the expenditure of moneys is bizarrely important in government. I assure you that, if it were not for what the accountants tell us, personally I would have moved from a corporate structure for TransAdelaide a long time ago. I believe that TransAdelaide is a part of the Department for Transport and provides services to the public and should be simply a government agency. How we get there is another matter. We are all under the control of accountants but, make no mistake, the only structure in the Department for Transport that should and will change is the structure for TransAdelaide.

One of the bizarre and weird things the previous Liberal Government did with TransAdelaide was set up within government this corporation that contracts with us, with the Public Transport Division (PTD), and it is bizarre. I do not know what was going through the heads of the previous Liberal government where you have an agency in government that contracts with another agency in government and then argues about the contract—it is bizarre. Why you did that is beyond me; it is wrong and we will change it.

Unfortunately, we are all under the control of accountants and have to do it so that it does not affect the bottom line. I find it quite weird that a dollar spent one way in government, if you change the name of the corporate structure, is different from a dollar spent elsewhere as it is all taxpayers' money, but that is the truth of the matter. I find it weird. The only change in the structure of the department is TransAdelaide, as should be the case, because it was a bizarre mad model that the previous government created as a precursor to privatisation. It is outdated, because we will never privatise it.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 6.23. Does the state government have a comprehensive transport plan? When you were commenting on the O-Bahn on ABC Radio and referring to a comprehensive transport plan of the public transport system, the Leader of the Opposition in the Upper House (Hon. David Ridgway) FOI'd a copy of the comprehensive transport plan as follows:

I request access to a copy of the comprehensive transport plan referred to by the Minister for Transport on ABC891 on 13 May.

In response to that there is a one-page document, which appears to have come straight out of 'Adelaide—new connections' in last year's budget papers. I have had a look at the Victorian document, which is 154 pages. Does the state government have a comprehensive transport plan, as you said on radio?

The Hon. P.F. CONLON: I say to the member for Morphett that we have something better than a comprehensive transport plan. We have got the most comprehensive set of investments in public transport that the state has ever seen.

Dr McFETRIDGE: That is different from an integrated plan.

The Hon. P.F. CONLON: You may value your 170 pages from Victoria; I value the \$2 billion we have got out of the state Treasury to invest in public transport.

Dr McFETRIDGE: But without a plan, a comprehensive plan.

The Hon. P.F. CONLON: I could go on about this for a while.

Dr McFETRIDGE: Let us hear about this comprehensive plan.

The Hon. P.F. CONLON: I can assure the member for Morphett of a number of things, one is that we are far more serious than he is. We are putting taxpayers' money—

Dr McFETRIDGE: Well, show us your comprehensive plan, Patrick.

The Hon. P.F. CONLON: You have arced up; it is good to see that there is a little life left in you. It is really good to see because you have looked so much like a bloke walking the plank for the past few months. I understand that, as soon as the change is made, Ivan is going up and you are going down. Ivan, welcome. Look at Ivan; he looks happy enough. Look at that smile. He

knows the future. I turn to plans. We came to government and we established the South Australian Strategic Plan.

Dr McFETRIDGE: You said you had a comprehensive plan of public transport.

The CHAIR: Order! The minister has the call.

The Hon. P.F. CONLON: Yes, we have the most comprehensive plan for transport South Australia has ever seen, and we have investment to back it up. It is not a report for the consumption of people like you. It is—

Dr McFetridge interjecting:

The Hon. P.F. CONLON: What we are going through is the highlight of Duncan's time at estimates here, where he has woken out of his slumber and he yells a few interjections.

Dr McFetridge interjecting:

The CHAIR: Order! The minister has the call.

The Hon. P.F. CONLON: Can I say this to the member for Morphett about South Australia's planning for transport, the member for Morphett should look at what happened in the recent federal budget and the Infrastructure Australia funding. What happened was that, for the first time in history, since federation, the federal government put money into public transport. Per capita it put more into South Australia than anywhere else. Why were we able to do that?

Dr McFetridge interjecting:

The Hon. P.F. CONLON: Will you just stop talking and listen for a moment.

The CHAIR: Order!

The Hon. P.F. CONLON: His complaint is that the Senate committee did not come here. Let me tell you what we got out of Infrastructure Australia—about \$1.2 billion. Do you know what New South Wales got? Do you know? It got \$90 million. We got \$1.2 billion. I am sorry but I would rather have the money than the Senate committee, mate. Call me old-fashioned, but I would rather have the money.

Dr McFetridge interjecting:

The Hon. P.F. CONLON: No plan. I look forward to the day when he is the minister because we will not have any money but we will have a great plan. The truth is that the quality of the work done by our officials in South Australia was the reason we got \$646 million—the first time since federation—into public transport into South Australia. Why? Because of the quality of the work that they did. Why did New South Wales get only \$90 million out of the whole fund and we got \$640 million for public transport? Why? Because of the quality of the planning work that our people did. It is about the quality of the work: it is not about selling some cheap document to you—

Dr McFETRIDGE: You sent it to us, Patrick.

The Hon. P.F. CONLON: When you are finished I will go on, because I am very proud of what our people have done. The fact that South Australia has the biggest per capita funding for public transport—I stress, for the first time since federation—was as a result of the quality of the work that was put up to Infrastructure Australia: the quality of the planning for the entire network. I do not know where you have been, but I can tell you this: we have put out a plan that involves the resleepering and electrification of the entire system. It involves buying something like 70 new items of rolling stock. It involves tram extensions, which one day you support and the next day you oppose, according to which way the wind is blowing.

It involves tram extensions to West Lakes and to Semaphore: a coast to coast tram. It is the most comprehensive plan for the future of public transport the state has ever seen. But it is better than that, it is an investment commitment. We had a global financial crisis interrupt us and we managed not only to preserve all of that public transport planning and investment but we increased it with the support of the commonwealth. This is a big success story. This is a success story for the state. This will be around for decades once we are all out of this place. It is a success story. The fact that you do not like the way it is presented to you is something that I will just have to live with.

When I am retired and I look around South Australia and I see the result of the great work of these people I work with—and I am very proud of the people in the Department of Transport—I will not be thinking about the fact that you did not get your plan, Duncan. Goodness me, let's get

serious. We are talking about \$2.6 billion going into public transport. We are talking about doing it in the best planned way that has ever happened in this state. We are talking about the fact that, in the next few days—I do not know whether I am supposed to say this because it is the Hon. Paul Holloway's responsibility—there will be a 30-year plan for Adelaide. That 30-year plan for Adelaide will include 70 per cent of development in the future around our rail corridors, with our urban growth boundary preserved and infill around public transport corridors. It will be about excellence and sustainability. It is the best thing we could have done for South Australia.

There is a paradigm shift. We cannot spread north and south any more, and the car cannot be king any more. Quality public transport is the future. We have \$2.6 billion to underpin that future. It is without doubt the most significant investment in our future that we are making, and I am just going to have to live with myself because I have not given you the plan you want.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 6.23. What planning has been completed on the tramlines to Port Adelaide, Semaphore, West Lakes and Grange? When does the government propose that those extensions will be completed?

The Hon. P.F. CONLON: I remember that you asked me why there was no money for these extensions in the budget. They are beyond the out years. From memory, 2015 is the completion of works. You asked this question (although I am not sure why), but can I assure you that they are locked in. When we went to the commonwealth to get its contribution, we did so on the basis of what we were doing. That is why they are locked in—because we could not have got \$600 million out of the commonwealth if we had not shown it our earnestness about what we were going to do. So, they are locked in, and they are going to happen. They are not in the out years, as I explained to you in parliament, but they are going to happen.

I grew up in Port Adelaide and, when I was a child, they took the railway line out of the middle of Semaphore Road, and we are going to put it back in. It is something we are very proud of, and it is going to happen. It is just outside the forward estimates, which go for four years, but I can guarantee that the funding is locked in because we have gone to the commonwealth and told it what we are doing, and it is contributing on that basis. I suspect that it will not contribute if we do not do our part of the bargain, so it will happen.

I point out that the commencement of funding is in 2013-14, with completion in 2015. You have to understand that we have to buy rolling stock, which has a long lead time. I have seen some of your frankly silly comments about the trams from Madrid. I do hope you are going to ask something about the purchase price of the trams from Madrid because you seem very keen to get out there and mislead people in the media. I do hope you have the courage to ask a question about them at some point. Are you going to ask about the purchase price of the trams?

Dr McFETRIDGE: We will wait.

The Hon. P.F. CONLON: I will try to stay awake. What you said in the paper was absolutely silly but, then again, I am used to that.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 6.23. Which areas along the current network have been developed for TODs, and why has the government approved developments, such as Buckland Park, which are not consistent with TOD policy?

The Hon. P.F. CONLON: Here is the deal. I will do this slowly. Our investment means that 70 per cent of development will be within the urban growth boundary, and that means that 30 per cent will not. The northern suburbs are the growth suburbs. The investment by this government in the Northern Expressway, the deepening of Outer Harbor, the future investment in what will be called the 'northern connector' and the movement of freight rail means that the northern suburbs are on the most important freight corridor in South Australia by a mile. It means that people want to do business and create jobs up there, which they are doing in bucket loads. That is why it is likely that you will see new suburbs in the north.

South Australia is a success story, and the northern suburbs are a huge part of that; therefore, in my view, Buckland Park (it is a private development and private investment) makes sense. It is putting people where the jobs are, where the freight is and where the future is. I do not apologise for that. I do not apologise for that at all. I will tell you something about Buckland Park. It used to be a bit of land out in the west that was bought by a bloke called Lang Walker.

Lang Walker is an Australian who, every time he starts a business, he tends to make a billion dollars out of it and then sells it. He is a very astute businessman. I have had a conversation with him because he believes that the future is not New South Wales; it is South Australia. He says that this is the place to be. Kerry Stokes says that this is the place to be. Why are they at Buckland

Park? Because South Australia has the brightest future of any state in the commonwealth, and we are the best country on earth, too. So, why is Buckland Park going ahead? Because we are succeeding.

Dr McFetridge interjecting:

The Hon. P.F. CONLON: No; we have not. We have not done any planning; we are just going to sit and let it happen. Are you serious? For God's sake, are you serious? Of course we have done planning.

Dr McFetridge interjecting:

The CHAIR: Order, member for Morphett!

The Hon. P.F. CONLON: Can I tell you something: not only are we planning but we are investing and we are building the future.

Dr McFetridge interjecting:

The CHAIR: Order!

The Hon. P.F. CONLON: South Australia is the place to be. Take some pride in your state, mate.

Dr McFetridge interjecting:

The CHAIR: Order!

The Hon. P.F. CONLON: I just point out that what the member for Morphett is complaining, whingeing and whining about is the success of South Australia.

Dr McFETRIDGE: Show us your plan.

The Hon. P.F. CONLON: Show us your plan! Let me show you success. Independent economic advisers say that this is the place to be. Kerry Stokes says this is the place to be. Lang Walker says this is the next place he is going to make a billion dollars.

Dr McFetridge interjecting:

The CHAIR: Order!

The Hon. P.F. CONLON: I tell you this, mate: my plan for the state is for South Australia to be the most successful state in the commonwealth, and I have bad news for you—it is working.

Dr McFetridge interjecting:

The CHAIR: Order! I warn the member for Morphett. The minister has the call. The member for Morphett will have an opportunity to speak once the minister has finished.

The Hon. P.F. CONLON: My plan for South Australia is for South Australia to be the best place to live in Australia and to be the most successful place. I have bad news for you: we are on track. Independent advisers tell us we are on track. Access Economics—you know: that left wing group—says South Australia is the best place in Australia, and Australia is the best modern economy in the world. That is my plan for South Australia. Forgive me for its being a humble plan; I want South Australia to be the best place to live in Australia. I was born in Belfast; I migrated to this country. Every morning when I wake up I am in front, because I am in South Australia. I want it to be the best place in the world; that is our plan. You know what? Bad news for you, member for Morphett: it is actually working.

Mr GOLDSWORTHY: Despite you!

The Hon. P.F. CONLON: Despite me. I have to point out to these blokes—

The CHAIR: Order!

The Hon. P.F. CONLON: There should be an offence in the South Australia statute books of impersonating an opposition. These blokes are pathetic. They want to get on the front foot and get angry; they are pathetic.

Dr McFetridge interjecting:

The Hon. P.F. CONLON: The only reason the Leader of the Opposition has not been replaced is that no-one wants the bloody job. No-one wants it, because you are embarrassed. You are an embarrassment. You should be arrested for impersonating an opposition.

Members interjecting:

The CHAIR: Order! Does the member for Morphet have a question?

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 6.15. What is the current status of the National Transport Plan policy framework?

The Hon. P.F. CONLON: I am going. Come on, mate; do some work! The National Transport Plan is ongoing. I will put this on the record: the current Minister for Transport is the best Minister for Transport the country has ever seen. Anthony Albanese has dragged people into national reform. Put this on the record: I am a huge supporter of greater uniformity in national laws. I think it is an embarrassment to our nation that, if you go to Europe there are different countries there which 50 or 60 years ago were at war with each other but which have greater uniformity of regulation than we have.

Unfortunately, we seem to be incredibly slow. I put on the record that Anthony Albanese recognises this and is trying to do more about it than any federal minister I have seen. Anyone who has ever been to an Australian Transport Ministers' Council would know that it is like Groundhog Day; the same things are on the agenda that were on the agenda a decade ago, because in this nation we are slow to move to regulatory reform. It is happening faster than it ever did, and that is because we have the best federal transport minister I have ever seen, and he is committed to it.

Let us be plain about this: while you are doing transport reform, glaciers whizz by; that is how long it takes. It is like Groundhog Day, I am telling you. I am happy to say that Anthony Albanese is a mate of mine; he is doing a terrific job, and he has recognised that we have to get our heads out of the sand and that we have to get greater uniformity in Australia. It is a very hard thing to do.

I think it is bad, and it reflects on everyone and our system of government in the past, but I think it is unconscionable that there is greater uniformity in Europe than there is in one country in terms of licensing and regulation. In short, what is happening is ongoing, and it should happen faster. I support wholeheartedly Anthony Albanese's moves to create greater uniformity and regulation of transport in Australia. I point out that Jim Hallion is chair of the Australian Maritime Group, for very good reasons: he sank his boat in the Sydney to Hobart, so they thought they would put him in charge of boat safety.

Dr McFETRIDGE: What long-term planning has been completed on the north-south axis, given that the federal government has now provided funding for this planning?

The Hon. P.F. CONLON: It is kind of like, 'Please tell us what you have done well since you came to government.' When we came to government, the north-south corridor was not on the agenda. We put it on the agenda with funding and, as you well know, the Gallipoli underpass will be completed in about three months. Close after Gepps Cross, I think it is the worst bottleneck in South Australian transport. We did that. It was our money that put it on the agenda and, as a result of that, we got \$70 million out of the commonwealth for planning alone and a commitment of \$500 million.

I point out that when we came to government it was not on the agenda. We put it on the agenda, and we have achieved \$70 million for planning and \$500 million for capital works. Sorry; it is \$500 million in total: \$430 million plus \$70 million. So far, in the planning stage I think we have spent about \$12 million of that commonwealth contribution—around that. That will be complete. It is the most difficult challenge for road transport in South Australia. Geography has us pinned between the Hills and the sea. Are you not interested, mate?

Dr McFETRIDGE: I am listening, mate. I was wondering what happened to the MATS plan. Do you still use it? Wouldn't that have been nice?

The Hon. P.F. CONLON: The MATS plan? Can I ask the member for Morphet that, if he is going to ask me questions, he bring them somewhere within the past 30 years? That would be helpful to me. Whatever happened in the dim past, we are the first government to put this South Road on the agenda. We have put our money where our mouth is and we are building works. As a result of the commonwealth contribution we will build new works. As a result of the \$70 million for planning, we have changed the order of what we were going to do when we were doing it on our own and will build two overpasses in the north in the growth area of South Australia we talked about before; the place that moves the most freight: McCormack Road, Grand Junction Road and the Wingfield rail line.

As a result of our putting it on the agenda we will be spending our money and \$500 million of commonwealth's money in improving probably the most difficult road for South Australians moving and moving freight. I am proud of that. I am happy to talk about it at great length, but it is ongoing and, as a result of our work, we have a funding partner in the commonwealth. We are quite proud of that.

Dr McFETRIDGE: On the same budget reference, what has been a result of the federal government's promise to complete a study into the rail bypass around the Adelaide Hills?

The Hon. P.F. CONLON: Can you ask me questions about what I am responsible for? The federal government, in regard to your earlier plan, commented that our bids in Infrastructure Australia were funded because they believed they were part of a comprehensive plan. I just thought I would share that with you. That is a comprehensive transport plan.

Dr McFetridge interjecting:

The Hon. P.F. CONLON: Yes. But what you need to understand is that it is not about going out there and selling a document, mate: it is about building a future for our children. It is not about selling a bloody document. Okay? What was your other question? I don't want to waste a moment of this because I strongly suspect this is the last time I will ever get the opportunity to get asked questions by you. We have been told what is happening, and I probably should extend time today because it is the last opportunity I will get to be asked questions by you.

Can I point out that this is budget estimates for the state government? You are asking questions about a commonwealth study. If you like, I can get Anthony Albanese down here later and you can ask him questions. If you reckon I am mean, wait until you see him.

Dr McFETRIDGE: On the same budget reference, what has been the result of the urban congestion studies? How is the Adelaide metropolitan area faring compared to other cities of similar population size? What is the government doing to reduce congestion?

The Hon. P.F. CONLON: Mate, do you think about these questions before you ask them? We have put \$2.5 billion into public transport because it is the future—to be exact, \$2.64 billion into getting people out of cars and onto public transport, into getting the best planned city in Australia. What are we doing about congestion? We as a government have put South Road on the agenda and secured \$500 million of funding from the commonwealth as a result of that. We are putting \$2.5 billion into public transport, into our rail corridors. What is that about? It is about a better way of living; it is about getting people out of cars and onto high quality public transport.

Honestly, I am embarrassed by you. If you want to talk about this, we can talk about it all day. Can I compare what we have done as a government? Madam Chair, you used to be a minister for transport and started a lot of this and, whenever I drive through the Bakewell underpass, I am reminded that the Hon. Trish White was the minister who did it. I am grateful for it. This government has done so much more. In your nine years do you know what you did to improve congestion, for investment? Nothing. You sold ETSA—nine years, and they sold ETSA.

They say, 'The State Bank didn't let us do anything.' I have to tell you that we are the government of the same place as you were, and what a difference it is—nine years. Remind me what their big investment was in public transport in that time. That's right; I remember it—a one-way Southern Expressway. That was it. The only other project you ever did was entirely funded by Laurie Brereton up in the Hills. Laurie Brereton signed the cheque for it. So, mate, if you want to talk about congestion and what we do, just do me the credit of taking us seriously and stop asking dumb questions.

Dr McFETRIDGE: It is just the answers I shake my head over. I refer to Budget Paper 4, Volume 1, page 6.22. Does the minister agree with his coordinator-general that trams should be allowed to run down Rundle Mall?

The Hon. P.F. CONLON: Yes.

Dr McFETRIDGE: Yes? Interesting answer.

The Hon. P.F. CONLON: And can I tell you why he raised that issue? One of the private sector developers who went overseas with us is angry with Rod Hook because he believes that Rod pinched his idea. We went to some cities in Germany—and it has changed the thinking of those developers, and I have to say it is changing the thinking of the department. We have always focused on rail corridors and separating those corridors from people. What we saw in some of the best cities I have seen in the world is that the trams run on a level surface and they mix with people, bikes and cars.

Dr McFetridge interjecting:

The Hon. P.F. CONLON: Sorry, I forgot—you thought of all this before. Of course! Can I remind you about your travel report? You spoke glowingly of Bombardier trams until we bought them, and then you said they were wrong. You supported the tram extension to North Terrace until we decided to do it, and then you opposed it. You are on the record. I think, Ivan, you and the member for Morphett moved the motion in the house calling for the extension to North Terrace until we decided to do it, and then you opposed it.

I remember your story—the two stories you sold in 24 hours—about the tram accident. Do you remember that? How you were late for a meeting with the Premier—shall we go through that again? The two different stories in 24 hours? Can I tell you that the member for Morphett is a stranger to the truth. Do you want to go back? One day—

Mr Goldsworthy interjecting:

The Hon. P.F. CONLON: No, so you know who represents you on the front bench.

The CHAIR: Has the minister finished his answer?

The Hon. P.F. CONLON: In short—

An honourable member interjecting:

The Hon. P.F. CONLON: Ranting and raving—let me say this, just so it is on the record: the member for Morphett moved a motion in the Parliament of South Australia calling for an extension of the tram to North Terrace and, then when we announced that we were doing it, he opposed it.

Dr McFETRIDGE: No; I opposed some of the reasons for it, Patrick. I opposed the way you did it. You did it on the cheap. It was cheap and nasty. I just hope you are going to do the next bit properly, Patrick. Let's hope you do it properly, not cheap and nasty. Why don't you use booted rail, Patrick? Why don't you do it properly?

The CHAIR: You can both have a go, but one at a time.

The Hon. P.F. CONLON: Can someone tell me what is wrong with the tram extension, because it has been marvellously successful? It has been hugely successful. You opposed it—

Dr McFetridge interjecting:

The Hon. P.F. CONLON: You changed your view as it was convenient. I come back to the point—

Dr McFetridge interjecting:

The Hon. P.F. CONLON: It is your nickel, mate.

Dr McFETRIDGE: You're not a genius when it comes to this, Patrick.

The Hon. P.F. CONLON: The member for Morphett is right, I am not a genius, but I am smarter than him because I supported the tram extension from day one, supported it every step of the way. It was also commenced under the former minister for transport. I supported it. The member for Morphett supported it until we did it and then he opposed it. Then we went to St Kilda. Apparently, on the day we went to St Kilda for the history of trams, he always supported the tram extension. The truth is that the member for Morphett cannot keep a story straight for 24 hours. I am enjoying this because it is my last opportunity with the member for Morphett because I have heard the stories and he has, too. I regret to say that it is ta-ta for the member for Morphett from the front bench. Welcome, Ivan, looking forward to it, but I am enjoying this. I say to the member for Morphett: it is these little golden moments we share together that make the job worthwhile.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 6.22. Minister, what sites did you personally visit in the USA on your recent trip to investigate transport oriented developments?

The Hon. P.F. CONLON: I will get you the itinerary.

Dr McFETRIDGE: Did you actually visit the sites in the USA?

The Hon. P.F. CONLON: Yes.

Dr McFETRIDGE: You did?

The Hon. P.F. CONLON: Yes, is that—

Dr McFETRIDGE: Did you visit the Oregon ironworks in Portland and see them building trams there—seven trams?

The Hon. P.F. CONLON: No, I did not. I do not know what the member for Morphett is driving at, but, on occasions, my itinerary was not the same as those other people, for a very good reason. I had been to Portland before, and so had Rod Hook. On one of the occasions that the people in Portland were going to look at something, Rod and I were meeting with the people who run public transport there, because, having been there before, we thought that was a better use of our time. If your question is: did my itinerary absolutely match those of the other people—no, for the very good reason that we had been to Portland before. If you have some criticism to make of that trip, please make it, but be clear about it and do not invent things again, Duncan.

The CHAIR: Order! Before I call on the member for Morphett, I remind him that he must identify the line in the budget papers to which his question refers.

Dr McFETRIDGE: Thank you for your advice, Madam Chair. I refer to Budget Paper 4, Volume 1, page 6.22. Minister, what is the plan for the Tonsley rail line?

The Hon. P.F. CONLON: You would know that—courtesy also, I think, of the federal government putting in some money—we are doing a planning study of the Tonsley line and possible extensions to around the Flinders Medical Centre at Sturt Road, as well as looking at the future of Sturt Road and South Road. There is an ongoing study. I can say that our studies are backed up by money and I am sure something good will come out of it, but let us just wait for that to conclude.

Dr McFETRIDGE: I refer to Budget Paper 5, page 18, public transport ticketing. Minister, who are the bidders for the new public transport ticketing system; how many are there; and do they have a track record in Australia and/or even the Southern Hemisphere?

The Hon. P.F. CONLON: Can I tell you about bidding? I do not know and I do not think I should. I do not think ministers should award contracts. You guys used to muck around with that stuff when you were in government. I remember the Auditor-General's Report into the water contract. Do you remember that? The camera ran out of video tape; the bid came in late. We operate tenders in this government with the highest possible probity, and so I do not know who the bidders are. I may have been told but it—

Dr McFETRIDGE: Do you know how many?

The CHAIR: Order!

The Hon. P.F. CONLON: I do not know who they are but I know how many. The department can tell you that 13 organisations have so far responded. The evaluation of proposals will occur between June and August 2009. It will not be done by me, and nor should it be. It will be dealt with using the highest possible standards of public accountability because we are dealing with taxpayers' money. I contrast that with the water deal, ETSA, the Hindmarsh Stadium—blasts from the past. We deal with these matters with the highest possible probity. I do not know who they are. I can guarantee the member for Morphett that I personally will have absolutely no role in selecting the bidder. I will probably sign it when it goes to cabinet and that is about it because it will be done independently of me, and that is as it should be.

Mr VENNING: I refer to the same line, page 6.21, planning. In relation to the government's intention for the northern growth boundary, which is to the north and north-east of Gawler, has the department made any long-term plans concerning extending the electrification of the Adelaide to Gawler line to this new development area?

The Hon. P.F. CONLON: We have laid out an investment program for the next decade. We have no doubt that where you are talking about is a growth area and we have no doubt that, when we finish our investment program, there may well be new priorities out there, but I think what we have laid out is very clear. It is a 10-year program of investment in rail. It does not include extensions there at present. I believe in the future of this state and I have no doubt that we will do more in the northern suburbs in the future, but I also have no doubt that I will be safely retired by then.

Mr GOLDSWORTHY: I refer to page 6.22. In view of the fact that you say that the state is doing very well and that yours is the best government in the history of the state for transport infrastructure—

The Hon. P.F. CONLON: I didn't say that, but it sounds all right. I will live with that.

Mr GOLDSWORTHY: Well, I think you did say that, minister. Perhaps we can look at the *Hansard*. Given your comments that yours has been the best government—

The Hon. P.F. Conlon interjecting:

The CHAIR: Order! Minister, the member for Kavel has the call.

Mr GOLDSWORTHY: It is not our take, minister, it is your take: that yours has been the best government for transport infrastructure. What planning is being done to construct a second park-and-ride facility in the Mount Barker district given the fact that the current facility is at capacity? The second part of my question is: when will the government commit to funding to assist with the construction of the second freeway interchange at Mount Barker?

The Hon. P.F. CONLON: We will not be committing to funding for the second. We have done a lot of work with the council, but it is not our road and it is not our priority. We have done everything we can to help, including trying to secure federal funding, but it is not our road. The truth is that South Australia is a big place with a lot of roads, and it is not our priority, but we have helped every step of the way. In terms of the park-and-ride, in my view, Mount Barker is a great success story. They have got everything right, except their local member.

Mr GOLDSWORTHY: They don't agree with you.

The Hon. P.F. CONLON: They will in the future, don't worry. You leave the colonel there and we will get you. It is in a growth area. We do not have plans at the moment. I can say that the investment that went into it has been a great success. I think it is much better than—

Mr GOLDSWORTHY: It's full.

The Hon. P.F. CONLON: Yes. It is full because it is good. The trams are full because they are good. People like to catch them and people like to use the service. For the benefit of the member for Kavel, I can tell you that public transport facilities being full is what you want. That is why we build them. The measure of success in public transport are the people who use it—and people use the facility. When will we do something in the future? Well, that is something that we will look at.

There is no doubt that we consider Mount Barker to be one of the growth areas. The two obvious big growth areas are north of Mount Barker. For the benefit of the member for Mitchell, my own personal view is that we have probably gone pretty much as far south as we are going to. The north is where the action is in the future. We have to put people where the jobs are—that is a very good idea; you just cannot keep spreading yourself out like margarine over the plains—but there is no doubt that Mount Barker is one of the growth areas and the investment will follow.

However, make no mistake, the system of contracting bus providers that your government put in place means that those investment decisions are not as simple as they would have been were it an entirely government structure, as it used to be. I am saying that we are not going back to an entirely government structure, but it is a different structure. It is a structure that you put in place, and it makes those investment decisions not just ours; they are investment decisions that are made in conjunction with service providers. In fact, I believe that Transitplus put a substantial amount of its money into the park-and-ride, which is a good thing—and good luck to it—but that is a different environment. The decisions are not all ours.

Mr HANNA: I refer to sub-program 2.1, Operating and Maintaining Roads. I note that there is nothing there about the Oaklands crossing, that is, the intersection of Diagonal and Morphett Roads and the Noarlunga railway line. Given the completion of the aquatic centre and the GP Plus community health centre, which is due next year, and the consequent increase in traffic, surely the Oaklands crossing grade separation will be bumped up further in the list of priorities?

The Hon. P.F. CONLON: I certainly hope so. Can I tell you as the local member that one of the great frustrations of being the Minister for Transport is that you cannot just ask for what you want; you have to listen to their list of priorities, and that is the case. I would make myself enormously popular if I were to direct them to invest there instead of their other priorities, but I do not.

Having been around there for a long time yourself, you would know, as a great example, that the people on Morphett Road have been looking for lights at Cliff Street for years. I think every local member has written a letter about it. I remember that, when I got the job as Minister for Transport, I thought, 'Finally I get my lights.' I went and saw them and said, 'So, what about my lights down there?' I think it was Mark Elford who said to me, 'Well, we could do it, but we've got a list of priorities, and that's about 100 on the list. If you want us to move it up to number one, we

could do that.' I said, 'Okay, I get the picture. I better not do that because it would look like I was taking advantage for my local electorate.'

I would love you to be right, and that the guys in the department, as a result of those works, move it up the priority list. I have no doubt that there will be a grade separation at some point, as we have discussed in the past. There is some money in there for works in the meantime, as you would be aware. I think there is \$1.7 million in 2011-12 and \$10.85 million in 2012-13 to do some works around Prunus Street. It is an extraordinarily difficult intersection. I think from a traffic point of view, it is probably not as bad as it is from the point of view of the people using it. It is not a simple structure. I have no doubt that, at some time in the future, there will be a grade separation. I hope you are right—that the aquatic centre will move it up the list of priorities—because then I will be able to ask them to do it, but can I assure the member for Mitchell that I have not interfered with the department's list of priorities. I think that is for the best.

The CHAIR: The time for this session has now expired.

Membership:

Hon. I.F. Evans substituted for Mr Venning.

Mr Williams substituted for Dr McFetridge.

Mrs Geraghty substituted for Mr Piccolo.

Departmental Advisers:

Mr Vince Duffy, Director, Markets and Sustainability, Department for Transport, Energy and Infrastructure.

Mr Sean Kelly, Executive Director, Energy Division, Department for Transport, Energy and Infrastructure.

Mr Rob Faunt, Director, Energy Regulation, Energy Division, Department for Transport, Energy and Infrastructure.

The ACTING CHAIR (Mr Rau): I now call on the Minister for Energy. I refer the committee to the Portfolio Statement, Volume 1, Part 6. Does the minister want to make a statement in relation to this area?

The Hon. P.F. CONLON: No; thank you.

The ACTING CHAIR: We are presently set down from now for a very long time. If the member does not take up all of that time, no-one will be outraged. It is a matter for you. Does the member for MacKillop want to make a statement and then begin his cross-examination of the minister?

Mr WILLIAMS: With regard to the time, having had the pleasure of conducting the examination of this minister on these budget lines for a number of years, I long ago came to the conclusion that two hours is more than sufficient for the examination of this portion of the budget. In fact, I sent an emissary to the minister several weeks ago suggesting that we cut the time in half and that some of that time be devoted to some of the minister's other passions, such as transport and infrastructure. However, the minister, to his credit, said that energy is so important, particularly now that the state does not own energy assets, that we should devote extensive time to the examination of what we no longer do. However, I will move on.

I have managed to find some things about which I am sure the minister will be able to enlighten the committee, and we will all be better off for it. Minister, in the first instance, I refer to Budget Paper 3, page 2.16, where it states that the operating initiative of the Australian energy market operator will receive reduced support, and the budget figure for this year is \$1.737 million, going up to \$1.837 million and then to \$1.913 million in the out years. Minister, what is meant by the term 'reduced support'?

The Hon. P.F. CONLON: I can give you the detail. However, as you well know, because I think you dealt with the bill in the lower house, there have been a number of changes to the market operator; NEMMCO is being replaced by AEMO, and there are some changes in function. It is funded, of course, not just by South Australia; it is funded by everyone in the national electricity market and, I assume, in the gas market now.

I have to say that, from my experience with these things, the first budget is a difficult one because you do not really know what people will have to do before they start operation. That has certainly been the experience with the AEMC, whose budget has gone up and down a number of times, but I will have to get the detail. I know, for example, that the South Australian Planning Council role will be subsumed into AEMO and, as I understand it, some of its role will go, in six days, to Rob Faunt, who is the Technical Regulator for gas and electricity. However, I will have to get you the detail in relation to that. It is something that appears in our budget, but it is a matter that is governed by the ministerial council rather than the South Australian cabinet.

Mr WILLIAMS: Historically what percentage of the cost of maintaining the regulator, the old NEMMCO, is carried by the relative state governments? South Australia is different from New South Wales, where the state government owns the corporations that have been regulated, but in South Australia we do not. Does not the industry itself cover the majority of the costs?

The Hon. P.F. CONLON: That is right and a lot of the things that used to occur in South Australia now occur nationally and were funded essentially by licence fees charged to the entity. It is a matter of some significant debate, and my view was that nationally the industry should continue to pay for the industry. The great champion of the alternative viewpoint was the previous Liberal federal government. I got along well with Macfarlane—I thought he was a decent bloke—but he had his instructions from Treasury. From memory, when we made some of these changes I was a strong supporter of industry continuing to pay for it instead of the taxpayer but, again from memory, Macfarlane pursued the view that the federal government would pay for the AER and not industry and that the states would pay for the other AEMC. I managed to get around that by finding a way of getting the industry to pay for it, but it is a little more roundabout than it used to be. We never paid anything for NEMMCO in the past.

This is a brave new world and most of the aspects I do not entirely agree with were the agenda of the previous federal government. At the end of the day the funds paid are not enormous by any stretch of the imagination; it is a very important industry and it is important that it be well regulated.

Mr WILLIAMS: I totally agree with the minister.

The Hon. P.F. CONLON: If you look at the pages you will see the revenues that match the outgoings. We still get the industry to fund it, but it is a little more roundabout now.

Mr WILLIAMS: So the revenues are collected through the licence fees?

The Hon. P.F. CONLON: Yes.

Mr WILLIAMS: The other part of the answer to a question I have probably not asked yet is that whatever it will cost will be charged as licence fees. I presume the licensing regime is such that there is flexibility for the government to cover whatever running costs are involved.

The Hon. P.F. CONLON: This was a matter of some debate. To go back a step, for us to directly levy the industry would have required the commonwealth to do it under the new arrangements, whereas when it was a state regulator it was easier for us. The previous commonwealth government refused to do that because I think it had a view it might look unpopular. I do not know why it took that view, as the electricity industry should pay for its regulation. We adopted a system in South Australia where we continued to fund it through the industry, but it is more a question of catch-up now. You work out what you have paid and get it, but at the end of the day the taxpayer is no more exposed than they ever were.

Licence fees cover AEMC, ESCOSA and the Office of the Technical Regulator, and market fees cover NEMMCO and AEMO. From memory, the AER is fully funded by the commonwealth and with state regulators it used to be paid for. We have had this discussion before. To get a national scheme requires agreement from a large number of participants and not everyone gets everything they want, except the commonwealth because it has all the money and usually gets what it wants.

Mr WILLIAMS: The decision maker holds the cheque book. You mentioned the majority of the players involved, but did not mention ESIPC. Has that historically been funded by the state, and will that change now that it has been subsumed under the AEMO?

The Hon. P.F. CONLON: ESIPC has always been funded by licence fees and will continue to be. Part of its role will go to the Office of the Technical Regulator, which is currently funded by licence fees, and part of it will go to the new market company. In a roundabout way they are eventually funded by licence fees.

Mr WILLIAMS: Will all the functions currently carried out by ESCOSA with regard to energy in South Australia be transferred across under the new arrangements, or will ESCOSA still have a number of functions, and what will be the cost implications, if any?

The Hon. P.F. CONLON: ESCOSA will do less, but will still have responsibility in terms of retail. It will be doing retail pricing well into the future. You will know that the AEMC has called upon us to deregulate electricity pricing, which I have not agreed with, so ESCOSA will do that into the foreseeable future. If there is a change to government you will get to pick what you want to do, but that is our view. Even though the distribution reset is up with the AER now, there will be issues associated with licensing and reliability that will still be done out of ESCOSA. It will still have a body of work around electricity, but will not have the primary responsibility for the distribution reset. It is a big job of work that happens every five years and will still be done by the AER. It will still have a very strong role in retail and be required to license participants in South Australia.

Of course, it will have to collect that money so that we can pay for the other regulatory bodies. I know that, as recently as this week, I received a letter from Pat Walsh in which he talked about a new retailer. It continues to do those roles. It has a very strong role in consumer protection. I think that South Australia probably has the best consumer protection in the electricity industry. I know that some of that was by regulation and some by agreement. Sean Kelly, on my right, used to work for AGL before he saw the light and became a good person. There are plenty of roles.

I suggest that the opposition should probably have a meeting with Pat Walsh to get his views on the role into the future, because it is a major change and no-one understands it better than the regulator himself.

Mr WILLIAMS: I will pass that advice onto the shadow minister. Another change that is happening is that the Technical Regulator will come in-house from being established in a relatively independent position. The Technical Regulator will now become in-house within your department. Are you assured there will be no perception of conflict?

The Hon. P.F. CONLON: The Technical Regulator is governed by statute; there are laws, and those will not change. The Technical Regulator has new responsibilities as a result of the end of the planning council, but there is no doubt that, by law, the Technical Regulator will remain independent in terms of decision making, and that role should be independent. I can guarantee you that, having been in this job since March 2002, the Technical Regulator does make decisions completely independently and we are advised of them. We are not asked about them, but we are advised what those decisions are, as it should be. It is a very important role in terms of safety, apart from anything else.

Mr WILLIAMS: As you said, we recently debated the legislation for the establishment of the AEMO, and one of the regrets I expressed at the time when it was debated in our chamber related to ESIPC. I think you have said that it was one of the few things the former Liberal government got right. We disagree in that we think that we got many things right. Certainly, we believe that was done well. I understand that we are losing ESIPC as an independent South Australian statutory authority and that a number of the functions will be taken over by AEMO.

Will AEMO establish a state presence or a state office? Can the minister give the committee some details of that? Where will those offices be situated? Will they be situated in the CBD in Adelaide? What are the time frames and what sort of transition will we have?

The Hon. P.F. CONLON: It is staying right where it is, basically. It will be called something different, but it will stay where it is.

Mr WILLIAMS: With basically the same staff?

The Hon. P.F. CONLON: Obviously, some of the staff that do the stuff of the Technical Regulator will, I assume, stay. I am advised that all the staff are going to AEMO and that the Technical Regulator will be resourced by us. All the staff, apparently, are going to AEMO. It has some very good staff, and Mr Swift is very highly regarded nationally. With respect to the point you make about losing ESIPC, in my view one of the good things of this reform process is that we are not so much losing ESIPC as, I think, improving the national planning capacities.

I think that the work that ESIPC has done for South Australia, some of those people will now be doing it nationally, and I think it is best for the nation. I think that they have done a very good job. The new Managing Director of AEMO is—I think he comes from Vincorp—Matt Zema. The member for MacKillop would know that name. He is part of the Zema family from the Coonawarra. I am very proud that South Australians are punching above their weight, yet again.

Mr WILLIAMS: For the sake of those thousands who will be following this closely in the *Hansard*, I point out to the committee that my next series of questions more appropriately refer to a different page in the budget. My questions now refer to sub-program 5.2 on page 6.34 of Budget Paper 4, Volume 1 under the heading 'Technical and Safety Regulator'. Under the AEMO, the program will assume the monitoring and investigatory roles in relation to major electricity supply interruptions. The kinds of interruptions experienced throughout the summer of 2009 would arguably constitute a major electricity supply interruption, and warnings about under-supply have been coming for several years from ESIPC.

In its 2008 annual report it warned that the combined Victorian and South Australian region would not have as much of a safety margin as the industry would like. Are you aware of the total payments made by ETSA pursuant to the Electricity Code for interruptions throughout the past financial year?

The Hon. P.F. CONLON: I am aware that it makes them, not what they are. I cannot tell you. I can tell you that its performance has actually improved in terms of payments for interruptions on the previous year. Some changes were made to that. I will put this on the record. I know that Lew Owens, the former regulator running ETSA, is retiring this year. ETSA's performance in the massive heatwave in February was very good. In the 15 days straight of overnight temperatures staying at something like 30 degrees, it was putting out record demand and the system stood up.

I know that the shadow minister knows, but not many people understand that, in terms of supply, there have been only two instances of load shedding for suppliers since 2002 for half an hour each time. The majority of outages are, of course, associated with the networks. We were rightly critical of ETSA a few years ago in the big heatwave in January or early February (I remember that it at the time of the Tour Down Under), but the performance of the network in those circumstances was very good.

We quite rightly criticise people when they get it wrong, but I think it behoves us also to recognise when they get it right, and that was a good performance. My understanding of the payments for interruptions is that they were less in the last financial year than they were previously.

In regard to the matters raised about supply, I met with the planning council people about a fortnight ago, and they were very comfortable with the state of supply in South Australia over the coming summer. You would be aware that Origin has put an extra 120 megs in the quarantine station for a peaker, as our growth remains in summer peaks.

As you would well know, we have more than enough capacity for average demands; the summer peak is the issue. I note with interest that South Australia continues to forecast a growth year on year in electricity demand, which is a good thing. I read in the *New York Times* a couple of weeks ago the forecast that this year electricity demand worldwide will fall for the first time since World War II. That tells you something—that electricity demand is very much associated with the strength of the economy. So, we are happy that demand continues to grow in South Australia because the state continues to grow.

In terms of supply, I am confident that the planning council is correct in its view about the coming summer, that is, there is enough supply in the region. Having met with various people, one of the things I am certain of is that the issues that arose in the previous summer—which, I hasten to point out, were predominately outside South Australia and were Victorian and Tasmanian network issues, not South Australian—I am absolutely confident that the relevant bodies are treating those very seriously. They have looked at a number of issues, in particular those raised by South Australia.

We are looking at a more flexible reserve trader role. I know that the AEMC is also looking at the issue of the regulatory system becoming more directly involved in interruptible contracts with industry, as well. That is something that retailers do at present, and I think you have one in the South-East. A major user down there has an interruptible contract, and that is something it is looking at, too. So, it has taken those issues very seriously.

I put on the record that, although we have had difficulties now and then, I think that Australia's network management is as good as any in the world. The Australian transmission system has stood some tough tests, compared with what we saw in North America—quite probably the most civilised and advanced economy on earth—where, if you remember, they went to a black start down almost all the eastern seaboard.

I think it is important to recognise that, while occasionally the system gives difficulties, Australia's electricity system is by and large very well managed. Of course, it is helped by the fact

that we have very good positive unions and union leaders in the electricity industry in South Australia, and one name comes to mind. Can you remind me, Robyn, who it is?

Mrs GERAGHTY: I think it might be Bob Geraghty.

The Hon. P.F. CONLON: Bob Geraghty, that is right. It is a good industry. I think I had better stop or the Acting Chairman might name himself.

The ACTING CHAIR: Yes, that is a real threat, too, and I do not want members to take that lightly. I will name myself if you misbehave. I am warning myself now.

Mr WILLIAMS: You should have done that this morning before you came here.

The ACTING CHAIR: I will not be able to come back here for a day, so just think about that before you push me further.

The Hon. P.F. Conlon interjecting:

The ACTING CHAIR: Exactly. You may go on.

Mr WILLIAMS: Thank you, Mr Acting Chairman. Minister, I think you hinted that you have been active in lobbying the national regulators and that you are happy with their response about what is happening.

The Hon. P.F. CONLON: I have no doubt that they have taken absolutely seriously the events of summer and that they are looking at various bodies. Of course, the AEMC is looking at the real changes I talked about in terms of the reserve trader and the interruptible contracts. I know that NEMMCO is taking it very seriously, and I am confident that it will do everything in its power to improve the system. In particular, I know that NEMMCO has taken on board our comments in regard to the provision of information to people in those circumstances. Of course, its primary responsibility is to manage the grid, and we talked about that earlier. Having had the meetings, I have no doubt that it takes all these issues very seriously.

Mr WILLIAMS: It is interesting that it is talking about interruptible contracts. At the time we had those rolling blackouts in January or February, I was somewhat surprised that the uptake of interruptible contracts in South Australia, particularly in Adelaide, seemed to have been put aside. I was surprised at the way we had the rolling blackouts. When I looked at the situation, I realised that the disruption was something which was unexpected and which had happened quite quickly.

Notwithstanding that, as you mentioned a moment ago, earlier that morning and before we had the problem with the Basslink, Kimberly-Clark as I think the second biggest electricity consumer in South Australia contacted those businesses through its supplier and asked them whether they were happy to activate the interruptible part of their contract, and they shut down their plant that afternoon. That was a pre-emptive action taken by its supplier earlier that day, but it seems that that is not common place across South Australia. Are you suggesting it is something that is being looked at again?

The Hon. P.F. CONLON: You have to understand that there are two systems at work. One is the reserve trader system run by the regulatory body. Usually it is operated as a result of the forecasts for the summer, and we have suggested that it should be more flexible. The other, which you are talking about, you have to understand is a market based mechanism. It is not a regulatory mechanism and, while it can operate for the benefit of supply, it is predominantly a benefit to the retailer in terms of price.

What I mean by that is that, if they write an interruptible contract, they will charge less to the body that takes that electricity, and in times of very high pricing—not supply—they can take that supply out of there and put it into their portfolio. What the AMC is saying is that that could also be done from a regulatory perspective, not about pricing but about supply. That is what they are looking at at present.

I have to say that it would be important that any interruptible contract does not double dip in the future; that is, they do not get a benefit from their retailer and the regulatory system for doing what they would have done with their retailer anyway. It is important to be clear about the motivation of the retailer in the market: it is about pricing, not about supply. It is about having that supply in their portfolio.

The final report on these matters I think will be coming down from the AMC in October. From my perspective, I think the stuff on interruptible contracts was done at the initiative of the AMC rather than its being asked to do it. Our jurisdiction asked it to look at more flexible reserve trading. What it does show is that, whatever failings the system has, the regulatory system is

responsive and quite nimble compared with what it used to be. If anyone thinks back to the national electricity code authority (NECA) and compares that with now, they will know that there is a big difference. I put on the record that there were a lot of good people at NECA—I think David Swift used to work at NECA—but as a body it was completely useless, and it is a much better system now. Let me be blunt: completely useless.

Mr WILLIAMS: I thought you might have chosen to stop altogether there, minister.

The Hon. P.F. CONLON: John Kelly, who was an industry insider at the time, agrees with me.

Mr WILLIAMS: I refer to Budget Paper 4, Volume 1, page 6.33. On 5 June the Treasurer was asked on public radio in Adelaide how the extra pressure of running a desalination plant and rail electrification would affect the reliability of power. He responded by saying the planning council is 'right on top of this'. What additional investment do you expect will be required, probably more particularly to provide electricity for the desalination plant for which construction has started and which I understand will be quite energy intensive?

The Hon. P.F. CONLON: There is no doubt that desalination is very energy intensive. We were talking about it: you can round off a gigalitre to a megawatt, essentially; so, if you are making 100 gigalitres you will use about 100 megawatts.

It is important to remember that it is so much easier to plan for a regular demand than it is for summer peaks, which are hard to forecast. I have to say, BHP has a big increase in electricity use; those matters are very easy for industry to invest in, because you can write a contract with the people who will buy electricity, and in the electricity industry it is essentially the offtake agreement that funds any investment.

The hardest thing is building capacity for a summer peak that in some years may not occur. We have become used to heat waves in the past few summers, and the truth is that it is entirely plausible that we will have a very mild summer one year and the big risk will be winter flooding, which everyone seems to have forgotten about, but I have not, because I have been involved in it in the past, and floods are difficult things. It is far harder to plan for the vagaries of our climate than it is for those large projects.

Oddly enough (it seems counterintuitive), the more of those large projects that come on, the more secure your supply becomes, because it is very easy to write an investment for them. The real issue for South Australia would be to get our average demand somewhere closer to our peak demand, because that would be a far more manageable system. As you know, last summer I think we had 15 days in a row; we had the administered price cap for the first or second time since the market started—the second time it has ever been used. That is a very difficult thing to plan for, much more difficult than the capacity in a desalination plant.

I point out another issue. The question was raised about whether there is enough green power, because there is a commitment to use green power in there. I am advised that by the end of this year we will have about 800 megawatts of installed renewable energy in South Australia, so there is far more than is necessary for the desal plant. I am very comfortable. The reason I am very comfortable is that I had a meeting with John Eastham and David Swift last week, and they told me they are comfortable. If they are comfortable, I am comfortable. We will need a whole lot more electricity when we electrify the rail system, too, but it is all manageable.

Mr WILLIAMS: I am sure it is manageable, minister, but you made two comments in the answer to that question. One was saying that these sorts of investments are generally made and it is easy to make an investment when you can write an offtake contract, and then you talked about the total amount of renewables installed in South Australia, I think, by the end of the year. I can only assume that most of that investment has been associated with offtake contracts at the time of the investment. I certainly know that—

The Hon. P.F. CONLON: By and large, if you don't have an offtake agreement, you don't get a wind farm up.

Mr WILLIAMS: Yes. So, that gets back to the question about green energy for a desal plant. We are most likely going to need, on your back-of-a-postage stamp calculation, something like 100 megawatts of new renewable because all the existing renewable is probably already spoken for.

The Hon. P.F. CONLON: No; you have to understand that the offtake agreement is with the retailer, not the user. So, the retailer is there to sell it. Let me assure the member for MacKillop

that it is dead easy in this world that, if somebody has something to sell, you just offer them a price and they sell it to you. Make no mistake: the fact that a wind farm relies on an offtake agreement does not mean that that offtake agreement is with an end user; it is almost invariably with the retailer. Retailers are in the business of selling electricity to whoever will take it.

Mr WILLIAMS: Just a small point—and you may argue that you do not have the responsibility—but, as the lead person in cabinet for energy matters—

The Hon. P.F. CONLON: I just point out that, in this government, I am actually the brains of the organisation. I will take responsibility for most things.

Mr WILLIAMS: Of course, minister. That's why I thought I could digress a little from the line that I quoted.

The Hon. P.F. CONLON: And that has been said by a number of people in my direct family.

Mr WILLIAMS: Minister, in regard to the desal plant, I understand that your government has written a contract with a company to design, build and operate the desal plant on a 20 year contract but SA Water, in fact, is managing the energy supply contract.

The Hon. P.F. CONLON: SA Water is managing the project. I would have thought it would be odd for them to manage the project and not manage all of it. The allocation of responsibility within government is for SA Water to manage the entire procurement of that project. There are two things you have to do, if you are going to do a desal plant: you have to procure the infrastructure and you have to procure the energy.

Mr WILLIAMS: It just seems odd to me, minister, that the business that will operate it—

The Hon. P.F. CONLON: Mitch, I have enough to do. While waiting for you, I have signed today something like another \$10 million worth of school projects. We are building roads; we are building public transport. I am quite happy for SA Water to run the desal plant. Our blokes are busy enough as it is. As you know, I do not do much myself. I just go to the office, put my feet up and watch the others work, but they are all very busy and I don't want to give them too much more to do. For the record, that is not true; I work very hard.

Mr WILLIAMS: The point I was making is: why is it necessary that SA Water manage the energy contract and not the operator? I would have thought the operator should be responsible.

The Hon. P.F. CONLON: It is an interesting question. I will ask you: who do you think is the biggest user of electricity in the South Australian government? It is SA Water.

Mr WILLIAMS: Historically, they have been; but they will not be pumping much water over the Mount Lofty Ranges in the future.

The Hon. P.F. CONLON: With the water debate, there is a lot of nonsense, and you guys are spruiking nonsense about stormwater: the truth about water is that the world is made of it. If I might turn a phrase, there are bucket loads of water. It is either in the wrong place or in the wrong shape. Water is about three things, when you include price: it is about infrastructure and energy, and the price is what controls how much infrastructure and energy you can put in.

So, water is in the wrong place or it is the wrong shape. It is virtually indestructible. The water we drink today might have been drunk by Christopher Columbus 500 years ago. The world has its own system of moving water around and, unfortunately for South Australia, that water is in the wrong place in the wrong shape. To get the water you want, you have to use infrastructure and energy. As you are correct in pointing out, SA Water has used a lot of energy in the past. It is the biggest electricity user in government. What will occur in the future is that they will use electricity in a different way to make water instead of pumping it around; they will have to move it around.

People get very muddled in their thinking. They see a desal plant and say that it uses a lot of electricity and that is not good. I can tell you that water uses a lot of electricity. It does not run around by itself; you have to move it. So, I am confident that SA Water are the people best placed to manage an electricity contract for desal because they are the biggest contractors in government for energy and always have been. It would be peculiar if we were to give the job to someone else.

Again, I am indulging you, as it is not my responsibility. I take everything seriously, though, and I take the member for MacKillop seriously. He is a lot smarter than that last bloke who was here but, then again—coming from a low base. The acting chair can name someone if I don't behave myself. Let's be plain: these people have been contracting for electricity for years and years. They are the biggest contractors for electricity in government, and I am sure they are well

placed to do it. If they are not, we are all in trouble because they used to be the biggest contractor of electricity when you were in government, too.

Mr WILLIAMS: Thank you, minister. I think we will get back onto the area of your responsibility.

The Hon. P.F. CONLON: What about the football?

Mr WILLIAMS: I asked you. The first question was about what was going wrong down at Port Adelaide, and you chose to ignore me.

The Hon. P.F. CONLON: No, it is a cunning plan.

Mr WILLIAMS: Yes, a cunning plan.

The ACTING CHAIR (Mr Rau): Member for MacKillop, when you get to the point where you reach the omnibus questions, feel free to read them straight into *Hansard*.

Mr WILLIAMS: You are trying to give me a hint, aren't you?

The ACTING CHAIR: No, it is up to you.

Mr WILLIAMS: I do have a number of questions that my colleague has given to me. The minister does not need to be quite as verbose. He can be a little more succinct, if he wishes. ETSA is trialling devices that will allow interruptible supply particularly to domestic situations. Can you update the committee on where we are with that?

The Hon. P.F. CONLON: ETSA has responsibility for it. My understanding of the trials is that they have been very successful. My own personal view is that it is a much smarter idea than smart meters, which some people around the country believe in for no good reason. To my understanding, it has been very successful. Of course, the cornerstone of its success is that it is voluntary—no-one has signed up unless they want to. My understanding is that it has proved to provide benefits to users and ETSA.

Going back to those interruptible contracts, we are talking not only about being able to manage supply when it is in high demand but that it is extremely expensive. If we can save money at those times, the benefits flow on to all users. My understanding is that it has been very good. I suggest you get ETSA to give you a briefing on it, because I think it is a smarter idea than some of the other things I have seen and, as I point out, it is voluntary—

Mr WILLIAMS: I did not ask you about smart meters.

The Hon. P.F. CONLON: I am a generous man; I am giving you a bigger answer than you asked for.

Mr WILLIAMS: In an earlier answer you talked at length about how easy it is to provide for known loads. However, you also made the comment regarding retailing that, if someone has the chequebook, they can buy the electricity available. With regard to the desal, you are suggesting that, if the green energy is out there, we can buy it because we have the chequebook—I paraphrase what you said. With regard to the Olympic Dam proposal, it has the potential to make significant differences to South Australia's electricity sector per se. Is it the government's expectation that BHP will contract someone to build a new power station or do the consuming public in South Australia need to be reassured that there is no risk that BHP has a bigger chequebook than the householder in suburban Adelaide and it will buy all the electricity?

The Hon. P.F. CONLON: We have to be clear about what we are talking about here. The average demand in South Australia is around 1,500 megawatts; peak demand is about 3,200; installed capacity for 3,000, plus an interconnect. The ordinary use is never an issue; it is only summer use. How BHP deals with that is a commercial decision essentially. My understanding is that its first option (because of what I have talked about) is that there is more than enough in the contract market for it simply to contract. I think ETSA, on behalf of ElectraNet oddly enough, built a new 132kV line up there. Its first response will be the contract.

It is a commercial decision. Ultimately, long term, I have no doubt that the project will see more generation investment. I come back to the point—and as I said before—that this is better for the system. It makes your system more secure. I would have thought that the likelihood is that you will see a big gas burner around Port Augusta, because the coal burning facility is now running out of fuel. You have the transmission line there, and you have the gas pipeline going past. The infrastructure is all built. I would have thought that, at some point in the future, you will see people

thinking it is a wise decision to build a big gas burner near Port Augusta. However, that is a decision for the private sector. It is a market based private system—as you well know, you sold it—

Mr WILLIAMS: Great decision, minister.

The Hon. P.F. CONLON: You stick with that and I will stick with mine. I am always entirely comfortable with the industry being able to deal with regular steady demand. It is a much easier thing than irregular demand. I am confident that South Australia is going well. I also point out that South Australia is doing very well in terms of energy investment, largely because of this very good government and probably the longstanding most excellent energy minister in Australia, really—that's me, incidentally.

Mr WILLIAMS: I refer to page 6.15, Budget Paper 4, Volume 1, where it states that the department 'delivered safe, reliable, affordable and sustainable electricity to 2,600 customers in 13 remote townships'. The crux of the question is: is that business as usual or has anything special happened?

The Hon. P.F. CONLON: No. There has been a little growth. New towns have not been added, but there has been some growth in some of the towns. Andamooka has had extraordinary growth in recent years, I think arising out of Roxby Downs becoming too expensive for some people. There is growth and demand. We have not added a new town for as long as I can remember. It is business as usual. It is a tough thing, because, if you are on that scheme, you get significant discounts in the regions as opposed to those who have to supply their own.

I know you come from a rural background. I have had people complain about the price of energy in the remote area scheme, but I have to tell you, if you are on a farm running your own diesel generator, you know the difference in price between what we charge and what you have to supply yourself. There has been no increase. We have had some cost pressures with the price of diesel in recent years. One of the few good things about the current financial crisis is that it has taken the heat off that, but, no, it is business as usual.

Mr WILLIAMS: I now refer to the technical and safety regulations sub-program at page 6.34. It shows that the budget revenue in 2008-09 was \$3.5 million, and it is estimated that next year it will be \$4.09 million. From where does that revenue come?

The Hon. P.F. CONLON: It is predominantly licence fees to users. The whole system works on money in money out. They get enough to pay for themselves and they do not charge any more than that. Believe me, there is nothing left over at the end of the year. The industry's licence fees pay for the technical regulator, and that is as it should be. It plays an extremely important role in safety. I know that we have a very good record in that regard, and I think it is money well spent.

Mr WILLIAMS: Similarly, the budget line for the energy policy and programs sub-program on page 6.33: the budget has dropped from \$14.56 million to \$12.2 million, which is a reasonably substantial cut in the budget.

The Hon. P.F. CONLON: I will check it, but you will find that the energy division operates a number of federal programs as well. So, if there is a change in a federal program—if it is cut or increased—I think that appears in our line.

Mr WILLIAMS: In fact, the figure that I quoted was the net cost. It is actually the expenditure that has dropped from \$19.5 million to \$15.7 million.

The Hon. P.F. CONLON: I mentioned that diesel costs have gone down but, as we discussed earlier, there are functions that ESCOSA would have performed in the past that will go to the Australian Energy Market Commission. There are functions that ESIPC used to perform which will go to the new AEMO. We will get you the detail, but there is a flux at the moment in terms of energy management. We actually gave additional funding for fuel in 2008-09. It will be pretty hard for you this year to draw a base with previous years because of the major changes in the nature of electricity regulation.

Mr WILLIAMS: Does one of the functions of this area include the \$20 million renewable energy fund?

The Hon. P.F. CONLON: That is operated out of the Premier's fund. It is run by the sustainability people out of the Premier's budget.

Mr WILLIAMS: So it is in the Premier's budget line?

The Hon. P.F. CONLON: Yes.

Mr WILLIAMS: And that fund is totally managed? You do not have any role in it?

The Hon. P.F. CONLON: If people have an idea about the fund, they will talk to us, because we have expertise in electricity and energy. There was a suggestion for expenditure of the fund and, naturally, the Premier would talk to me about it, because we have a major role in terms of energy. They even talk to us about desal. Incidentally, Jim Hallion is on everything in government.

Mr WILLIAMS: I draw your attention to the performance indicators on page 6.33. I am delighted to see some of the numbers here because, for a couple of years at least, I have been asking you questions similar to the one that I am going to ask you. It is about the proportion of renewable electricity generated. I see here that you have an estimated result for 2008-09 of 15.9 per cent and a target of 16.9 per cent. The reason I ask the question is that it is very easy to become confused when we start talking about renewable energy, particularly when we talk about wind power. Is that what I have referred to as the main plate, or the installed capacity, of renewable energy relative to the total installed capacity across the state?

The Hon. P.F. CONLON: Yes, it is.

Mr WILLIAMS: The fact is that wind generators tell me that, notwithstanding their installed capacity, they have about a 34 or 35 per cent operational capacity.

The Hon. P.F. CONLON: Let me correct that. The figures go to the actual output. If you look at installed capacity, it is actually much higher than that. I think South Australia's installed capacity is about 2,800 megs and, by the end of this year, it will be something like 800 megs of wind. That is obviously a bigger proportion. It will be 1,000 within a couple of years. I think the highest world standards for availability of wind would be about 30 per cent, and South Australia is very good in that regard. Those figures—

Mr WILLIAMS: They refer to operational capacity?

The Hon. P.F. CONLON: They refer to the actual output. If we were to do it on installed capacity, we would have a marvellously better number.

Mr WILLIAMS: Similarly, in the next line where it talks about the proportion of renewable electricity consumed, I assume that is consumed within South Australia.

The Hon. P.F. CONLON: Here's the thing: people who buy green electricity do not necessarily get green electricity. The nature of the electricity market is that it is instantaneous. It is electrons. The consumption of green electricity is a notional thing. What you will find is that all green power made in South Australia is probably consumed in South Australia, but that does not necessarily mean that they were the people who bought it.

Mr WILLIAMS: That is exactly the point that I have been trying to make for a number of years.

The Hon. P.F. CONLON: What is the point? What is wrong with that?

Mr WILLIAMS: Well, it is the consumption that actually drives the investment.

The Hon. P.F. CONLON: I assure the member for MacKillop that, as clever as I am, I cannot make electricity perform differently. It is an agitation of electrons and it happens instantaneously. I know that you have made this point, but I do not understand what it is. That is the way electricity works. I cannot control that. I am very good, but I cannot control that. Isaac Newton—a smarter bloke than me—could not make electricity behave differently.

Mr WILLIAMS: The question is: what does the 18.1 per cent target for the 2009-10 year refer to? Does it tell us that 18.1 per cent of the electricity purchased in South Australia is purchased via a green purchase agreement and, therein, that 18.1 per cent of the electricity purchased in South Australia is purchased at that price?

The Hon. P.F. CONLON: We are not at all embarrassed by the fact that we sell green energy to other people. I think it is a good thing for South Australia.

Mr WILLIAMS: Minister, I am not suggesting that you should be embarrassed. I am just trying to find out what the number refers to.

The Hon. P.F. CONLON: Are you talking about the selling of green energy as opposed to the proportion of the total consumption of energy?

Mr WILLIAMS: Consumption.

The Hon. P.F. CONLON: What other target could you use? How do we measure who buys what?

Mr WILLIAMS: I can tell you that the total output from the Lake Bonney stage 1 wind farm is consumed by Country Energy in New South Wales; that company purchases it.

The Hon. P.F. CONLON: It is nice to say that, but I can guarantee you that, when Country Energy buys the wind power from Lake Bonney, it does not get carried in some sort of truck over to New South Wales.

Mr WILLIAMS: I am absolutely aware of that.

The Hon. P.F. CONLON: When you set targets, you have to work with the realities of physics: this is the real way of measuring. Just for once, can we be proud of our state? We have done extraordinarily well, and we should take some pride in it.

Mr WILLIAMS: Minister, you are being overly sensitive and you are reading into my question that I have some ulterior motive.

The Hon. P.F. CONLON: You are the opposition; you only have ulterior motives!

Mr WILLIAMS: No, minister. We both know that we are all here for the good of the people of South Australia.

The Hon. P.F. CONLON: I take your point, Mitch, but how else would you measure it? What else would you do?

Mr WILLIAMS: Well, I do not know what you are measuring, minister. Surely, if the figure above that says that 16.9 per cent is a proportion of the total energy produced in South Australia—is produced by some renewable source—how do we get a figure of the total energy consumed in South Australia being 18.1 per cent of the total energy consumed in South Australia?

The Hon. P.F. CONLON: It is transmission losses. The further you send electricity, the more you lose. It is a very simple engineering equation.

Mr WILLIAMS: You made that up, minister.

The Hon. P.F. CONLON: No; I didn't. Do we have an engineer here? Do you lose electricity over the transmission wires? The officer from the Office of the Technical Regulator is nodding. So, yes, you lose energy when you send it a long way.

Mr WILLIAMS: I accept the bit about transmission losses. The bit you made up was suggesting that that is the reason the figures are different.

The Hon. P.F. CONLON: Figures will be different for transmission losses. I am not making it up. Vince, would you like to answer it? He does not believe me; he might believe you.

Mr DUFFY: My understanding is that the two numbers are the total production of renewable energy. The first one is divided by total production of energy in the state, and the second one is total production of renewable energy over the total consumption in the state. The consumption is different from the production through losses between producing it somewhere and consuming it within South Australia.

The Hon. P.F. CONLON: Pretty much what I said.

Mr WILLIAMS: It is nothing like what you said, minister.

The Hon. P.F. CONLON: Where do you think it gets lost? Do you think someone nicks it along the way? It gets lost in the transmission system.

Mr WILLIAMS: I fully understand that the difference is that the second number takes into account the energy that comes in across the interconnect. I understand it, minister, and, if you want a better understanding of it, come and see me one day and I will explain it to you over a cup of coffee.

The Hon. P.F. CONLON: My God! If my performance relies on your advice, I pity the state.

Mr WILLIAMS: It does indeed confirm, minister, what I have always believed: notwithstanding that we have a lot of investment in wind power in South Australia, the drivers for that investment are principally the MRET schemes in other jurisdictions.

The Hon. P.F. CONLON: No; it is predominantly a national scheme. So what? What is the point of that?

Mr WILLIAMS: I am just trying to work out what your figures mean, minister.

The Hon. P.F. CONLON: You do not like the MRET scheme or you do like it? What is the point?

Mr WILLIAMS: I love it.

The Hon. P.F. CONLON: Well, there you go. And we have done very well out of it.

Mr WILLIAMS: I can almost see most of it out of my back window.

The Hon. P.F. CONLON: You should sit back and say thank you, then.

Mr WILLIAMS: Whenever I come across the people responsible, I thank them; you just do not happen to be one of them. With regard to the feed-in tariff, is there any proposal from your government to apply a feed-in tariff to electricity fed into the grid from sources other than PV cells? I ask that question, minister, because you have been saying that you want to know the motive behind my questions. Your government has installed a number of mini wind turbines, and I presume you have installed them as a demonstration of what can be done. If I put a mini wind turbine on my building, I do not get the benefit of a feed-in tariff.

The Hon. P.F. CONLON: It is completely plain and obvious on the face of it—and we said it at the time—that it is a residential scheme. The truth is that renewables in a residential setting are almost invariably going to be photovoltaic cells. It is not aimed at renewable energy. As you have pointed out, there are schemes for the broader renewable industry. This is a residential scheme. To put it in context, we were the first government in Australia to do it—we have been followed by others—and it has been a success. However, it is a residential scheme. It is a scheme for people in their homes, and that is why it is shaped as it. As you well know, there are MRETS and renewable energy certificates for the industry, and this is for residential properties.

Mr WILLIAMS: In relation to the feed-in scheme, I understand that ETSA has written to those people who are proposing to put in a PV system and connect it to the grid informing them that they will need to upgrade their meter and that there will be a cost to the consumer of some \$434.50. The opposition has been informed that in Queensland this service is provided for about one-quarter of the cost and that in Tasmania it is provided for free. Has your government any intention of subsidising the cost—

The Hon. P.F. CONLON: First, I do not think that is correct. Secondly, can you believe the hide of the bloke? Do we intend to subsidise the cost? Let me explain to the member for MacKillop. A few years ago, a previous government decided to sell ETSA to the private sector, and it is now a company that operates with a profit motive. That is a decision you have told me earlier that you are proud of. Do you seriously say that, you having sold it, the taxpayer should subsidise the electricity companies?

Mr WILLIAMS: No.

The Hon. P.F. CONLON: That is what you are talking about at the end of the day. You sold it, they operate on a profit motive and they charge. I do not believe your figures are correct in regard to Queensland and Tasmania where the government owns the joint. So, you want us to sell it and then pay for it. You have a hide! You country Liberals are all socialists—you have a bloody hide! You are right wing one day and left wing the next.

Mr WILLIAMS: The government owns it: the taxpayer is subsidising it. Whether it is doing it through a private company or not is making no difference; it is still subsidised by the taxpayer.

The Hon. P.F. CONLON: The taxpayer, the electricity user, subsidises the photovoltaic owner already as that is the nature of the feed-in laws. ETSA is a private company since you sold it. Oddly enough it wants to make a return on its investment, so it charges people. That is the scheme you created. It is not good for you to come in and whinge about it now: that is what you created. You want the taxpayer now to pick up the bill, having sold the assets. There are no revenues, the private company makes the money and you want the taxpayer to pick up the bill. It is a nonsense, Mitch.

Mr WILLIAMS: I simply asked whether you had the intention, minister. I did not say it was my intention to do anything. I am here asking you the questions, minister. I understand the minister's government gave approval for a wave energy pilot plant near Elliston on the West Coast. The *Port Lincoln Times* recently reported that the proponent, Wave Rider Energy, has further

growth and export plans for its wave energy operations in South Australia. Do you have any information about what potential growth and export opportunities there are for that company?

The Hon. P.F. CONLON: Not that particular company, no. I understand our role is a little similar to the geothermal issue and created a way for the companies to secure property on a lease on the seabed so that they can have some security about their future. After that it is a question of the company itself operating in a commercial marketplace. I can get information for you on that, but there is no doubt that we are considered to be a leader in this area nationally.

The Carnegie Corporation down your way has a plant in WA, and there is no doubt that what they are doing is cutting edge, ahead of the pack, and if they get it right I have no doubt they will be successful in selling it elsewhere. At the end of the day we attempt to make an environment where it is safe for them to invest and they make their decisions about how commercial or otherwise the product is.

Mr WILLIAMS: Reverting back to solar panels, particularly photovoltaic solar panels, can the minister provide to the committee the total expenditure of his government on the provision of solar panels?

The Hon. P.F. CONLON: I do not think our department has ever bought a panel. We do not have a large budget, we just do work. I think we have put some on the tram stops. The Department for Transport, Energy and Infrastructure's expenditure on photovoltaics would be very small—it is not funded from our lines.

Mr WILLIAMS: From that answer, I take it that all of that expenditure comes out of the Premier's budget line.

The Hon. P.F. CONLON: You can take that if you want—it is not what I said. I said that we do not do it and I am not responsible for what other people do. We will find out for you, because, as you well know, I am an extremely courteous man and will find out, but I know that the education department has spent a great deal on photovoltaics in my electorate in Edwardstown. It is a good idea. For example, I know that the Museum and the Art Gallery have spent money—they are all different lines. There is not a central photovoltaic fund; it is just a different way of buying electricity.

Mr WILLIAMS: We have schools putting them in, there are some on the roof of this building, we have the airport—

The Hon. P.F. CONLON: They are all different budget lines and none of them are ours. We never give away anything, mate.

Mr WILLIAMS: My last question before the omnibus questions is about your policy for energy efficient hot water systems, mandating that new hot water systems and the replacement of old hot water systems must be either gas, solar or the new electrical heat pump systems. Some of my colleagues get a stream of complaints, particularly from the hills areas, where there is no reticulated gas and the solar systems do not seem to work well because of a number of factors, including the cold temperatures. One plumber informed one of my colleagues that in the past 12 months they have had 75 solar systems fail due to, I think, frosts and the material on the roof cracking. Is it still the government's insistence that under these circumstances people cannot source a traditional type of hot water system in those areas?

The Hon. P.F. CONLON: We will get the details of that scheme, but it does not require anyone to do something that cannot be done.

The scheme takes into account where people are, the availability of gas and such like. Unfortunately, it is a complex thing to explain to people, and I think that, more often than not, it is not really an issue once it is fully explained. It is a new scheme. People are not completely aware of what they can and cannot do. I am happy to provide the honourable member or any of his colleagues with a briefing on how it works. I would say that it is very important that people take advantage of finding out accurately what their obligation is and not assume things.

My view is that many of the problems arise with people assuming their obligations and not really understanding them. Make no mistake, and you must understand the motivation for the policy, in terms of greenhouse emissions and the use of energy, this is the big ticket item. This is the biggest ticket item in the household. If we do this better, we take the biggest step we can in households about reducing emissions. The policy is a very good idea.

We are sympathetic to those who find it difficult in regions. I will point out what people do not understand: people have to do this only when they need to replace a water heater. They do not

have to go out and replace it before their existing water heater is out of service. It is important that they understand fully what their obligations are and are not because, as I said, there are more assumptions about obligations than there are actual obligations in those areas. We are happy to give you or any of your colleagues a briefing on how the system actually works.

I point out, too, that we have been extremely careful about the introduction of it and phasing it in over time so that it is not too terrifying for people. It is not responsible for us not to do this. I point out that this is the big ticket item in households, so it is important that we do this. I know that some on your side are greenhouse sceptics. I know that. I know that you have more of them than most but, at the end of the day, if you are wrong, we are all in big trouble, and it is important that we do what we can to preserve our futures, and this is a very important scheme.

It might be awkward for some people. I think, as I say, they are probably more frightened of it than they should be. It is a very important thing to do and we will not apologise for doing it.

Mr WILLIAMS: Minister, you have been much more generous than I ever expected. You covered a lot more ground there than was proposed by my question. I will take the opportunity to read the following omnibus questions into *Hansard*:

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 2007-08 for all departments and agencies reporting to the minister, listing the name of the consultant and contractor, the cost, the work undertaken and the method of appointment?

3. For each department or agency reporting to the minister, how many surplus employees will there be at 30 June 2008, and for each surplus employee what is the title or classification of the employee and the total employment cost (TEC) of the employee?

4. In the financial year 2006-07, for all departments and agencies reporting to the minister, what underspending on projects and programs was not approved by cabinet for carryover expenditure in 2007-08?

5. For all departments and agencies reporting to the minister, what is the estimated level of under expenditure for 2007-08, and has cabinet already approved any carryover expenditure into 2008-09? 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 also as a sub-category 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 2008; and

(ii) Between 30 June 2007 and 30 June 2008, will the minister list 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 2006-07 and 2007-08, 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 and the purpose of the grant and whether the grant was subject to a grant agreement as required by Treasurers Instruction No. 15?

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

The ACTING CHAIR: Before we conclude this quite exhilarating session, the very good news is that we are now running approximately 40 minutes ahead of schedule. If we can notify this afternoon's participants, we will tentatively resume at 2pm.

[Sitting suspended from 13:06 to 14:01]

**ADMINISTERED ITEMS FOR THE DEPARTMENT OF TREASURY AND FINANCE,
\$1,611,729,000**

Membership:

Dr McFetridge substituted for Mr Williams.

Departmental Advisers:

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

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

The ACTING CHAIR (Mr Rau): I declare the proposed payments open for examination and refer members to the Portfolio Statement, Volume 1, part 3 and part 6. I call on the minister to make a statement, if he wishes to do so.

The Hon. P.F. CONLON: No.

The ACTING CHAIR: I call on the member for Morphett to make an opening statement, if he wishes to do so. In doing so, I say to him that his predecessor in that chair managed to clip 45 minutes off the session, so the challenge is there.

Dr McFETRIDGE: I will not be making an opening statement. I am happy to get into the questions, which have been supplied by the shadow minister. I look forward to a relatively uneventful afternoon and should not—

Mr Piccolo interjecting:

Dr McFETRIDGE: I agree with you totally, Tony. There are some bloody good questions here.

Mr Piccolo interjecting:

Dr McFETRIDGE: Sometimes I wish I was, but he has done a good job. I refer to Budget Paper 3, page 6.4. Can the minister explain why the \$35 million refunded from an industry development loan to Mitsubishi has ended up in the bank account of the Land Management Corporation? What is that money being used for? In an explanation on 5 February 2009, the Premier advised by a media release that this package of \$35 million of commonwealth funding, \$10 million in state funding and a \$5 million contribution from Mitsubishi will help the 930 workers move into new jobs and establish an industry development package. I understand this was in last year's budget but not this year's budget and that it is in a bank account held by the LMC.

The Hon. P.F. CONLON: My understanding is that the LMC has been dealing with the land in question, looking to find a use for it. There is no great mystery about it; that is just where the money is held until it is expended. It is a good idea; it will continue to look at the issues down there. You have probably noticed that it has become a little harder in recent months to use industrial land. There has been a global financial crisis, and the money is held there until it is used for the purposes for which it was set aside, so there is nothing special about it.

Dr McFETRIDGE: On the same reference, how much land does the LMC currently hold for the government? What size are the land holdings and what value has been placed on them?

The Hon. P.F. CONLON: How much land have we got and what is it worth? Wayne, how much land have we got and what is it worth? All of it, apparently; everything we own. I am sure there is a point to it. I think we can come back to you on the size, because I do not think anyone can add it up as we go along. We can probably give you a sheet of paper.

Mr GIBBINGS: We have about 1,100 hectares of industrial land and 1,700 hectares of residential land. Then we have various smaller holdings such as those taken up by Technology Park, the Port Adelaide project as we hand it over the consortium and others, totalling about 3,979 hectares of land.

Dr McFETRIDGE: On the same budget reference, what is the role of the Land Management Corporation in the development of land packages at Hackham, Seaford Meadows and Evanston Gardens?

The Hon. P.F. CONLON: The role of the Land Management Corporation varies according to project. Its charter requires it to act commercially, which I think is wise. On any occasion it does not act commercially it goes to cabinet, and cabinet makes a decision about that. The role of the Land Management Corporation in one place will simply be to bring land to market; in another place, if it is charged by the cabinet with a different responsibility, it will do something else. For example, the Playford Alive project has the Land Management Corporation in as a principal developer, because there are a number of social outcomes the government is pursuing with that piece of land.

By and large, the role of the Land Management Corporation in those places is to bring land to market in a timely fashion, and that is something that we regularly talk to the industry about. I can say that a year ago the industry was telling us we needed to get more land to market; now it is saying something different because of the way of the world. The role of the Land Management Corporation will be to act commercially to get land to market, but there will be occasions where the cabinet requires it to do something different at a particular site. Its role will be what the government decides it should be.

Dr McFETRIDGE: On the same budget reference, what is the government's exposure to the Port Waterfront development, given that the Auditor-General has highlighted that LMC is in a 50 per cent joint venture with Newport Quays?

The Hon. P.F. CONLON: I do not know where you get these things from. It is not an exposure: we have an opportunity to make revenues out of the Port Waterfront development. Other people think the requirements on them to pay us out of profits are pretty tough. It is not an exposure; there is no risk of LMC losing money down there. I do not know why you say things like that. It is just a nonsense.

I would point out two things. First, the LMC has been around since before we were in government. More importantly, regarding that land release at the Port and the arrangements that have been made there, we received return of the tender or whatever it was called in about March or April 2002; that is, it went out under the previous Liberal government. So, the arrangements that were put in place were largely the design of the previous government.

I am not criticising that; we have been working down there with them, but it is quite misleading for you to come in here and talk about exposures when it is not about exposure. It is about an opportunity to develop and for government to raise funds, but we are not exposed to any losses. It is irresponsible for you to say things like that.

Dr McFETRIDGE: On the same budget reference, what is the level of government debt held by LMC for the Newport Quays development?

The Hon. P.F. CONLON: I do not think we actually hold any debt in relation to that development. The original transfer of the land to the LMC had a \$6 million debt attached to it, but that is not related to any specific part of the development or land; I think it arose from the original government arrangements for the transfer of the land, which I strongly suspect was done under you.

Dr McFETRIDGE: On the same budget reference, what is the total cost of remediation work at the Port waterfront development, given the Auditor-General's findings regarding the lack of process and compliance with Treasurer's Instructions?

The Hon. P.F. CONLON: I do not think the remediation work has anything—you know, you ask pretty weird questions: what is the level of remediation required given the Auditor-General's comments? The Auditor-General's comments do not affect the level of remediation required. They are unrelated subjects.

From my recollection, the developer bears the bulk of the remediation risk up to a certain point. I will check that but, again, this was something we inherited when we got in. I am not complaining about that; I quite like the Port Adelaide development. It was all started before we got there.

Yes, Wayne has confirmed what I have said. The bulk of the risk resides with the developer. We are committed to up to \$35 million, and that is intended to be recouped through revenues; ultimately, in the long term, we are talking about something like \$1.8 billion. The total project will be about \$1.8 billion. If it is anything beyond \$35 million, the developer is up for that, not us.

Dr McFETRIDGE: On the same budget reference, in June 2008, the Le Fevre Primary School raised concerns with the government regarding dust from the Port Adelaide development.

Can the minister advise whether there were any children affected by dust, any health issues arising from the issue and what is the government doing to ensure—

The Hon. P.F. CONLON: Absolutely not and, again, I do not know why you raise these things when they have no foundation. Why is it that you want to convince me? I went to Le Fevre Primary School when I was young; it is a very good school. I turned out quite well in the circumstances. I have a connection with it. It is on the street on which I used to live. No child suffered anything from it. In fact, my understanding is that the work that was done, once the issue was raised with us, was done promptly, and I think the school principal was pretty pleased with the level of response. It is just irresponsible, again, for you to come here and raise questions about children being affected when it never happened. Can't we just deal with the facts?

Dr McFETRIDGE: I am not making accusations, minister: I am just asking the question.

The Hon. P.F. CONLON: With the greatest respect, you are. When you come into this place and raise the issue of children's health being affected by the dust, you do make allegations. You might like to word them in a lily-livered way, but that is what you do when you raise those things. It is not true, and you should not worry people when they have nothing to worry about.

Dr McFETRIDGE: So, Le Fevre Primary School were wrong when they raised it in June 2008, were they?

The Hon. P.F. CONLON: Are you saying to me, member for Morphett, that the primary school alleged that we had affected children's health?

Dr McFETRIDGE: No; they raised concerns with the government.

The Hon. P.F. CONLON: This is what you talked about, son.

Dr McFETRIDGE: They raised concerns with the government.

The Hon. P.F. CONLON: You raised children's health; the primary school did not. They were satisfied with our response. You are irresponsible. You make allegations all the time, and they are usually dishonest.

Dr McFETRIDGE: Can the minister advise whether there were any children affected by dust? No. Next question. On the same budget reference, what does the government want with the land upon which the Glamocak family business resides at Port Adelaide?

The Hon. P.F. CONLON: I do not want anything from the Glamocaks. I know them well and I have to say that Mr Glamocak is one of the hardest working South Australians I have ever met in my life. He is an outstanding South Australian. It is an outstanding boat building industry. I have met with them a number of times trying to find a way where we could sell land to them, but there is an issue down there whereby if you break the land up we then have to do some work under the Coast Protection Act which would be very expensive. I have tried very hard.

The most important point that I would make to the member for Morphett out of this is that he is asking the wrong person. That land is handled by Defence SA, not the Land Management Corporation. We were involved a number of years ago; we are not involved now. But I can say this on behalf of the government: we value the work that the Glamocaks have done down there, and I am sure we will come to a resolution with them. Things are not as straightforward as they seem. But you probably need to do a little bit of work and work out which minister is responsible because it is not me.

Dr McFETRIDGE: That completes the line of questioning on the Land Management Corporation.

The ACTING CHAIR: That is excellent, member for Morphett. Unless there are further questions, we will begin major projects.

Dr McFETRIDGE: I refer to Budget Paper 4, page 6.20. Under the investments column, there is a figure of \$2 million for the South Road-Sturt Road underpass in the 2008-09 estimates results. On 19 February, the federal minister and the state minister in a joint media release announced they will be constructing a flyover at the Sturt Road intersection. Minister, can you give us details whether it is a flyover or an underpass?

The Hon. P.F. CONLON: What are you saying we announced?

Dr McFETRIDGE: A flyover.

The Hon. P.F. CONLON: My understanding is that we have some money from the federal government to investigate the Tonsley line extension and that work there. I stand to be corrected, but I do not remember announcing anything with the federal minister about what would be built there, which would seem to me a bit odd, given that currently we are spending their money on an investigation. Maybe you could assist me and tell me where we announced this flyover.

Dr McFETRIDGE: The document I was given is dated 19 February 2009. It was a joint press release. I was surprised, and I think it might have been a typo in the press release that was issued. It listed the intersections on that part of South Road that I would have assumed, but then at the end it said 'Sturt Road'. I was really surprised to read that.

The Hon. P.F. CONLON: Tell me what it says exactly.

Dr McFETRIDGE: I do not have it with me at the moment, but you can soon check.

The Hon. P.F. CONLON: There is a study. I do not believe that we ever announced anything. I would just love to see where you get this stuff from, because there is a planning—

Mr Piccolo interjecting:

The Hon. P.F. CONLON: An email from Godwin Grech. I do not believe we have ever announced anything except a study, and there is no doubt that what we would be looking at as an outcome would be a grade separation. For the life of me, I do not believe that we have ever announced a flyover. I have to say, I am not even sure what a flyover is. It is an overpass, we assume. It would be really good if we could deal with this on the basis of some facts. You allege that I have put this out in a press release. You do not have the press release. Can we be serious?

The truth is this government has put South Road on the agenda. No other government has in the past. We put it on there. We have funded works on South Road. The Gallipoli underpass (which you have done everything you can to criticise) will be completed later in the year. We have \$500 million now from the commonwealth to go into that work, basically because we put our hands up and committed our funds first. It is a very good outcome.

I know that both Lea and Tony are pleased that we will be doing some works up north, as a result of the \$70 million we have in from planning. We have identified those things we will do next and they will be overpasses. I have to say that I do not know anyone in the department who uses the term 'flyover'. I cannot remember putting it out. I am happy to be corrected, but I do wish we could do this from a factual basis.

Darlington has a study at the moment. I think there is \$2 million in the budget, but, from memory, it is \$4 million in total for that study. It involves looking at the Tonsley line. It involves looking at whether we can extend the Tonsley line to near the hospital. I think it is a very good thing to do. It is bizarre to suggest that we would have spent \$4 million on a study and announced what we will do before we have completed the study.

The Hon. I.F. EVANS: I have a supplementary question. Minister, at the last state election the government got a front page announcing the Sturt Road-South Road junction upgrade. My memory is that it was an underpass. A previous budget had \$5 million to start the investigation in relation to that project. As the local member—Flinders Medical Centre is just in my electorate, that junction basically being on the border of my electorate—can you give me any timetable as to when that project will proceed now that we have \$500 million from the feds?

The Hon. P.F. CONLON: To be entirely honest with you, I do not think it is likely to proceed in the near future. We also got \$70 million from the feds for the whole planning study. I think we have spent \$12 million of that \$70 million so far. We had Sturt Road (I think) next on the agenda. What it has indicated is that we should be going up to Cormack Road and north of Grand Junction Road, and we will do overpasses up there. That is principally around freight movements. The study indicates that is the best move next. Eventually, the whole road will be done, but it is a massive undertaking.

We think that the Sturt Road stuff was worth another look, because when we originally started down the path—I think you were the transport shadow prior to the last election—we started it as a road project and, having looked at what we are doing in rail, it became obvious that we should look at whether we can do a project that has more benefit than simply a road project.

My knowledge of it is that it will be very expensive. It is a very big job, but we think there is substantial merit in attempting to get a road-rail public transport solution out of it. We have looked at options such as major park and rides, and the same sort of thing coming up from the south. What we have discovered in looking at it is that there are opportunities to do more than simply a

kind of South Road project and that there may well be major public transport opportunities out of the job as well; and, at present, that is what we are looking at.

It is a big job. I have to say the numbers on it are large, but we are doing large jobs now, and I have no doubt it will be done at some point. Of course, the other part of the mix is the Mitsubishi site about which you asked earlier. We have \$35 million in the account to do something with the old Mitsubishi site. We believe it is important to look at all those things and to try to get a good outcome. Personally, I think it would be fantastic to get the rail to the hospital. I think that would be great and it would be an opportunity for a really high-class park and ride coming up from the south. I am not promising that, but we think that would be a really worthwhile thing, but it is expensive.

Dr McFETRIDGE: I have been handed a copy of the press release and I was as surprised as you, minister, to read in the second to last paragraph where Mr Albanese said:

The Australian government will provide \$500 million in funding between now and 2014 towards the construction of South Road flyovers at the major bottlenecks at Grand Junction Road, Cormack Road, the Wingfield railway line and Sturt Road.

And Sturt Road—so, that is why I asked the question, minister.

The Hon. P.F. CONLON: I have to tell you that no-one in our department uses the term 'flyover'. It must be something DOTARS uses. I just told you that that is what we are doing. The next steps are overpasses up north.

Dr McFETRIDGE: I know. I was just correcting the record because there was doubt about the veracity of my statement.

The Hon. P.F. CONLON: No, mate, you started about Sturt Road and said that we were building a flyover. Let's be honest, you did not say—

Dr McFETRIDGE: I didn't say it; Mr Albanese said it.

The Hon. P.F. CONLON: You did not actually say 'flyovers' or, as we would call them, 'overpasses' up north (because that is what we are doing next), and I have told you that. Anyway, let's move on.

Dr McFETRIDGE: We will move on. I refer to the same budget reference, Volume 1, page 6.20. The South Road upgrade—Grange Road to Torrens Road—project was announced on page 50 of the State Infrastructure Plan as a tunnel under Port Road and Grange Road. Can the minister explain what is happening with this project now?

The Hon. P.F. CONLON: It is very simple, and I have said this a number of times before. As a matter of fact, I said it a little earlier. When we started South Road, we put it on the agenda and we put our money in there. We looked at the two major intersections as we saw them at the time. As a result of putting our money in, we were able to convince the commonwealth to put it in, too. I note that John Howard also promised that, if he won the last election, he was going to put money in, too. It was a very good outcome for the state. The first step of getting that money—I remember that Martin Ferguson was the shadow before the election—was to get \$70 million from the commonwealth to fund a planning study. I have already said that, of that \$70 million, I think about \$12 million has been spent, and that that planning study, with a new funding partner, has led us to a different approach than we had when we were funding it on our own.

The outcome of that planning study so far indicates to us that the next step should be building overpasses in the places that I outlined earlier—up north. It is actually a good news story. It means that we can do more than we could before, and we have a funding partner that we did not have before—one with a lot more money than we have—and, as a result of that, we have identified the priorities.

When you get \$70 million for planning and you spend it, you should actually do what it tells you to do, because that is why you spend the money. As I understand it, what it has told us to do so far is not go to Port Road next but to go up north. As the chief executive says, the reason that it has sent us there is that that is where the greatest delays are and that is where they move the most freight. They are very doable jobs in the immediate future, and we will be doing them.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 6.18: South Road Planning. You mentioned the Gallipoli underpass before: when will the roadworks associated with the underpass be completed so that traffic can flow at 60km/h again?

The Hon. P.F. CONLON: I think the timetable was September, and I think we are right on track to meet that. In fact, Rod points out that it was originally the end of the year, and it has been brought forward to September. I will point out that it will then go to a 60km/h speed limit but, from memory, the job is designed to be rated for 80km/h. Obviously, we cannot do that until we do the rest of the road. Ultimately, at some point in the future, when I am probably well retired, you may find that traffic will be moving through that underpass at 80km/h—once we get all the works done.

Dr McFETRIDGE: Is there an extra cycle in the lights on Anzac Highway going east-west? You do not have to answer that, but I would just be interested to know.

The Hon. P.F. CONLON: I do not know about the cycles in the lights. I have to point out that there is obviously one less piece of movement that will be stopped at the lights. If you are going north-south, you do not stop—that is the whole point of it. I would have thought that, when it is completed, there will actually be less time spent at traffic lights. Inevitably there will be, because the majority of movement on South Road is north-south. It will be a very good outcome when we get it finished. There is no doubt that it is difficult, but it is worth the difficulty. I keep telling people that there are 40km/h speed limits and there are disruptions, because you cannot do South Road anywhere but South Road, and it is a very busy road. You cannot fix South Road somewhere else; you can only do it down there.

Dr McFETRIDGE: I will just put on the record that I travel through that intersection frequently, and I would like to congratulate the people working on it, because they have actually done it quite well so far. I thank the minister for his answer: that it will be finished shortly.

The Hon. P.F. CONLON: It is ahead of schedule and the people working on it should be congratulated.

Dr McFETRIDGE: They have done a terrific job. They have been working all the time.

The Hon. P.F. CONLON: It does help that it does not rain very much in South Australia.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 6.19: Port River Bridges. What further work needs to be completed on the Port River road and rail bridges, is there any legal action still pending over this project and is the government part of that action?

The Hon. P.F. CONLON: My understanding is that the works are essentially complete. I think there is \$3 million in the budget. I can find out why that is there, but the bridges are all operating, and they have been operating for a long time. I do not think you could say that there is legal action. I think there are—like many jobs out there—claims and counterclaims. I do not think there is anything in the courts. There is no legal action in the sense of a court action. We drive a hard bargain with contractors. They think they should have got more out of us, but that is the ordinary argy-bargy of building projects. My understanding, from memory, is that the contractor thinks they should get some more money and we think that maybe they should get less money. At the end of the day, we will resolve that.

The project is up and running, and it was done on budget. It has been a tremendous addition to the infrastructure down there. In fact, we have received compliments in regard to the time saving from people who travel from Gawler down to Outer Harbor, and that is something that is very unusual in politics. It has been a terrific outcome. It goes down to our 14.2 metre harbour, and it moves freight and rail, and it has been a tremendous addition to the infrastructure. In relation to having an argument with a contractor about what they should and should not get, I can tell you that I am going to keep arguing rather than give them money.

Dr McFETRIDGE: I must say that I do use those bridges frequently when I go from Glenelg to Salisbury to visit my mum. It is an interesting and quite smooth journey through there and along the coast.

I refer to the Capital Investment Statement, page 19. In relation to the new northern connector—the Northern Expressway—in March 2008, the government announced, via a media release, that the planning study and associated environmental impact statements are expected to be finished by the end of 2009. Can the minister advise the committee the status of the project, any possible land acquisitions and associated costs?

The Hon. P.F. CONLON: Let me be clear: it is not the Northern Expressway; it is the connector to the Northern Expressway, which is currently being built. It is a massive job. It has very good cost-benefit numbers associated with it, and the commonwealth is interested. However, I hasten to point out that we are talking about something we will not commence until 2016, which is why we did the Port Wakefield/Northern Expressway the way we did.

My understanding is that there is a route virtually ready to go out now. When I say that, it is a preferred route, and we are talking about a job that will not commence until 2016, at the earliest. When I say that, I do not want to worry people that they will not have a road. If it is funded, it will, of course, be the commonwealth that makes that decision. I would think that, under the rules, it will be predominantly an 80/20 job from the commonwealth. The commonwealth likes the look of it, but who knows who will be in government in 2016. I would tip Anthony Albanese to be still there, but there is no great certainty in tipping in our business. I was talking to someone yesterday, and we are going to put out the preferred route in the next week or so.

I hope that people will not be frightened on the basis of that. Will there be land acquisition? Certainly; how on earth could we build a road without it involving land acquisition? In fact, we had the good sense to do a bit of land acquisition in relation to the Northern Expressway ahead of this, when we were going to Port Wakefield Road. Will there be land acquisition? Yes. Will it make everyone happy? No. Is it worthwhile to do? Yes. You cannot build projects of this scale without occasionally annoying someone. The best way not to annoy people is not to do anything, and that is not an option we will take.

Dr McFETRIDGE: Minister, will the government insist on a guarantee from the successful tenderer that a significant percentage of jobs on this project will be for South Australians?

The Hon. P.F. CONLON: Let me make something plain. Most jobs in South Australia have South Australians working on them. However, when you are receiving 80 per cent of the funding from the commonwealth, you cannot run around being some sort of small-minded protectionist. It is voodoo economics, in any event, to go down that path. We have had some issues on the Northern Expressway with people complaining—and, if we are honest, we know where this question is coming from—that they have not hired South Australian earthmoving equipment and that they are hiring Victorian earthmoving equipment.

There is no way on God's earth that, when we make someone take the risk on a price on a contract, we tell them how to do their business. The truth is that I found it hard to understand how it is economical for them to bring Victorian equipment over and not South Australian equipment, but we are talking about hire equipment. As a result of the commonwealth and state governments' infrastructure rollout, those guys hiring equipment will make a lot of money in the next couple of years, and that is not going to be an issue in South Australia.

I was surprised to see news reports talking about favouring New South Wales. I think it is a very dangerous path to go down. The South Australian building industry is one of the best in the country. Hansen Yuncken, which built Adelaide Airport, is currently engaged to build Cairns Airport, and I think it is building something in the heart of Melbourne. Alex Candetti Constructions is building schools and, I think, ambulance stations in Queensland.

We want South Australian firms to compete and win because they are good firms. We cannot start down the path of insisting that we will employ only South Australian firms or South Australian equipment. If you hit someone with a little stick, they will hit you back with a bigger one, and that is a very bad path to go down. I think it is quite irresponsible to go down that path. We have had an outstanding outcome on the Northern Expressway in terms of the quality of the job for the taxpayer, but they also had obligations opposed on them to employ local youth and indigenous people. They have exceeded those targets, and they are doing very well. There are a lot of South Australians working on that job.

I point out that 80 per cent of the money is from the commonwealth. Commonwealth money is being spent employing lots and lots of South Australians. You cannot think that we could, like some version of Hicksville, go to the commonwealth and say, 'Look, give us the money, but we're going to employ only South Australians, and we're going to rig it so that it is not competitive.' It is not going to happen. It is a nonsense. If you are ever in government, I hope you never think that you can go down that path, because you cannot.

We should be proud of the fact that South Australian building firms and civil engineering works are ferociously competitive and get a lot of work interstate, and that is the way it should be. Malcolm Kennard and those guys started that engineering firm as apprentice draftspeople out of, I think, the engineering and water supply department in the old days, and they built an international firm that was eventually bought by, I think, KBR. That is a better future and that is the way to go. Making South Australian firms better is the way to go, not some sort of cheap, knee-jerk protectionism that, ultimately, would hurt South Australia. I have said this to the people from Kennards, the hire firm, who have complained. It would be good cheap politics to insist upon something like that, but it would hurt South Australia, and we should make the decision that is best

for South Australia and not one that is good, cheap politics. It is cheap politics to talk about guaranteeing that South Australians will get the work on a major job.

We went off to Canberra and talked with Anthony Albanese, from almost the first day his party was elected as a government, about our public transport investment. They saw it before the public did, for good reason. We convinced them on the merits of our argument and not on any share that they should contribute in South Australia. As a result, South Australia got \$1.2 billion from the Infrastructure Australia Fund, including I think \$640 million for public transport, for the first time since federation. You cannot win deals like that if you go up there with some sort of mickey mouse, cheap political protectionist scheme—it will not work. New South Wales got \$90 million out of the IA Fund and we got \$1.2 billion because we put up good cases that were thought out, and we did not run some dopey, cheap, snake oil protectionism politics—you cannot do it.

When we let the job on the Northern Expressway, our first priority was to get a good outcome for the taxpayer in terms of a road. We also wrote into the contract requirements on employing locals, youth and indigenous Australians. But, make no mistake, if you are ever in the job, your first priority in letting these jobs will be to get a good outcome for the taxpayer. If you think you are running an industry assistance department, you are in the wrong job. We have departments for that: we build roads and procure them at the best price. The winning tenderer takes a risk on the price. The construction is for \$300-odd million, and they take a risk on the price. You cannot expect people to take a risk on the price and then tell them how to do it. You cannot do that and, if you think you can, I hope you are never a minister.

Dr McFETRIDGE: I understand where you are coming from. I refer to Budget Paper 4, Volume 1, page 6.18—the Dukes Highway program. I understand this is for safety measures. What work has been done for the \$10 million, and what does the minister expect to achieve with the \$16.5 million this year, given that the RAA has called for the construction of a four-lane divided carriageway for this road?

The Hon. P.F. CONLON: I assure the member for Morphett, if he is ever a transport minister, of one thing: he will never satisfy the RAA. It is a road lobby and wants perfection. He will never be able to give the RAA perfection because we have a small population, a very large state and a lot of roads for which we are responsible. We run priorities and not perfection. We have so much money going out the door at the moment that it is a little hard to keep all the projects in mind. With the Dukes Highway we have a number of overtaking lanes. The \$4.4 million of works will be completed this year and is for rest areas, pavement reconstruction, extending overtaking lanes and roadside hazard treatments.

Another \$4.75 million is programmed for 2009-10, and the RAA's recent Towards 2020 gave us six out of 10 for the road, which is a big pass from the RAA, which usually gives us two out of 10. We are doing work there, it is prioritised in the right direction and the money is being spent. I will give you a guarantee: I will not make the RAA happy. I am not going to duplicate the Victor Harbor Road—you can promise that again if you want. We have an election coming up and you promised it last time, but we will not do it. There will be an election in March, and I am looking forward to it.

Dr McFETRIDGE: Under the same budget reference, will the minister explain how much of the old SA Water depot and the parklands along Port Road will be affected by road widening for the tram extension to the Entertainment Centre?

The Hon. P.F. CONLON: Mate, breaking news: we are actually giving the SA Water site back to the parklands. The parklands come out with a net increase from this project. That is not a bad story, is it? When we decided to give back the parklands, half jokingly I said, 'Don't give them back for nothing—swap it for something because no-one will appreciate it if you just give it back to them for nothing.' The truth is that the government decided to give the SA Water land back to the parklands. We have taken out a snip for a tram extension.

Public transport is the greenest thing we can do. For a net improvement to the area of the parklands we are putting in a public transport system, which will get more people out of cars and into public transport. For my money that is a net benefit to the environment: more parklands and more public transport—what is there to complain about? It is a net gain, end of story.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 6.18, dealing with the railyards site. Will the minister advise when the site for the Royal Adelaide Hospital will be cleared and handed over to the Department of Health for the building of the federally-funded research facility and the new Royal Adelaide Hospital?

The Hon. P.F. CONLON: They will get it as soon as they need it. It will be available to them when they need the site. We are ahead of our original timetable and it will be progressively released from 2010 onwards. If we can guarantee anything in this world, I guarantee that it will be available to spend the lovely \$200 million from the commonwealth. You never want to let commonwealth money sit around for too long, in my experience. It will be available in time for us to spend the commonwealth money, and it will be a great outcome.

Dr McFETRIDGE: How many people are now in the Office of Major Projects and Infrastructure?

The Hon. P.F. CONLON: I am glad you asked this question because it gives me an opportunity to put on the record the tremendous work that office does, because I think there is still hardly more than 17 or 18 permanent people in there. They have been rolling out the biggest jobs this state has ever funded, and they do that with a small number of people. Rod Hook (on my right), can I say in an unusual fit of modesty, is far more important to this government than I am, and I am very important. Rod has been doing a tremendous job.

I put on the record that South Australia, through Rod Hook and the Office of Infrastructure, is recognised not only in Infrastructure Australia but also in the federal government stimulus program as the gold standard. That is the consistent feedback from the Prime Minister's office and from the Office of Infrastructure. If I could ever give advice to anyone who is thinking of becoming a minister, keep it small, get good people and do not make it too big. That has been the secret of the success of the Office of Infrastructure.

Your friends in the Legislative Council will not allow our executives to have the right of hire and fire—and I could go on about that at some length. I cannot believe that you call yourself the conservative party in this state and refuse to do what is a fundamental reform in industrial relations that Labor is doing and you will not support. I cannot believe it. What I will say is that, until you guys wise up and allow us to make the changes, you are better off keeping a government department small and making sure that you get the right people in there. It seconds people from agencies and sends them back. Occasionally it brings in outsiders. I know that Rod has brought in Bob Boorman. Most people in South Australia would know that Bob Boorman has been around for a long time.

Dr McFETRIDGE: What is his position? What does he do?

The Hon. P.F. CONLON: He is a consultant on project management. You have to understand that, over the next four years, we are putting out \$3 billion worth of projects. You need good project managers. The commonwealth stimulus package requires us within 18 months to complete—not just start—around 590 jobs worth between \$500,000 and \$3 million. South Australia will do better at that than any other state, I give you an ironclad guarantee, and it is as a result of the quality of the people in the Office of Infrastructure.

I am glad you asked the question. It is rare that we get the opportunity in here to recognise the work of the people that we have. I personally take full credit for everything they do because I get the blame for everything that goes wrong, so that is the way it should be. They are doing an outstanding job for South Australia through the Office of Infrastructure and its Coordinator General, Jim Hallion. I can tell you that Jim Hallion is the only public transport bureaucrat in Australia on the Infrastructure Australia Board. Rod Hook's department is the gold standard for rolling out a stimulus package. These blokes are doing great work, and I am very proud of them. When I retire, I am going to drive around the state, boring my wife, saying, 'See that, honey, we built that', and she will say, 'Yes, dear; yes, dear', but it will be worthwhile. Thank you for the question.

Dr McFETRIDGE: Under the same budget reference, was any advice received from Planning SA—

The Hon. P.F. CONLON: I am sorry; 20 to 30 people were seconded to the capital program. When you consider that we are talking about \$3 billion, I reckon they are going all right with that number of people.

Dr McFETRIDGE: Thank you, minister. With reference to the same budget line, was any site proposed for the new Royal Adelaide Hospital from Planning SA, transport planners, the three Thinkers in Residence who specialise in architecture or planning the government has employed in the past, or any other town planning specialist?

The Hon. P.F. CONLON: Just so we understand it, I am responsible for moving the railyards out, not putting the hospital in. That is the responsibility of the Hon. John Hill and Treasury. My understanding of it—because Jim has been involved and, I think, Rod also—is that sites were looked at and it was the best. There is no mystery about this. Other sites were looked at,

and this was the best. It is not my responsibility but I do want to make this point because I cannot believe there is a debate about this in South Australia. If you took 100 of the people we deal with in the private sector who have built hospitals and who have been involved and you asked them, 'Is it better to build on a small brownfield site or a large greenfield site?', you will get 100 answers exactly the same. It is absolutely brain dead to consider going to a small brownfield site. Let me tell you this—

Dr McFETRIDGE: They do it elsewhere.

The Hon. P.F. CONLON: No; you asked a question and I will answer it. You cannot build a new hospital at the RAH site. You cannot build a new hospital there. You can refurbish an old hospital, but you cannot build a new one. There are patients, and they have to stay there while you are doing it. You will start at one end, refurbish and—

Dr McFETRIDGE: We will ask the Hon. Mr Hill later today.

The Hon. P.F. CONLON: I don't care what you will ask about later; you are getting an answer. This is one of the big debates in South Australia. This is apparently the point of difference for you so let us have a debate. Let us—

Dr McFETRIDGE: The question was whether there were any other sites, not this argument about whether it is there or there.

The Hon. P.F. CONLON: Mate, you can talk and it is your time, but I will come back and answer this question. Let me tell you this: you refurbish that old hospital and what you will end up with is a refurbished, old hospital with six people to a ward sharing one toilet with all the risks of cross-infection. That is what you will get. You build a new greenfields hospital, it will be cheaper and every patient will be in a single room with their own toilet, not because we want them to live a life of luxury but because it is a better health outcome.

Dr McFETRIDGE: That is not right, minister. You know it is not right. Other people are doing it.

The Hon. P.F. CONLON: What happens in a modern hospital that you cannot do in the Royal Adelaide Hospital is that, since they built the Royal Adelaide, they have invented a whole load of machines, and there is a whole load of new services. The Hon. Lea Stevens, a former health minister, knows this inside out.

Dr McFETRIDGE: Then why are you spending the money on other hospitals?

The Hon. P.F. CONLON: What happens is that, because the RAH was not designed as a modern hospital, you move the patient something like seven times in an average five-day stay, which increases the risk of injury and cross-infection. What you do is build a modern hospital, you put everyone in their own room, you give them a toilet each to reduce infection and then you take the services to them. I am so happy you asked me this question. That is why building a hospital on a greenfields site is the only way you can build a new hospital.

You cannot build a new hospital, no matter what the media tells you or anyone else—or the doctors who are scared of not running the joint anymore—on an old site. You can only build it on a new site and you can leave the patients in the old hospital while you build the new one. That is why you would do it. It is absolutely brain dead that we are having this debate in South Australia.

Dr McFETRIDGE: I can guarantee that the debate will continue.

The Hon. P.F. CONLON: Because you are not interested in patients. You are not interested in health care. You are not interested in the future. You are interested in dragging your way somehow dishonestly intergovernment. Well, good luck to you; you are not going to get in.

Dr McFETRIDGE: Absolute rubbish. I refer to Budget Paper 4, Volume 1, page 6.26, sub-program 2.3. This may be some simple mathematics, but you can explain it anyway. The Belair line, which is 21.5 kilometres long, will be closed for at least three months while resleepering is being undertaken. The Gawler line is 42 kilometres long. How long will it take to undertake the resleepering? Will it be six months?

The Hon. P.F. CONLON: The question is: how long will it take to do the Gawler line?

Dr McFETRIDGE: Yes. The Belair line will take three months for 21 kilometres, and the Gawler line is 42 kilometres, so is it double that—six months?

The Hon. P.F. CONLON: It is a simple equation, is it not? It is twice the length.

Dr McFETRIDGE: That is about right, is it?

The Hon. P.F. CONLON: Do you think there is any difference between the Gawler line and the Belair line that might be relevant?

Dr McFETRIDGE: One goes north and one goes south, and they both carry interstate freight.

The Hon. P.F. CONLON: No, come on. You asked the question, genius. Is there any other difference that might be relevant?

Dr McFETRIDGE: Is it going to be six months or three months?

The Hon. P.F. CONLON: There are two sets of railway lines to Gawler. How many other—

Dr McFETRIDGE: So, it is going to take twice as long. It is 12 months, is it?

The Hon. P.F. CONLON: You do not get it, do you? You have two pieces of infrastructure you can use, not one. Belair is closed down completely while it is being done. I suspect—

Dr McFETRIDGE: So, you are going to do only one line at a time, are you?

The Hon. P.F. CONLON: Mate, you are embarrassing yourself. Are we going to do only one line at a time? No; we are going to stop it and close it all down. What we are going to do is do the job in the most efficient way we can while moving people. Do you know why you do that? Because people get grumpy if you do not. When you are the government, you try to avoid people getting grumpy with you. The best way to do Belair, given its nature, is to close it completely for three months.

Rod can answer in a minute, but I suspect that the best way to do Gawler is to close it on weekends, little bits at a time, which you can do because you have two pieces of rail and not one. What I say to you is this: while you are so desperately trying to find a negative in the biggest investment in rail, what you could do is just once like what we are doing. It is the biggest investment in rail the state has ever seen, and it is the future. This is the future. Public transport, transport oriented developments, sustainability and excellence are the future—and we are going to deliver that.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 6.19. Why was only \$2.9 million spent of the allocated 2008-09 budget of \$8.85 million, a shortfall of \$5.875 million, on long-life roads?

The Hon. P.F. CONLON: I do not know. I will get you the detail. We have a massive capital program. Things go in, things go out and some things slip. Sometimes things slip for reasons that are beyond your control, such as the weather, for example. We will get you an answer, but the other side of the equation you ask about is the Northern Expressway, where we brought all the work ahead, hundreds of millions of dollars ahead. So, you have \$6 million slips somewhere, but we have hundreds of millions of dollars worth of new road brought ahead.

What we have at the moment is a big challenge. We have the biggest infrastructure spend the state has ever seen, and the truth of the matter is that it is hard getting the money out the door sometimes. Today, while sitting here listening to dopey questions, for the most part, people have been bringing in contracts for me to sign so that we can get to work on the stimulus package. That is the scale of what we are doing at present. I have to tell you that some capital projects will slip; sometimes they will slip for reasons that are beyond your control, and sometimes they will slip for very good reasons. We will get the detail for you.

Dr McFETRIDGE: In relation to the Building the Education Revolution, I understand that the Office of Major Projects and Infrastructure is responsible for that and not the Department of Education. I am happy to be advised on that, but that is my advice.

The Hon. P.F. CONLON: We have the overall responsibility for it.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 6.15: targets and highlights, the Coordinator General, which I think is Mr Hook's role. He should have epaulettes and a big hat with that sort of title. Why are country schools being charged 25 to 30 per cent loading by the state government for work being undertaken through the BER?

The Hon. P.F. CONLON: We are not charging country schools anything; we are giving them commonwealth money. How do you frame your questions? Is your question, more reasonably: why does it cost more to do a job in the country than in the city? Is that your question?

Dr McFETRIDGE: Is a management fee being charged by the Office of Major Projects or the state government?

The Hon. P.F. CONLON: Yes, that is right; we are skimming the dough. Come on!

Mr HOOK: The funding for the administration of the program is a separate 1.5 per cent, payable by the commonwealth to the state government—1 per cent of that is going to the education department, and .5 per cent is going to the transport department—and that is the sole administration fee for the running of the program. No commission is taken by the state government of the funding that is available and allocated by the commonwealth to the schools. There is no regional loading.

It is just a fact that it does cost more to deliver some of these projects in some regional areas, and the cost to deliver the project is the cost that will be charged to the schools out of the allocation of the funds. The state government's commitment is that 100 per cent of the funding provided by the commonwealth for works in schools will be used for works in schools. We have a commitment to put 95 per cent into the actual school.

There is a little bit of overs and unders that we can manage by moving from one school site to another, but there is very limited flexibility. There is no regional loading. We talk about regional loading only in the context of putting an estimate together, because it will cost more to build in, say, Cleve or some regional areas than it will in the city. That is giving estimates: it is not the actual costs.

The Hon. P.F. CONLON: If you do not believe that, go and look at the cost of building a house in the APY lands compared with building one in Salisbury. It is about 2½ times the cost.

Dr McFETRIDGE: I understand that.

The Hon. P.F. CONLON: In answer to your earlier question about slippage in that program, there is usually a very good reason. The bulk of that is the Penola bypass funding which the state government has provided. My understanding is that a number of legal issues were agitated down in the South-East which prevented us from commencing any work. It will be because of seasonal requirements that we will now not be able to commence that work, but they were certainly issues way beyond our control.

The Hon. I.F. EVANS: As a supplementary question, following Mr Hook's remarks: my local council tells me that, in relation to these school projects, because the planning system has been set aside, if you like, and the approval process is different, when the planning regulations were set aside they set aside the requirement for them to be sent to the CFS. I want an undertaking that the school buildings being built in the bushfire prone area will still go through the normal CFS approval process.

The Hon. P.F. CONLON: Rod can answer for himself, but the only reason we are doing the planning we are is that the commonwealth has given us an absolutely heroic timetable to build these things. If we did not do it this way they simply would not be done, and South Australian schools would miss out on that funding. I have every faith that Rod takes into account everything he should in those circumstances. One of the things I am absolutely confident about is that Rod can answer it for himself.

Mr HOOK: We have had discussions with the CFS on every project that is likely to be in a bushfire prone area. Part of the submission of the proposal is what we actually ask the commonwealth to fund and how we deliver, so the CFS has been involved with and consulted on the total program, not just on individual projects.

Dr McFETRIDGE: On the same budget line: what provisions are being made by the state government in terms of recurrent funding for ongoing maintenance of the new facilities that have been built under the BER economic stimulus plan? If schools are currently struggling to deal with the maintenance—

The Hon. P.F. CONLON: I am not the education minister, for goodness sake!

Dr McFETRIDGE: Is there any funding at all for that?

The Hon. P.F. CONLON: Do you think I have any knowledge of the maintenance arrangements of the education department?

Dr McFETRIDGE: Have there been any discussions around this at all? It is an obvious thing.

The Hon. P.F. CONLON: I assume there are, but I would not be the person having them. There is an education minister.

Dr McFETRIDGE: I would have thought the Coordinator-General's office would be doing something along those lines.

The Hon. P.F. CONLON: The Coordinator-General is building capital projects, getting them out the door and getting commonwealth money spent in South Australia. The Coordinator-General is not going to become the chief executive of the education department. We are not going to run the schools forever: we are just going to build things on them. The education department will remain the responsibility of the education department. I cannot say more than that. I do not get it.

Dr McFETRIDGE: It is a real issue out there; we will ask the education minister about it.

The Hon. P.F. CONLON: I suggest you ask the education minister.

Dr McFETRIDGE: I will do that. I will give those questions back to the education minister. I refer to Budget Paper 4, page 6.19. Why has the government failed to spend its budget allocated on regional roads projects, and which projects were not funded?

The Hon. P.F. CONLON: Oh, goodness me! Which projects were not funded? What sort of question is that? The projects that were not funded were the ones that were not funded. I have been to every corner of this state over the past seven years, and I have enjoyed doing it. I have not been anywhere where someone does not raise road funding. Everyone wants a road, no matter where you go, and you cannot give them all to them. It is a nearly impossible question to answer.

In regard to what you suggest is a slippage in funding, we will get you the detail. I point out to you that recently we got extra money from the commonwealth for road maintenance that we are spending as fast as we can. We have increased our funding, and the commonwealth 'son of AusLink' (whatever it is called now) has included increased funding for maintenance. We are going to do more maintenance than you ever did when you were in government.

As I said earlier, I will take your word for it that some capital program has slipped. Capital programs slip. It is a fact of life, because there are things, like the Penola bypass where someone else takes legal action against the council, which are beyond our control. I have to tell you that it will be like that forever. If you set aside three months to do a piece of road maintenance, it would be excellent if it rained for three months, but you would not get it done. It is as simple as that. That is capital works.

If you would like to be more specific about what you think has or has not been done, please do that, but we will try to discern some meaning from your question and get you some detail. It is pointed out to me that the additional maintenance money from the commonwealth in the stimulus package had to be spent by 30 June, and it has been. You will forgive us if our priority was spending its money. There is nothing more pleasant than spending commonwealth money.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 6.26, sub-program 2.2 regarding marine facilities. What was the reason for the land swap between the Land Management Corporation and Flinders Ports; what was the value of the land; and under what contractual agreements was the land swap negotiated?

The Hon. P.F. CONLON: From memory, it was a good idea for us and it was a good idea for them. I think we were talking about No. 2 dock. It was some land around the grain conveyor belt for the new terminal. I point out that that is a world class 14.2 metre facility to bring about a very good outcome—and I wish Ivan was here—for the grain growers of the state. We can get you the details. Down there we deal with Flinders Ports. We own land, they run a port; we do things that suit each other, and my understanding is that we got a very good outcome for the state out of it.

As I pointed out earlier, there was some land around Dock 2 which is beneficial to us in terms of the Inner Harbor land development. There was something in it for Flinders Ports, something in it for the grain growers, something in it for us—a good arrangement.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 6.19 regarding heavy vehicles. Can the minister advise the committee how many rest stops are needed for the heavy vehicle industry? How many have been built since the fatigue laws came in?

The Hon. P.F. CONLON: I will get you that detail. South Australia, again, got larger than its ordinary share out of that commonwealth fund. We committed our own funds (about \$5 million)

but the commonwealth, as a result of introducing the new fatigue laws, provided a body of funding for rest areas. Our share of the first round of that was something like 15 per cent, from memory, which is way beyond any percentage we have ever got out of a federal fund before. Usually it has been about 6.8 per cent, from memory.

I am advised we allocated \$10 million over four years. We got commonwealth funding. Those delivered in 2007-08 are Adelaide-Port Augusta Road, Sturt Highway, Mid North freight route, Warnertown to Peterborough Road and Riddoch Highway; and 2008-09 will deliver the Barrier Highway, Mallee Highway, Flinders Highway and Lincoln Highway. As I said, it is one of those rare cases where South Australia got more than its share out of the federal fund for rest stops, and we are very pleased about that.

Dr McFETRIDGE: One particular question for the Office of Major Projects—and Mr Boorman's name was raised the other day—is a local issue for me, as the member for Morphett, and also the member for Bright about the Brighton Secondary School Performing Arts Centre. Will DTEI be able to assist with the establishment of a project team to allow Brighton Performing Arts Centre to get ahead within the time frames?

The Hon. P.F. CONLON: As I understand, it was raised with us two days ago, and we will get it fixed. It is an opportunity to spend money in a school and we will take it.

Dr McFETRIDGE: I thank the minister for that answer. I refer to Budget Paper 4, Volume 1, page 6.3, regarding Dry Creek. What types of contaminants have been identified as occurring at Dry Creek? What processes or structures have been put in place to ensure that any waste water from the Dry Creek site will not discharge into the Barker Inlet once the new maintenance storage sheds are built?

The Hon. P.F. CONLON: First, knowing your track record, I am not going to take for granted that there is any risk of it going into the Barker Inlet. You may be right, but I am going to check. You have made so far today some ridiculous and specious allegations, including health risks at Le Fevre Primary School that do not exist, so I will make sure that we check that. I assume that hydrocarbons will be one of the issues. If it is an old railway site, it could be anything. The railway sites around the country have all sorts of things in them. We would need to get some details from the people who do that work.

As has been pointed out to me, we would probably need a little more detail about which site in particular you are referring to. I can tell you this: we, as a government, own land that we cannot give away at Peterborough, and places like that, because it is old railway land, and there is no doubt that railway land is often contaminated. But if you want specifics on a particular site, being the responsible and open government we are, we will get that for you, if you tell us specifically which areas you are discussing. As pointed out to me, if what you are referring to is Dry Creek land where we are going to move the rail yards, it is a rail site now and it will be a rail site in the future. That is what we will be doing with it.

Dr McFETRIDGE: It is just that the activity will be a lot more intense. That was the only concern, with more shedding and so on.

The Hon. P.F. CONLON: You cannot say things like that, Duncan. Modern rail activities are not what cause the contamination of land: it is what used to go on years ago. We do not do that stuff any more.

Dr McFETRIDGE: I haven't said that. I was concerned about the run-off. You are building sheds out there, so there is going to be run-off from the sheds. What are you going to do with the stormwater run-off from the sheds? That is all I was after, Patrick—nothing more, nothing less.

The Hon. P.F. CONLON: You cannot talk nonsense.

Dr McFETRIDGE: Are you building sheds out there?

The CHAIR: One member at a time.

Dr McFETRIDGE: Are you building sheds out there? If there is run-off from the sheds, I am just concerned that—

The Hon. P.F. CONLON: No, you are not concerned. You love making things up.

Dr McFETRIDGE: I am just seeking information and you cannot provide it on that issue. I am disappointed but that is—

The Hon. P.F. CONLON: I assure you that every piece of infrastructure that we build will meet all the EPA requirements—

Dr McFETRIDGE: That is all I wanted, minister. Easy.

The Hon. P.F. CONLON: No, it is not, Duncan. You just make things up.

Dr McFETRIDGE: No, I do not, minister. You are building sheds out there. Am I making that up?

The CHAIR: Order, member for Morphett! The minister has the call.

The Hon. P.F. CONLON: I assure the member for Morphett that, if we build a shed at Dry Creek or Port Lincoln or Port Augusta, we will do it according to the standards that are required in the modern world. What happens on railway land now is not a problem; it is what used to happen years ago. That is the problem at Dry Creek. Again, it is typical of the member for Morphett to invent—just simply invent—fears and issues that do not exist. So far today we have had children at risk at Le Fevre Primary—

Dr McFETRIDGE: Absolute rubbish, minister; you know that.

The Hon. P.F. CONLON: Go back and get the *Hansard*, mate. That is what you said. You asked me what health risks there were for those children. There are none.

Dr McFETRIDGE: You just keep rewriting the history of this place, so let's just move on.

The Hon. P.F. CONLON: You make it up.

Dr McFETRIDGE: I am glad. That is what the question was all about. You gave us an answer, so that is fine.

The Hon. P.F. CONLON: You and the truth are never in the same postcode.

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

Dr McFETRIDGE: I do, thank you, Madam Chair.

The CHAIR: What is it?

Dr McFETRIDGE: I do not think I will be getting answers to some of these, that is the only problem. This is an easy one—

The Hon. P.F. CONLON: Oh, you poor thing. Come on, it is your last one. You will not be here soon.

Dr McFETRIDGE: Where are you going? Are you going somewhere else, are you?

The CHAIR: Order! Member for Morphett, ask your question.

Dr McFETRIDGE: You are going to the Senate, are you? That's what I heard. I refer to Budget Paper 4, Volume 1, page 6.26, 'Managing Public Transport Infrastructure Assets'. The government announced, in John Hill's ministerial statement of 9 October last year, that resleepering of the Noarlunga line has commenced. How long will it be before it is finished and when will the electrification of the line commence?

The Hon. P.F. CONLON: We will certainly commence the works this year. The resleepering works and the preliminary infrastructure works will go through until 2010-11, I think. In that time, of course, you will understand that we also have to extend the rail to Seaford—not Seaforth, as the Leader of the Opposition would have it, but Seaford. We cannot find a Seaforth, but apparently it is in Western Australia—it would be some extension.

We will be commencing that work as quickly as we can because again it is commonwealth funds. We will be finishing the electrification in about 2012-13. We will be purchasing rolling stock, from memory, in about 2012. Of course, you buy the rolling stock and you have to run it for a while to ensure everything works, but I reckon by about 2013 we will have electric trains running on the Noarlunga line, and it will be a fabulous thing.

The CHAIR: There being no further questions on the Office of Major Projects and Infrastructure Development, we will now move to ICT, Land Services and Building Management.

Departmental Advisers:

Mr K. O'Callaghan, Executive Director, Land Services Division, Department for Transport, Energy and Infrastructure.

Mr A. Mills, Chief Information Officer, Office of the Chief Information Officer, Department for Transport, Energy and Infrastructure.

Mr N. Bray, Valuer-General, Land Services Division, Department for Transport, Energy and Infrastructure.

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

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 6.38. Minister, can you explain the tender process for the ICT outsourcing, the result of the tender process, the costs of the process to the South Australian taxpayer and the current situation of the current ICT outsourcing contracts?

The Hon. P.F. CONLON: Would you like me to do that off the top of my head? If you want to break those up into individual questions, we will attempt to answer them. If you are going to ask what is a massive omnibus question, we will have to bring you back the details.

Dr McFETRIDGE: I am happy to break it up, minister. First, the tender process for the ICT outsourcing.

The Hon. P.F. CONLON: How do you break it up?

Dr McFETRIDGE: Can the minister explain the tender process for the ICT outsourcing and the results of the tender process?

The Hon. P.F. CONLON: It is an open tender process.

Dr McFETRIDGE: The cost of the process to South Australian taxpayers and the current situation of the ICT outsourcing.

The Hon. P.F. CONLON: That will depend on what they tender for. It is an open tender. You go out; they make a competitive bid; and then you pick the best one and pay that.

Dr McFETRIDGE: I refer to the same budget reference, page 6.38. How many staff are in the Office of the Chief Information Officer?

The Hon. P.F. CONLON: Eighty.

Dr McFETRIDGE: How many IT staff in other government agencies?

The Hon. P.F. CONLON: Goodness me, mate, how do I know? Tell me what an IT staff is just so I can check.

Dr McFETRIDGE: Information technology is what it stands for, so I would imagine people who associate with providing information technology services—

The Hon. P.F. CONLON: People who work in exclusively IT services. Mate, there is hardly a person—even Mike Rann can use a computer these days—in government who does not have a relationship with IT. If you are asking me how many people in an agency are specifically dedicated to IT, I cannot tell you because I am only the Minister for Transport, Energy and Infrastructure. I am not the health minister or the education minister. We will see whether we can find some meaningful way of giving you that information, but, for the life of me, you have me from 9 to 5 to talk about the things I am responsible for; maybe we could do that.

Dr McFETRIDGE: It is the same budget reference, minister. What has been the cost of delivering the ICT services to the government's Shared Services initiative?

The Hon. P.F. CONLON: Shared Services is the responsibility of the Treasurer but, in relation to the part for which we are responsible in ICT procurement, we have made significant savings in unit prices. We have delivered \$30 million back to Treasury—to my friend Kevin Foley over there. We have delivered \$30 million back out of those savings. What we have seen—and it is the modern world—is that we have achieved dramatic reductions in unit prices, but the volumes have gone up dramatically as well. That is a fact of life. ICT has increased functionality year on year and people use more of it. We have achieved very significant savings, but the problem is that the volumes have continued to rise year on year.

I point out to you that, a few years ago, we never talked about 'ICT'. We talked about 'IT' and there were computers. Now we all run around with one of these, which is why we call it 'ICT', because the phone has merged into a computer. I have a phone now that does more than my laptop did three years ago, and it does it quicker. It is very hard to give you an answer. We can say that \$30 million has gone back in savings to the budget and we have achieved dramatic drops in unit price but, because of the increase in volumes, it is hard to disentangle the actual savings, but we are no different from anyone else in the world in that regard.

Dr McFETRIDGE: My question relates to the same budget reference. Minister, what projects have gone to tender for state government work, which companies have been successful and what is the cost of each of these projects?

The Hon. P.F. CONLON: I told you earlier that, if you are going to ask questions like that, we are just going to have to bring DTEI in. You cannot ask—

Dr McFETRIDGE: I am happy to take it on notice, minister.

The Hon. P.F. CONLON: It would be more useful for us if you asked questions that make some point in my being here.

Dr McFETRIDGE: I refer to the same budget reference. Has the chief information officer developed and implemented an ICT strategic plan?

The Hon. P.F. CONLON: Yes; two years ago. It is called 'Ask Just Once', and soon—we will even let you see it—we are going to show you our website, the single point of entry. We are going to be world leaders. We are going to be ahead of the commonwealth government soon. It will mean that if you are a customer, a client or a constituent, or whatever you want to call yourself, dealing with the South Australian government, you will start and finish at one place. At present, we have 20-odd networks and several hundred websites. Our target is to have a single website if you ever want to deal with the government, and it is coming along very well. It looks very impressive. It is the biggest government website in Australia, or it will be. It may be second to the commonwealth one.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 6.46: Land Services. What is the total cost of the rural property addressing system to the government; what were the initial cost estimates and time frames; and where has the system been implemented?

The Hon. P.F. CONLON: The District Council of Loxton Waikerie is the first to have all addresses allocated and signage installed. We will have to come back to you on the rest of it. It is not something that I keep a day-to-day watch on. As has been pointed out to me, it will be very hard for us to tell you the actual cost, because it will be spread among individual councils and individual landholders as well. So, it will be a very hard thing. We will try to provide as much information as we can, but I am not sure that we can give you what you have asked for.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 6.39: Building and Management. You will probably want to take this one on notice. How many government buildings and other office spaces have been refitted over the past 12 months, and what was the cost of each one?

The Hon. P.F. CONLON: Yes, I will take that on notice.

Dr McFETRIDGE: I refer to the same budget reference. How many government-owned buildings have vacant office space and what is the total cost of the unoccupied space? I am happy for you to take that on notice as well.

The Hon. P.F. CONLON: It is impossible for us to tell you that. You are talking about hospitals, schools and buildings. That is not the level of detail that the Department for Transport and the Land Management Corporation go into. We do not know who is in what office. If there is a way of telling you that, I will try to find it, but I do not believe there is. Do you think I can actually tell you how many empty offices there are in a school or a hospital, or something? I do not know, and I never will, because no-one tells me.

Dr McFETRIDGE: How many leases is the government currently paying for office space that it does not occupy? You can take that on notice and we can move straight onto the same budget reference.

The Hon. P.F. CONLON: No, Duncan; just so that you understand, I am not saying that I will take the earlier question on notice: I am telling you that it cannot be answered. It is silly. I

cannot tell you which agency has empty offices and which agency has full ones. How on earth could I? I do not know what you think it is that we do.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 6.39, relating to the Walkerville building. When will the government sell the Transport SA building at Walkerville; when will staff be moving into the CBD; and where will the staff be housed?

The Hon. P.F. CONLON: They were going to start this year progressively. It should be finished by about February next year, but they are starting this year. We are preparing for the sale process at Walkerville. I have to say that we will probably be better off selling next year rather than this year, but we will see.

Dr McFETRIDGE: I refer to the same budget reference. Are any outstanding negotiations taking place with developers who previously showed an interest in the sale of the Walkerville building, with land being purchased for development in the CBD on the strength of the proposed Walkerville sale?

The Hon. P.F. CONLON: I am not aware of any at all. The property has not been put on the market yet.

Dr McFETRIDGE: I refer to the same budget reference. Has the government had to enter into any arrangements with staff from the Transport SA facility at Walkerville in terms of car parking when they move into the city, given that the staff currently have free parking at Walkerville?

The Hon. P.F. CONLON: I have to tell you that I do not really know. I do not really know about these car parking arrangements. We are rolling out a \$3 billion infrastructure budget. I do not know about car parking. I assume that the department is talking about getting car parking when it moves into the city. Moving into the city probably means that they may not need as much car parking because there are forms of public transport, which I think is a good thing for a department of transport. Do you honestly think that I work out the car-parking arrangements for staff?

Dr McFETRIDGE: We will move on to the next question. I refer to Budget Paper 4, Volume 1, page 6.44: Government Employee Residential Property Management. How many government employee houses are to be sold, and in which areas of the state are they? It may be hard to nail that down at present; I think we are still doing work on it. Judith, do we have this nailed down completely?

Ms CARR: No; there are two issues here. We have an ongoing program of selling houses that no longer meet our requirements, and that is a steady program each year. There is also an initiative to look at reducing our asset ownership in the government employee housing program, where we are working jointly with Treasury. At the moment, I cannot give you numbers on the houses that will be sold.

Dr McFETRIDGE: What will be the total number of employee homes held by the government when these homes have been sold?

The Hon. P.F. CONLON: I do not understand what you are saying.

Dr McFETRIDGE: Your officer, Ms Carr, in her answer said—

The Hon. P.F. CONLON: I need to hear what you are saying, though, so that I can decide—

Dr McFETRIDGE: We will move on to the next question, because that question is redundant. What programs has the government put in place to address water and energy efficiency in state-owned housing?

The Hon. P.F. CONLON: Government employee housing, not Housing Trust housing?

Dr McFETRIDGE: No.

The Hon. P.F. CONLON: All new housing meets the appropriate standards. We introduced about a year ago, I think it was, certain planning standards for new housing, and all new housing has to meet those standards. We have spent \$1.7 million refurbishing existing housing. All new housing meets the standards, and the old houses probably do not, because they were built under old standards. As we replace the housing, they have to meet our building standards, which require environmental sensitivity.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 6.18. There is a line for police headquarters relocation of \$6 million. Commercial and General is building it for \$100 million.

When will the building be completed, and does the \$6 million in the budget come out of the \$38 million already announced by the government for the fit-out of the building?

The Hon. P.F. CONLON: Yes; it is part of the fit-out costs. I am not entirely certain of those facts, so I will get that answer for the member.

Dr McFETRIDGE: What will the government pay in lease payments for the building?

The Hon. P.F. CONLON: I will find out for the member.

The CHAIR: There being no further questions, I declare the examination of the proposed payments for Transport, Energy and Infrastructure adjourned until 29 June and the proposed payments for the Administered Items for the Department of Treasury and Finance adjourned and transferred to committee A.

Membership:

Mr Pengilly substituted for Hon. I.F. Evans.

Mr Venning substituted for Mr Goldsworthy.

Ms Chapman substituted for Dr McFetridge.

Hon. S.W. Key substituted for Hon. L Stevens.

DEPARTMENT OF HEALTH, \$3,272,016,000

Witness:

Hon. J.D. Hill, Minister for Health, Minister for the Southern Suburbs, Minister Assisting the Premier in the Arts.

Departmental Advisers:

Dr Tony Sherbon, Chief Executive Officer, SA Health.

Mr John O'Connor, Executive Director, Finance and Administration, SA Health.

Ms Nicki Dantalis, Executive Director, Office of the Chief Executive Officer, SA Health.

Dr David Panter, Executive Director, Statewide Service Strategy, SA Health.

The CHAIR: I declare the proposed payments open for examination. I refer members to the Portfolio Statement, Volume 2, Part 8. Does the minister wish to make an opening statement?

The Hon. J.D. HILL: Yes, Madam Chair. I thank members and understand that there has been an agreement about the change in times, and we will go through everything half an hour earlier than we otherwise intended. The 2009-10 state budget reinforces this government's commitment to meeting the health needs of all South Australians by providing \$4.036 billion in total operating expenditure for the health portfolio in 2009-10. This is \$402.1 million, or 11 per cent, more than the 2008-09 budget. The government is committed to delivering world-class medical services to South Australians. However, it will be possible for us to continue to provide this level of care into the future only if our health care system is cost effective and sustainable. This government started the reform process with the 2003 Generational Health Review, and subsequently South Australia's Health Care Plan, which was released at the time of the budget in 2007.

We know that as our population ages it will have a greater need for health services. In order to prepare the health system to meet future challenges, it is necessary for us to increase the supply of health services and to do everything we can to control and minimise the projected growth in demand. We are increasing supply by building better hospitals and recruiting extra staff. At June 2008 we had 3,083 doctors, an increase of 902 from when we came to office in 2002. Figures for June 2009 are yet to be determined, but we will have even more at that date. At June 2002 we had 13,859 nurses and midwives, an increase of 2,883 from 2002. The latest Australian Institute of Health and Welfare Report, Australian Hospital Statistics 2007-08, confirmed that South Australia still has more doctors, nurses and beds per capita than any other state.

Increasing and improving services across the state is a key component of our reform agenda. This includes one of Australia's most exciting and innovative developments: the establishment of an industry-leading health and medical hub on North Terrace in the city's west. The \$1.7 billion new Royal Adelaide Hospital and the \$200 million Health and Medical Research Institute will collocate practitioners, patients, students and researchers and put South Australia at the forefront of health and medical research, education and service provision.

The Rann government is also establishing a health and medical research fund to oversee investment in health and medical research throughout the state. The institute and research fund will be governed by a new independent institute board, which will include representatives from the three South Australian universities. The increase to health and medical research capacity in this state will complement our investment in building better hospitals to deliver world-class health care to South Australians.

Under this government, \$1.93 billion in capital projects have been completed, committed or are under way. In addition, the 2007-08 budget committed \$1.7 billion to the construction of the new RAH. Capital expenditure for SA Health in 2009-10 will be \$359.7 million, which is higher than any other year in the history of the state and which includes:

- \$34 million at the Lyell McEwin Hospital, primarily for commencing the design of in-patient accommodation and expansion of support facilities to meet increasing demand as part of that hospital's total \$336 million redevelopment;
- \$20 million for new allied health and rehabilitation treatment facilities and infrastructure upgrades at the Queen Elizabeth Hospital as part of the \$127 million stage 2 redevelopment;
- \$14.5 million to commence construction of the Flinders Centre for Innovation in Cancer;
- \$4.9 million for sustainment of the current Royal Adelaide Hospital site;
- \$31 million for the continued redevelopment and expansion of operating theatres, emergency departments and intensive care units at Flinders Medical Centre as part of the \$153 million redevelopment there;
- \$1.6 million to upgrade residential aged-care facilities at Port Pirie Hospital (known as Hammill House) as part of a total commitment of \$3.5 million; and
- construction or refurbishment works will also commence for the Berri Hospital, the Ceduna District Health Service, the Women's and Children's Hospital (the Children's Cancer Centre there) and the GP Plus Health Care Centres at Elizabeth and Marion.

We are facing the challenges of increasing capacity within our health system hand-in-hand with the commonwealth government. The commonwealth provided \$500 million to jurisdictions in 2007-08 for expenditure in the 2008-09 financial year for public hospitals. This cash injection is now an ongoing part of the base funding, which by agreement at COAG of November 2008 was indexed at 7.3 per cent per annum, a significant increase compared to the 5 per cent under the previous Australian Health Care Agreement.

We are also increasing the number of elective surgeries performed in our hospitals. With the assistance of the commonwealth government's Elective Surgery Waiting List Reduction Plan, the hard-working doctors and nurses of our major metropolitan hospitals performed a record 39,962 operations in the 2007-08 financial year. This was 4,376 (or 12 per cent) more than the last year of the former government. Between July 2008 and April 2009 the major metropolitan hospitals performed 1,310 more procedures (or 4 per cent) than at the same period in the previous financial year.

On the other side of the ledger, we are also controlling demand by expanding our preventative and primary health services. We are helping people to stay fit and keep them out of hospital, but, if they do get sick, it is important that the medical care they receive is appropriate to their condition. Not every medical ailment needs to be treated in a hospital. We have a range of out-of-hospital packages and services to direct patients away from hospitals. This is better for patients because it allows them to receive care in their own home, or at least close to home in places that are often less intimidating than hospitals, such as GP Plus Health Care Centres; it is also far more cost effective for the system.

South Australia now has arguably the most exciting health reform program in the country. Through the implementation of our Health Care Plan, we are reforming our entire system. We need

to take these bold steps because we need to prepare our system now for the challenges that lie ahead from the ageing of our population and its consequent impacts on patients, the workforce, the burden of disease and the health budget. As demand is putting increased pressure on our hospitals and the health services, it is imperative that our existing services are as efficient as possible.

Within SA Ambulance Service, demand pressures are being met with innovative changes in service delivery. This includes the introduction of extended care paramedics, single paramedic response and intervention (known as SPRINT), volunteer-supported crewing (sustainability), strategies and automatic vehicle location technology. The consolidation of pathology services into a single statewide pathology service, known as SA Pathology, is another example of how we have improved the efficiency of our existing services. When the legislation was before parliament, I told the house that creating SA Pathology would improve efficiency, create better opportunities for staff training and recruitment and provide the best possible services for South Australians.

After operating for almost a year, SA Pathology is on track to exceed the budgeted savings forecast for this year by \$400,000, or 37 per cent. Since 1 July 2008, SA Pathology has recruited clinical staff, including four haematologists, pathologists in the area of cytopathology and surgical pathology, a clinical geneticist and a clinical biochemical geneticist. Many of these staff have been lured to SA Pathology from overseas, interstate and the private sector. Staff have been consulted during the transition process; and, in fact, 85 per cent of the staff in a recent survey said they were satisfied with that process.

SA Pathology has continued to provide excellent services to South Australians and has achieved all key performance indicators, reflecting quality of service. By integrating pathology services we have improved those services while removing unnecessary overheads and duplication. This government's capital investment in our hospitals and improved efficiencies in our existing services is supported by a range of initiatives that change the nature of how and where patients are treated.

Under the GP Plus health care strategy, services are provided in the community closer to where people live or, indeed, directly in their own homes. These services, developed in partnerships with GPs, are aimed at assisting GPs to provide a greater range of services for their patients to prevent admission to hospital or to enable patients to return home from hospital sooner. The GP Plus Health Care Centres further support GPs by providing additional nursing and allied health services for their patients for chronic disease. Each centre is developed with local GPs and other stakeholders, including patients, and offer services most appropriate for the population of that area.

They take into account the services already provided at community health care centres and by local GPs themselves. Two GP Plus Health Care Centres are already in operation at Aldinga and at Woodville. Four further centres are currently being developed at Elizabeth, Marion, Port Pirie and Ceduna. Additionally, in partnership with the commonwealth government, we are building GP super clinics, which will complement the state's network of GP Plus Health Care Centres by providing infrastructure for GPs and other health professionals to work together in the one place, providing a greater range of quality services in local communities.

Our hospitals are very effective in treating South Australians; however, we recognise that the best way to fight many diseases is to prevent them by maintaining a healthy lifestyle. The government is therefore making a strong commitment to services and programs aimed at early intervention, illness prevention and disease management strategies. To support this commitment, the Chronic Disease Action Plan for South Australia has been developed which outlines the government's 10-year plan to address preventable chronic disease. Key actions articulated in the plan include:

- the Do It For Life program in which lifestyle advisers and support officers work with clients to provide education, advice and support to raise clients' awareness of the impact of their lifestyle and behaviours on their health and the role of these factors in the development of chronic disease;
- the coordinated management of chronic disease through chronic disease care packages, strategies for complex cases, and hospital avoidance and early discharge support; and
- the development of agreed health care plans between health professionals and clients, where clients are directly involved in understanding and managing their condition and monitoring their symptoms.

One of the most important priorities for prevention is supporting healthy eating and physical activity and preventing obesity. The government is supporting a number of initiatives in this area, but the most exciting is the introduction of the OPAL (obesity prevention and lifestyle) initiative, which will begin in six communities over the next 12 months. When the government came to power in 2002, we inherited a health system which:

- was serviced by an ageing health infrastructure which was designed and built to deal with a situation that had long since passed;
- had begun a program of the progressive privatisation of our public hospitals;
- was closing hospital beds and reducing the number of elective surgery operations performed; and
- was totally ill-prepared to cope with the future increase in demand that everyone knew was coming with an ageing population.

Limping along on a 'business as normal' path was simply not a viable option in the long term. That is why this government is taking bold steps to plan for our infrastructure, reverse privatisation, open 250 more metropolitan hospital beds, employ thousands more clinicians and invest heavily in primary health care and prevention.

Rather than leaving unsustainable structural problems in place for a future generation to resolve, this government has taken the difficult step of reforming our health system. We are renewing our health infrastructure and changing how health services are delivered.

I put on the record my great thanks for the dedicated service of the officers in the Department of Health, led by Tony Sherbon, and the officers, the clinicians and the other officers right throughout the South Australian health system, who are delivering fantastic services to the community of South Australia.

At the same time, all of them, I hope, are involved in the process of reforming our system so that it is sustainable into the future. That is not an easy thing to do with 27,000 or so people, but it is a commitment this government has, and I value the contribution that every single one of those employees makes.

Membership:

Mr Piccolo substituted for Mrs Geraghty.

The CHAIR: Deputy leader, do you wish to make an opening statement?

Ms CHAPMAN: Briefly, Madam Chair. I place on the record the opposition's concern and, notwithstanding the government's assurance that more money is going to be spent on health, we make these observations. Of this year's total budget, the budget for health has actually reduced, from 29.2 per cent of the state budget to 28 per cent. The minister may not consider this to be very significant but, when we are talking about billion dollar budgets, it is very significant.

The second observation we make is that the annual report of the Australian Institute of Health and Welfare confirms, yet again, that South Australia continues to spend significant public dollars per resident. At first blush, that is impressive and welcome; however, we continue to fail in outcomes, which raises serious concerns, which the opposition shares, as to the management financially.

The third observation we make, which is confirmed in this year's state budget, is that the much applauded federal-state health agreement, under the new 'no blame game' regime, will in fact leave South Australia worse off. It was supplemented in the previous financial year with significant one-off payments for elective surgery and the like, and we suggest that that has artificially inflated the funds for the financial year that is about to expire.

However, when we look at this state budget, we find that the SPP payments from the federal government for the forthcoming year are \$64 million less than the previous year, and this raises some serious concerns about the silence on the part of the state government here in response to the federal government's decision to ask all the state ministers to sign up to something that, at least for South Australia, we say does not provide a better situation. The stunning silence from health ministers around the states is deafening and of great concern to us.

Another observation I make arises from this year's federal budget and, again, the failure on behalf of our government, in particular the Minister for Health, to scream from the rooftops three very important matters. The first is the execution of funds to be guaranteed, past 12 months, for the accident and emergency services at Gawler Hospital (one of our members of the committee is very well aware of the difficulties faced there)—either to insist that the federal government continues that support and not, after grandfathering it, execute it or, alternatively, make some provision in this budget, at least as a contingency, to ensure that the service will prevail in forthcoming years.

The second of the three aspects of this year's federal budget I wish to place on the record is the current provision for the security of obstetric and fertility services. In South Australia, we are one of the biggest providers of fertility services. Repromed and other organisations here lead the country in this field, yet the parents of South Australia who face the uninvited and unwelcome circumstance of infertility will now have to pay the price, as though they are not paying anything already. The area of obstetrics is clearly at risk. I think the federal government wants to save something like \$147 million, and there are negotiations on who will suffer for that. There is absolutely stunning silence from the South Australian minister.

The third observation I make is in relation to the response to the federal government's announcement that there will be a review of the rebate for private health insurance, which will, potentially, place state health budgets under extraordinary pressure in the event that there is an exodus of private insurance payers, who will end up with no other choice but to rely on the services provided through the public system

The government's answer to date has been, 'Well, we'll wait and see what happens.' There has been no evidence of any reviews undertaken. The Catholic church, the national AMA and other organisations have already done this investigative work, yet there has been silence here. I would hope that, if I am wrong in that regard and there have been some reviews and reports since I last asked about it, they will be tabled to reassure South Australians that there will not be a negative impact on the health budget here and therefore not place any serious pressure on our overall state budgets and finances. It is unfair, unprincipled and unacceptable, and the state government's silence on these decisions by the federal government is a matter which South Australians deserve some answers on and some attention to.

The CHAIR: I invite questions.

Ms CHAPMAN: May I first address Budget Paper 4, Volume 2, page 8.4. The Mid-Year Review and more recently the Treasurer has announced that 1,600 jobs are to go, and in this year's budget there is to be yet again an identified \$750 million worth of cuts in the budget year we are about to commence. Consistent with the Treasurer's full-time equivalent reductions, how many jobs will be cut from your ministerial office?

The Hon. J.D. HILL: As the deputy leader would know, we have across the government targeted a range of savings initiatives, and the CEO of the Department of Health has begun a process of reducing positions within the health department, which is entirely appropriate. I am looking at the arrangements in my own office at this very moment.

Ms CHAPMAN: So, no amount is yet decided?

The Hon. J.D. HILL: That is correct.

Ms CHAPMAN: I refer to Budget Paper 4, Volume 2, page 8.25 which relates to the Central Northern Adelaide Health Service which, as I am sure members of the committee are aware, covers a number of health services, including those provided at major metropolitan hospitals. One of those is the Modbury Hospital. I will put these in round figures; I am sure you will be able to read them there. In 2008-09 about \$1.57 billion or \$1.58 billion was budgeted. What was spent was closer to \$1.688 billion, and the budget for this year is \$1.743 billion. Beneath that is described as significant diminution of revenue, which was explained in the budget as reflecting the new direct payment of the commonwealth payments. Of each of those three categories, how much is budgeted and/or spent for services at the Modbury Hospital?

The Hon. J.D. HILL: Which were the three categories? I did not pick that up.

Ms CHAPMAN: They were the 2008-09 budget, 2008-09 estimate of result and 2009-10 budget. It is about point two of the first page.

The Hon. J.D. HILL: The advice I have is that the way this operates every year is that we determine a budget for each region, and then the regional indicates the resources across the individual hospitals. They are in the process of determining that at the moment. I can tell the

member that, since the last year of the former government, Modbury Hospital's budget has grown by 60 per cent, that is, \$32 million. Since we returned it into government hands we have employed an extra 11 doctors, 10 nurses and 13 other staff. In the first year that it came back into the government sector, we increased the amount of elective surgery there by 15 per cent, so the budget for Modbury Hospital has grown, and I anticipate that it will continue to grow.

Ms CHAPMAN: So, do I take it that the 2008-09 budget and 2008-09 estimated result, in which actuals have been received, would be available and that you will take that on notice?

The Hon. J.D. HILL: I am happy to look at those figures. I was really addressing the point about how much was anticipated to be spent, but we have not finished the financial year, so we cannot give you the exact amounts that have been spent at that hospital. Those figures are finalised around August and September, so I am happy to provide those figures when they are finalised.

Ms CHAPMAN: With respect to the expenses for the ICU high dependency unit at Modbury Hospital, will you provide information as to how much was budgeted for the 2008-09 year for that part of the service and how much is proposed to be spent in the 2009-10 budget and also whether any costing has been done—if it is included in this budget—for the provision of ICU services?

The Hon. J.D. HILL: I am glad the honourable member asked this question. The reality is that there is no ICU at Modbury Hospital, and in practical terms there has not been any there for some years. If the honourable member recalls, when they were in government her colleagues privatised the management of Modbury Hospital. In 2006, under the private management of that hospital, there was a half-time intensivist operating in that hospital, then that person left and there has not been an intensivist in that hospital since that time. I think that in practical terms there was just one bed. This is not financial advice: this is clinical advice. The advice I have from the people who are experts in intensive care and who are in charge of intensive care at the Royal Adelaide Hospital and Central Northern is that it is not sustainable to have an intensive care service at the Modbury Hospital, for a number of reasons.

First, there is insufficient work there to keep an intensive care unit busy. You might say, 'Well, so what?' The 'so what' is answered in two ways. First, if they are not kept busy, they do not keep their skills up and that means their capacity to provide intensive care at the highest level when there is a need for it is diminished. Secondly, people who have those skills want to use them. They do not want to be in a place where their skills are underutilised. That is essentially why it has been difficult to recruit people with these higher-level skills in a variety of hospitals—they do not want to work in those kinds of places.

The very strong advice the department has is that it is not sustainable to have an intensive care unit at the Modbury Hospital, just as it is not at the Noarlunga Hospital, despite the constant petitioning from your Liberal supporter, Brian Wreford, who argues the case. I know for a fact that, during the run-up to the last federal election, the hospital was offered an intensive care unit by the Liberal Party, and they said that it was not sustainable to have such a unit at the hospital. You cannot impose, for political ends, services that are not sustainable. It makes a mockery of a proper process of planning in the delivery of health services.

The former federal government, the John Howard government, made the same mistake in relation to the Mersey Hospital in Tasmania. The Tasmanian government decided to change the arrangements at that hospital, which I think included the removal of intensive care, although I might be wrong in that regard, but it was in relation to intensive care. Tony Abbott and John Howard came charging in on their white steeds and said that a returned Liberal government would maintain those services at the hospital.

Our side met that promise because it became a political issue. After the election, it proved impossible not only for the federal government to run that hospital but it was impossible to provide those services because they are not sustainable. So, if you tell communities that you are going to run intensive care services in a hospital when it is not sustainable, you really are giving false information to the community. That is the advice I have in relation to Modbury Hospital.

The high dependency unit is a different matter altogether. There is a high dependency unit at the hospital. We are in the process of talking with the surgeons at the hospital about what ought to be in that facility and, if there are ways of strengthening it which can help them accommodate more of the patients they would like to accommodate, we are happy to do that.

I make the more general point, too, that not every hospital will have an intensive care unit; not every hospital can have an intensive care unit. A lot of people who have chronic diseases, who have a high risk in terms of their health for surgery and other procedures, need to have those services provided in hospitals which are at the higher end—namely, the Lyell McEwin Hospital, the Royal Adelaide Hospital or the Flinders Medical Centre in the case of adults, or the Women's and Children's Hospital in the case of children.

The QEH, of course, has intensive care services. Very few of the private hospitals have intensive care units, but most of them have very high volume elective surgery. That is the role that we would want for Modbury Hospital, just as it is the role we want for the Repat and the Noarlunga Hospital as well as the country hospitals.

In terms of how much money is spent in that high dependency unit, I honestly have no clue as that is up to the hospital to work out its priorities, but I am happy to seek advice and try to provide that information to the member in due course.

Ms CHAPMAN: As a supplementary question, how much was spent in the 2008-09 year for the high dependency unit?

The Hon. J.D. HILL: I said I would get that information for you.

Ms CHAPMAN: How much has been budgeted for in the 2009-10 year?

The Hon. J.D. HILL: The answer to that is the same as the answer to the previous question. The budgets for the hospital—

Ms CHAPMAN: It will be available in September.

The Hon. J.D. HILL: No; the outcomes will be known by September. The way the health system works is that the government determines a budget for health, which is brought down on that Tuesday in June, then that is allocated—

An honourable member interjecting:

The Hon. J.D. HILL: The first Tuesday—then that is allocated broadly to each of the regions and the regions work out what will be spent on each hospital, and I guess the hospitals work out how it is allocated internally. So, that is by—

Ms CHAPMAN: Late July?

The Hon. J.D. HILL: By late July, I am told.

Ms CHAPMAN: Thank you. I will note that as late July.

Mr RAU: I refer to page 8.9 of the Portfolio Statement. Could the minister please outline how taking the pressure off the public hospitals elements of the new National Partnership Agreement on hospital and health work reform, as mentioned on page 8.9, will help ease demand pressures on public hospitals?

The Hon. J.D. HILL: I thank the member for that question, and it reinforces the point that the current commonwealth government has been a very strong partner with the state in increasing expenditure in our public hospitals. Despite the commentary by the deputy leader in her opening remarks, the amount of funding coming into the state has increased quite dramatically under the new arrangements. I will be interested if she asks detailed questions about some of the observations she has made; I will be able to clarify for her how that is the case.

In relation to the question asked by the member for Enfield, we know that as our population ages it will place more demand on our health system, particularly our busy emergency departments. We are reforming our health system to make sure we can continue to provide world class health services into the future. We are building more capacity within our hospital system through a series of capital works programs at all of our major metropolitan hospitals and, of course, the new Royal Adelaide Hospital. We are also reducing demand in our hospitals by redirecting non-acute patients to more appropriate health care providers such as GP Plus Health Centres or by providing care in patients' homes.

Between 2003-04 and 2006-07, our major metropolitan hospitals experienced a 14.7 per cent increase in demand for emergency department services. This equates to a staggering average yearly increase of 4.9 per cent (just under 5 per cent) a year increase over those years. The increase in 2007-08 was about half that—2.6 per cent—and in the current financial year to May 2009, ED presentations actually decreased by 2.9 per cent, which is an extraordinary turnaround.

We have slowed the growth in ED demand. Most significantly, the largest drop in attendance this year to date was a 4.8 per cent drop in category 4 and category 5 presentations. Members would know that category 4 and category 5 presentations are the lower order presentations—category 1 being the highest and category 5, the lowest. Category 4 and category 5 presentations are generally those presentations which, in most cases, could be attended to by GPs.

I meet regularly with the leaders of emergency medicine from all our major metropolitan hospitals and they tell me that, while reducing demand is important, it is also vital to ensure a timely flow of patients through the emergency departments to other parts of the hospital to avoid what they refer to as access block—and that is probably the issue that they are most concerned about. A common problem for emergency department staff is how to deal with patients whose initial problems are under control but who may need to stay in hospital. Too often they end up waiting in an emergency department for a bed in a ward. Not only is this not the best place for a patient but it also causes congestion in the emergency department and slows the progress of new patients through the department.

The federal government is providing South Australia with \$61.75 million from 2008-09 through the Taking Pressure off Public Hospitals COAG initiative to improve patient flow through all parts of the system, including the emergency department, hospital in-patient wards and out of hospital services. My discussions with the emergency doctors have involved South Australia's implementation plans for this funding and the focus on avoiding access block.

This funding will be broken down into five key areas as follows: \$23.7 million will be spent on acute medical units (and I will get to that in a minute); \$18.3 million for emergency workforce redesign; \$12.8 million for extended hours of access, particularly radiology service—and that is really important to get the flow working; \$4.8 million for IT systems to support flow and capacity management; and \$2.15 million for health literacy campaigns along the lines of the campaign we ran last year to encourage people to find places to go other than emergency hospital rooms when they did not have an emergency.

First, we will establish acute medical units at the Royal Adelaide Hospital and Flinders Medical Centre. Acute medical units are designated hospital wards that are specifically staffed and equipped to receive medical in-patients for acute care and treatment for up to a designated period, usually 36 to 48 hours, after their initial ED assessment and treatment. Acute medical units are being introduced around the world. The outcome of the acute medical units will be monitored and will inform clinical services at our other hospitals. In fact, we have already established a diagnostic planning unit at the Queen Elizabeth Hospital which operates on the same principles.

Secondly, we will be implementing new emergency department models of care, including workforce redesign such as increasing the usage of ED nurse practitioners and ED liaison nurses to help patients return home, keep them healthy and cared for in the community. Thirdly, we will also be providing access to diagnostic and emergency department support services; and, fourthly, implementing new emergency department IT and support systems. Finally, we will continue to improve health literacy.

On average, close to 1,000 people visit our metropolitan emergency departments every day in metropolitan Adelaide (that was this current year). Emergency departments are always busy and treat patients with varying levels of conditions from heart attack to minor scrapes. It is important for people to know that there are other services they can access if they feel their condition does not require urgent care. SA Health is undertaking a public awareness campaign that will provide information to help patients access the appropriate level of service. Patients will be encouraged to go to an emergency department for serious conditions and to access general practitioner services for less urgent care. The improving health literacy work stream will explore other opportunities to promote a primary care response and to encourage people to access services early.

We are also working in partnership with the commonwealth government on a number of levels to reform our health system by reducing demand on our emergency departments and ensuring that those services are as efficient as possible for people who need them. The challenges facing health systems around the nation cannot be tackled by any single level of government working alone. We all have to work together in a cooperative manner in the spirit of reform, as was represented in the Taking Pressure Off Public Hospitals COAG initiative.

Mr RAU: I refer to Portfolio Statement, page 8.17. The Portfolio Statement, sub-program 1.2, page 8.17, refers to work undertaken to create a national registration and accreditation

scheme for registered health practitioners. What is the state government's initial response to the Social Development Committee's report in relation to unregistered and bogus health practitioners?

Ms CHAPMAN: Madam Chair, I raise a point of order. I wonder how that question relates to the budget. A policy question is being asked in response to the federal initiative which is currently under negotiation for legislation. The government's response to that may be very significant and very relevant, but it does not relate to this committee.

The CHAIR: It did relate to a line of the budget, so I will allow the question. Minister, do you have an answer?

The Hon. J.D. HILL: I certainly do, and I will remember that point of order. It might come in handy later on during the process of estimates. The Portfolio Statement, sub-program 1.2, page 8.17, does refer to work undertaken to create a national registration and accreditation scheme for registered health practitioners. Of course, the government is working with various groups about who should be covered by that scheme. There is some argument around the place about how broad the remit should be. One of the questions is: should the bogus and exploitative health practitioners be registered, how would you do it, and what framework would apply to them?

In this committee, members may recall, over two years ago, I first raised the issue of bogus health practitioners (quacks) and a number of the terrible situations that had been relayed to me about their prevalence in this state. This issue was first raised with me by the Health and Community Services Complaints Commissioner. I said at the time that I wanted parliament to consider bringing in legislative changes to close any legal loopholes that allow these practices to occur and, together with the member for Taylor and the rest of her committee, we brought about the inquiry through the Social Development Committee. I was very pleased to see the report tabled earlier this month. I commend the committee for its detailed work over that period. It has delivered, I hope, a bipartisan report; I understand that all members of the committee were in accord. The report provides a comprehensive analysis of the issue.

The report has highlighted how laws need to be strengthened to prevent so-called practitioners preying on vulnerable people for either financial reasons or for sexual gratification in the most horrid of cases. This is exploitation of the worst possible kind, and I am personally determined to find legal means to stamp it out. The issue has sadly now been highlighted by the tragic death of a child in the workplace of one of the practitioners, which is highlighted in the report, and I will not go into the specifics of that case. As I understand it, it is the subject of an ongoing investigation. However, I will note that registered health practitioners have certain duties and responsibilities to their patients above and beyond the common law. This is a loophole that I believe parliament has a duty to close.

While the number of bogus practitioners is small, the public needs to be protected from their predatory behaviour, and the government will take action to achieve this. The Social Development Committee made 21 recommendations designed to ensure that the systems which are intended to protect the public from unscrupulous, dishonest and dangerous purveyors of so-called health treatments are able to prevent this blatant exploitation.

It is understandable that someone who is told that they have a terminal illness may seek out alternative approaches which appear to offer hope. However, anyone in this situation should avoid people claiming to be able to cure cancer and anyone who demands payment in cash with no receipts offered. The chances are that both the patient and the Australian Taxation Office are being deceived by these practices. People should also be very concerned if a so-called alternative health practitioner suggests that they can be cured by participating in practices which are clearly designed for the sexual gratification of the person carrying them out.

The report of your committee, Madam Chair, gives the house a bipartisan foundation to now take action on this issue. I have asked the department to draft legislation that can be brought to the cabinet as soon as possible. Once we have gone through those processes, I hope that I would be able to release it for public consultation, and I expect that it would be ready for introduction as soon as possible later this year. We will examine the best available model to achieve this, drawing on national and international experience.

In New South Wales, the code of conduct requires that unregistered practitioners have an adequate clinical basis to diagnose or treat conditions; not represent that they can cure cancer or other terminal illnesses; not practice under the influence of drugs or alcohol; not misrepresent their qualifications, training or professional affiliations; and not engage in sexual or other close personal relationships with their patients. These are the types of responsibilities that legitimate unregistered

health practitioners should adhere to, and these are the responsibilities that bogus practitioners could never meet.

The Hon. S.W. KEY: I would like to ask a supplementary question with regard to the bogus or quack doctors issue. It is a matter that I have raised in parliament a couple of times with regard to the Australian Medical Institute, which not only has offensive ads on television, in my view, but I have also had some complaints in the Ashford electorate office from people who have followed up on the claims made by the advertisements with regard to their sex life.

In one case, a male was not asked about any of the medications that he was on but he talked about the sexual problem that he had, and he was prescribed different pharmaceutical products over the phone to assist him. In the case of the four young women, they had to pay upfront on their credit card and they were, again, supplied with pharmaceutical goods that, on actually looking at them, were probably quite questionable with regard to improving their sex life.

As a matter of course, I wrote to the federal minister asking her whether there was anything we could do about this particular organisation. She basically said that, because most of these practices come under state jurisdiction, it would need to be referred to you, minister. In the case of the work that is going to be done at a national level, could you take on this organisation as well?

The Hon. J.D. HILL: I thank you for that question, and I will certainly be delighted to explore how legislation might be able to deal with those kinds of organisations. I have certainly talked to clinicians who work in the health system, and they have told me that they believe the claims that are made are erroneous, the benefits are negligible and the motivation is profit. Very few people, I think, end up complaining about it because they are probably embarrassed. It is all done surreptitiously, so it is a clever way of conning people. To do it in broad daylight, I suppose, is the cleverest thing about it. I am certainly very keen to take on these kinds of organisations. They are exploitative and they do prey on the gullible and the desperate in some cases.

Just this week, I saw a full-page ad in one of the local suburban newspapers by someone offering a whiz-bang service for back injuries or back pain. The person in the ad referred to himself as a doctor. I am very interested in the use of the term 'doctor' and who gets to use it in our community. I think many people append that label to themselves on the basis of very minimal qualifications. I think historically people who practice medicine who do not necessarily have a doctorate have been able to call themselves doctor, and I think that is legitimate, because we understand them to be doctors in a professional sense. People who have gone to the trouble of getting qualifications through hard study at university can call themselves doctor, but people who have an ordinary degree in other fields—and it seems to be an increasing range of fields—who regularly call themselves doctor seem to me to be really stretching the envelope. So, I am very interested to see what we can do about that.

Just getting back to this ad, this gentleman called himself a doctor. He said in the ad that he had a degree from the RMIT University in 1982. I do not think that the RMIT University actually existed as a university in 1982, but I might be wrong in that regard.

The Hon. S.W. Key interjecting:

The Hon. J.D. HILL: Yes. He further claimed that he was certified by 'the Board' (he did not specify which board; it was just 'the Board'), and he was providing what he called chiropractic services, which he said were absolutely safe, or words to that effect. Well, they are not always absolutely safe, and I think there is a Coroner's Court hearing under way into someone who may have been seriously injured and died as a result of some chiropractic services, but perhaps I should not comment on the detail of that case. I am very interested in how these very large organisations, which purport to provide quick, simple and instant solutions to serious problems, are able to promote themselves in our community. I will have a very close look at all of these. So, if you have any examples, I am happy to take them on.

Ms CHAPMAN: I was waiting to hear how much the minister is going to spend on that item of reform, but I expect I will be waiting for a long time. I refer to Budget Paper 4, Volume 2, pages 8.13 and 8.47. My question is specifically about the transfer of what is described as the reclassification of \$11.9 million of expenditure for the railyard hospital in 2008-09 from investing to operating. I am referring to the moneys in last year's budget that have been approved by the parliament for capital expenditure on this project, which has gone from capital and reclassified to operating. What new factors have been identified or events have occurred that have justified that reclassification?

The Hon. J.D. HILL: I have read something about this.

Ms CHAPMAN: I hope so; it is a lot of money.

The Hon. J.D. HILL: The first thing I will do is establish that the name of the new hospital is the Royal Adelaide Hospital, not the railways hospital, as the member persists in trying to call it, for reasons of denigration, no doubt. Obviously, that is a political game she is playing.

In relation to the administrative costs relating to the hospital, the growth in administrative expenditure between the 2008-09 budget and the 2008-09 estimated result is, in part, due to a change in accounting treatment for the public-private partnership for the new Royal Adelaide Hospital, which was previously reflected as capital expenditure and is now included as operating expenditure.

Essentially, it is how the Treasury takes the expenditure: it could be either capital or operating expenditure. If it is a public-private partnership, it is considered to be operating expenditure and, if it is something we were building ourselves, it would be capital. It is just a Treasury treatment. We suffer these kinds of changes in accounting treatments on a regular basis, as all government departments do and always have. I guess that is all I can really say to explain it.

Ms CHAPMAN: Minister, is there some explanation, then, why this project remains in Budget Paper 5, the Capital Investment Statement, as a capital investment for 2009-10? In particular, how much will you be spending this year? If it is no longer to be treated as capital expenditure but as recurrent expenditure (that is, operating expenditure), why is it still in the Capital Investment Statement?

The Hon. J.D. HILL: It is a reasonable question that you are asking, and I will not have a go at you for asking it because it is complex. It is how Treasury and the accounting standards consider it. Some of the expenditure is outside of the PPP process. The remediation (the bit we are doing) is capitalised. When we sign a PPP project, the PPP Project Co., as it is called in the vernacular, will be responsible for constructing, managing, maintaining and all the rest of it. We will then pay them a fee on an annualised basis from the time we get the keys, which is 2016. That is why it is an operating expenditure. The things prior to that—the investment in the land, if you like, which would include the clean-up—are capitalised. I will get that checked and, if I have got some of that detail wrong, I will get the correct detail to you. However, my advice is that that is correct.

Ms CHAPMAN: When you are looking at that, minister, perhaps you will see that page 32 of Budget Paper 4 refers to the new hospital, where it is listed as proposed expenditure for 2009, \$9.717 million, and that is for utility services, site rehabilitation, etc.—as you say, costs that will end up being the government's costs, irrespective of the contract. However, all the PPP projects, even though the total cost, even under the PPP, is now described in the budget papers as 'NA' are listed here. Is the minister aware whether other PPP projects—these preliminary works, if I can describe them that way—are now being re-assigned as recurrent rather than as capital expenditure?

The Hon. J.D. HILL: All I can say is that you would have to ask that question of the Treasurer. I do not have a budget line I can refer to in that regard. As far as I am aware, this is the only PPP project I am responsible for. My advice is that this process for what is capitalised and what is operating has been agreed between Treasury and the Auditor-General. Health just takes that advice and then applies it appropriately. We do not—

Ms CHAPMAN: That was going to be my next question. Are you saying that the Auditor-General has been consulted on this?

The Hon. J.D. HILL: The advice I have is that the management of this (that is, the way it is put into the books, if you like) has been on the basis of an agreement between Treasury and the Auditor-General's Department.

Ms CHAPMAN: I refer to the category on page 32. Will the \$9.717 million for the forthcoming year also be recorded as operating and not investing—all the things you have just said are recurrent?

The Hon. J.D. HILL: That is the line you referred to before, is it not?

Ms CHAPMAN: That is right.

The Hon. J.D. HILL: Yes, that is investing.

Ms CHAPMAN: All those things described there are all things you will be paying the bill for, and you have just told us that what you spent on it last year has now been reclassified. Will that \$9.717 million next year be listed as part of the operating?

The Hon. J.D. HILL: I cannot tell you the magic of accountancy and how they may change their mind over the course of 12 months: we just operate on the advice we have at the moment, and that is the advice I have. I will ask Dr Sherbon to comment.

Dr SHERBON: As the Deputy Leader of the Opposition pointed out, the figure in Budget Paper 5, the Capital Investment Statement, is indeed investing and it relates to the provision of utility services, site rehabilitation and the like. The operating statement figures relate to the costs of the project team, which is preparing the PPP and that split, as the minister mentioned, has been agreed by the Auditor-General and Treasury.

Ms CHAPMAN: My final question on this aspect is: of the \$25 million the government has claimed would be wasted or thrown away as part of the costs of this hospital in the event that there was a change of government next year, is that \$11.9 million part of that \$25 million, irrespective of what column it is in?

The Hon. J.D. HILL: When you talk about \$25 million, I am not sure what you are referring to. I will outline what I understand is in each of the categories. Developing the PPP by government and by any of the private partners or consortia we have entered into arrangements with would be costs. If you were to form government and decided not to continue with the project, they would be costs you would have to deal with in some way because, if it is not proceeding, it is wasted expenditure. There would be costs associated with the clean up and other activities on the land. I assume some of those costs would have broader public benefit in that the land is cleaned up, whatever you do with it, even just walk on it. There would be other costs associated with that which more closely link to the development of a hospital, which would be wasted. I am not sure where the \$25 million came from, but there would be costs that would have no public benefit. If you think the private consortia is spending money too, that could be in excess of that amount.

Ms CHAPMAN: On that aspect, what budget has been allocated for the development of the hospital, its proposed site and other planning from 1 July to the signing of the contract as proposed for December 2010, which no doubt will include the \$9.717 million allocated for 2009-10? I am looking for the total period.

The Hon. J.D. HILL: What is the term you are looking for?

Ms CHAPMAN: From 1 July 2009 until the signing of the contract, which has been published as December 2010, an 18-month period. What is the budget for all preparation, site clean ups and so on?

The Hon. J.D. HILL: On page 8.13 we have a budget of \$9.7 million-plus for the hospital for maintenance and on going capital works. Are you talking of the project team? Are you asking for how much we are spending on the project team or on the current infrastructure at the old RAH site?

Ms CHAPMAN: Not the latter—I am talking about the project team. We have spent a certain amount of money.

The Hon. J.D. HILL: Sorry; I misunderstood. An amount of \$9.717 million is in the budget for the 2009-10 year. I cannot give you details of future expenditure, but I ask Dr Sherbon to comment.

Dr SHERBON: For the 2010-11 financial year, we are unable at this point to break it down between 1 July 2010 and the date of financial close. We have an estimated expenditure in the 2010-11 year in our forward projections. We do not have it here now, but if the minister agrees we can take it on notice. We would not have budgeted for a figure between 1 July 2010 and financial close, but we will have done so for the full 2010-11 financial year.

Ms CHAPMAN: I appreciate that. In providing that information, could it be identified? Let us assume \$10 million is budgeted for the full financial year; what expenses does that break down to? I think we will be able to identify from that what will be ongoing planning post the expected contract signing.

The Hon. J.D. HILL: We will certainly provide whatever information we can at this stage. The further you are away from expenditure, of course, the less precise you can be, as I guess members would appreciate.

Ms CHAPMAN: At the end of the day, it is really a question of whether you can give us some estimate about what you think—total.

The Hon. J.D. HILL: We will do what we can.

Ms CHAPMAN: I am assuming the Treasurer has asked you that.

The Hon. S.W. KEY: I want to ask about elective surgery, particularly that involving the country areas. I refer to page 8.9 of the Portfolio Statement. Minister, could you provide further information on elective surgery performance in South Australia for 2008-09, including the figures for elective surgery in country hospitals, as well as the Surgical Task Force mentioned in the Portfolio Statement on page 8.9?

The Hon. J.D. HILL: I would be delighted to. The government has allocated an additional \$55 million over four years between 2006-07 and 2009-10 to increase the number of elective surgery procedures in our hospitals. I can inform the committee that \$14.1 million was allocated for 2008-09 and \$14.9 million is being provided in 2009-10. In addition, under the commonwealth government's Elective Surgery Waiting List Reduction Plan, South Australia was provided with an extra \$13.6 million to undertake an additional 2,262 elective surgery procedures between 1 January and 31 December last year. This target, I am pleased to say, was exceeded by 934 procedures.

A further \$8.1 million has been committed by the commonwealth for 2008-09 and 2009-10 to support infrastructure development for elective surgery to sustain activity in the following ways: capital and minor works, including theatre fit-outs; extension of 23-hour wards; equipment requirements; reform initiatives; and IT infrastructure. To achieve the objectives of both the commonwealth and state elective surgery strategies, hospitals implemented a number of initiatives to reduce the number of overdue patients on elective surgery waiting lists, and these included:

- increased theatre sessions during the week and on Saturdays;
- coordinated priority access to theatres has been given to specialities with high numbers of patients on the waiting list;
- patients are transferred between public hospitals with a theatre and bed capacity to undertake additional work; and
- theatre closures over traditional holiday periods, such as January, were reduced to accommodate additional elective surgery activity.

I really want to thank the doctors, nurses and managers who made all that work in their hospitals. It took a lot of effort to do all that. The additional money from the state and commonwealth governments and our newer strategies have resulted in a dramatic increase in the amount of elective surgery our hospitals perform and, consequently, the timeliness of that surgery for patients. In the 2007-08 financial year, the hard-working doctors and nurses of our major metropolitan hospitals performed a record 39,962 operations, which was 4,376 (or 12 per cent) more than in the last year of the former government.

This year we are presently on track to smash the record set last year. Between July 2008 and April 2009 the major metropolitan hospitals performed 1,310 (or 4 per cent, again) more procedures compared to the same period in the previous financial year. Increasing the number of elective surgery procedures has resulted in a reduction of waiting lists and waiting times for patients. Between July 2008 and April 2009, 737 more people went off the lists than came on. Not only are we meeting demand but also we are reducing waiting lists.

There were 874 overdue patients waiting for their procedures in July last year in major metropolitan hospitals. This reduced to 360 patients at the end of April 2009. This is an improvement of 59 per cent. In July 2008, Country Health SA commenced manual data collection of waiting list information, and on 8 January 2009 an electronic waiting list system became operational at the major country hospitals in Mount Gambier, Whyalla, Berri, Port Lincoln, Port Pirie and Port Augusta. Prior to that we just did not know what was happening in rural South Australia. While we are still finalising this data, our initial findings are extremely positive.

In the month of April 2009, 1,463 elective surgery procedures were performed in country South Australia, and 1,426 of these (or 97 per cent) were performed within clinically recommended time frames. For example, for the benefit of members from rural areas, in Millicent there were 46 procedures, 100 per cent of which were performed on time; Mount Gambier had 162 procedures, 98 per cent on time; Naracoorte, 94 procedures, 99 per cent on time; Port Lincoln, 76 procedures, 100 per cent on time; and Whyalla, 168 procedures, 99 per cent on time.

We are seeking further improvements still with the implementation of a Surgical Services Task Force, which met for the first time in December last year. The establishment of the Surgical Services Task Force allows more clinical input into planning for all surgery required in the public system. The task force creates an opportunity for clinicians, elective surgery coordinators and

departmental staff to work more closely together to seek even better outcomes, with the intention of creating one cohesive system.

The Surgical Services Task Force includes representatives from training colleges, such as the Royal Australian College of Surgeons, the Australian and New Zealand College of Anaesthetists and the Australian College of Operating Room Nurses. We are working collaboratively with the commonwealth to provide South Australians with the elective surgery they need when they need it, and we are performing much more elective surgery than at any time in our state's history. Consequently, we are slashing elective surgery waiting times. This is a good news story.

Mr PICCOLO: I refer to page 8.13 of the papers in relation to the new Royal Adelaide Hospital, an issue which is of interest to my electorate. Page 8.13 mentions \$9.7 million of funding for the 2009-10 year being committed to the new Royal Adelaide Hospital project in terms of site works. Can the minister please detail how realistic the state government's costings are for the construction of the new Royal Adelaide Hospital compared to other proposals suggested around the place?

The Hon. J.D. HILL: I thank the member for Light for that very incisive question. The state government announced a plan for a brand-new central hospital for our state in 2007 and, guided by advice from infrastructure, health and planning experts, we decided to build a new state-of-the-art Royal Adelaide Hospital, with more capacity and more services to cope with increasing demand into the future.

The project was fully costed in 2007 before the project was announced. Costs were tested by Treasury and independently verified. The \$1.7 billion cost estimate includes construction and contract costs, project fees and contingency, furniture and equipment. All the cost escalation, all the remediation and all the equipment and construction up to 2016 were included in this costing.

The government has now started the procurement process for the new RAH, a PPP project, with the recent public release of the invitation for expressions of interest, and an industry briefing happened last week, which I attended, as did my colleagues the Deputy Premier and Treasurer and the Minister for Infrastructure. Many people were there in eager anticipation of this EOI.

The new hospital will include a majority of single rooms to provide the best possible protection against the spread of super bugs, such as VRE; more theatres; increased intensive care beds; and 25 per cent more capacity in the emergency department. The decision to build a new hospital to replace the ageing RAH came after very careful analysis of the options, including an intensive investigation of the current site and the study of different locations.

In 2004, the government considered the full redevelopment of the current RAH, with ageing buildings, a constrained location with little spare room and the patchwork spread of the buildings across the site. Rebuilding the RAH provided many challenges and would have required at least a four stage process.

If the project had begun in 2006-07, it would have cost \$1.4 billion and not be completed until at least 2021. Meanwhile, the hospital has become busier since 2004, with areas which would be used for decanting during a rebuild now completely utilised.

If the government were to rebuild as proposed in 2004, starting instead in 2010, 170 patient beds would have to be relocated from the hospital to enable decanting of areas to occur. The project would not be completed until at least 2025, and the cost would have increased to at least \$2 billion through escalation.

Rebuilding the RAH would take longer, therefore incurring increased escalation costs because building works are taking place in a working hospital. Aside from the disturbance and chaos this causes for patients, staff and visitors, it would mean that construction could occur only bit by bit as a staged redevelopment: as one area is finished, services move into the new area and reconstruction can start on an old area.

Construction works on a new hospital and a new site are not slowed down by the demands of an operational hospital, and it is therefore a lot quicker and, consequently, cheaper. Rebuilding the RAH would not increase capacity at the hospital, nor would it make the hospital earthquake proof.

Guided by this expert advice and thorough investigation, the government came to the decision that a new hospital on a new site was the best option. In stark comparison, we have had

the opposition and its Save the RAH Group coming up with a range of confusing, conflicting and disparate projects and costings to support their various positions.

The opposition wants to build the RAH, but its proposal includes three sets of costings for three different projects: one of \$800 million, one of \$950 million and one of \$1.4 billion. None of these projects overhauls the ageing infrastructure, nor do they remove the asbestos in buildings across the campus. None of these projects provides more capacity and more services on the site. These projects retain patient wards with multibay beds and shared bathrooms, which are key risks in the spread of hospital super bugs.

Because the RAH is on such a constrained site, with very little room for new buildings, these three options would take many years to complete. Meanwhile, the Save the RAH Group does not like even these options. On 28 March, its member, Ken Roland (a member of the Liberal Party, I understand) told *The Independent Weekly*, 'I don't actually really approve of the Liberal plan.'

The Save the RAH Group has emerged with its own range of costings. Mr Katsaros, the political leader of the group, has claimed that all the RAH needs is a new patient wing at a cost of \$300 million. In later comments, the group has said that the patient wing will cost \$400 million. Now on its website this group claims that the patient wing could be built for \$672 million.

The advice to government is that a rebuild would cost at least \$2 billion. The view of some politicians and doctors is all over the place, with at least six different costings and no explanation of how they were worked out. There has been no proper costing for any of these proposals but, again, this leaves out an overhaul of the ailing power, plumbing, water, sewerage, heating and gas systems.

It does not fund the removal of asbestos and does not create any extra capacity. It also leaves no room on the site for any future expansion, nor any room for the increased medical health and research facility. It also leaves us with the question of where to relocate dozens of beds, which would have to be closed down while construction were ongoing.

Mr PICCOLO: I am aware that the minister is very committed to improving retrieval services in the state. He came to Gawler either late last year or early this year to officially open the helipad, and I was there to welcome the pad.

Ms Chapman interjecting:

Mr PICCOLO: No, unfortunately I was not. I am sorry to disappoint you. On page 8.9 of the Portfolio Statement, the creation of the MedSTAR is listed as a highlight for 2008-09. Will the minister provide further information on MedSTAR?

The Hon. J.D. HILL: This is a highlight of the year, I have to say. A new single statewide emergency medical retrieval service was created early this year. The new service, known as MedSTAR Emergency Medical Retrieval, works integrally the SA Ambulance Service, country and metropolitan health providers and the Royal Flying Doctor Service to provide coordinated care to seriously ill and injured South Australians who need emergency medical retrieval, transport or rescue.

Retrieval teams will no longer be based at individual hospitals, such as the RAH or Flinders. Instead, specialist MedSTAR teams will be despatched from a new operational base at Adelaide Airport. This move represents the first of a number of planned initiatives aimed at delivering more support to country and metro health services and more coordinated patient transport and emergency medical retrieval for infants, children and adults.

The new coordinated service will now get help to severely injured people at the site of an accident much more quickly. The average time between receiving an emergency call and getting retrieval teams going into a helicopter in the past has been 35 minutes. It is expected that the new service could cut this to just 10 minutes. Until now, if there were an emergency, a helicopter had to leave the airport and fly either to the RAH or Flinders to pick up a medical retrieval team, potentially wasting lifesaving time. Now we have highly trained staff close to the aircraft and ready to go at a moment's notice. Early emergency medical care for seriously ill and injured South Australians is likely to improve outcomes and survival.

Following severe trauma there are many things which can be done for a seriously injured patient before they reach hospital and which will make a big difference to their chance of survival or their ability to make a good recovery. To do this, the MedSTAR team includes a doctor with a paramedic and nurse able to extend the fantastic care delivered by the ambulance service.

It is a team effort, but in the end the patient gets the sort of care usually available only in a hospital, often long before they physically arrive there. As an example, MedSTAR teams are able to administer a general anaesthetic and place a breathing tube for mechanical ventilation for a patient with a severe head injury following a road traffic crash, perform surgical procedures to reinflate a collapsed lung or give a life-saving blood transfusion, all at the roadside.

In addition, the team may be required to stabilise patients with severe illnesses such as life threatening infection and septic shock or severe heart failure following a heart attack at a small country hospital. Within the next 12 months a dedicated neonatal and paediatric component of MedSTAR and a new single retrieval and transport coordination centre ambulance headquarters will be operational, further expanding this dynamic and exciting new service.

The government is committed to our health reform agenda to ensure that we can continue to deliver first class health services for all of our citizens, and part of this reform is ensuring that our existing services are as efficient as possible. The MedSTAR service is yet another example of how integrating existing services can provide greater efficiency while improving patient care.

Ms CHAPMAN: I refer to page 8.13 of the Portfolio Statement and what is described as the new Royal Adelaide Hospital, where \$14.286 million was budgeted for 2008-09, and the Budget Papers report that the estimated result for 2008-09 is \$1.503 million. It may be that the \$11.9 million has been taken out of there and put into operating; I am not sure but, if there is any other significant reason for what on the face of it is an underspend, could we have a breakdown; and what was the \$1.503 million actually spent on?

The Hon. J.D. HILL: I think the deputy leader has perhaps answered the majority of her question in her own question, in that the transfer from capital to operating would account for the majority of it, as I understand it; we will certainly check that. As to what the money was spent on, I will get some advice and get back to the honourable member. We should be able to do that for you after the dinner break. I am also advised that, in relation to the new Royal Adelaide Hospital, in 2010-11 the operating budget, consulting and project management costs will be \$1.9 million and that the investing, which is site works and so on, will be \$35.4 million.

Ms CHAPMAN: That was for 2010-11?

The Hon. J.D. HILL: Yes.

Ms CHAPMAN: Thank you. In the 2008-09 year, has the Coffey International report on the site rehabilitation been budgeted and/or paid for and, if so, how much was paid for it?

The Hon. J.D. HILL: I am not sure whether the question was whether we paid for the report or the work.

Ms CHAPMAN: The report.

The Hon. J.D. HILL: I gather we paid some money for the report. We have made an interim payment on the report, but we are waiting for the final report.

Ms CHAPMAN: Will you take that on notice and provide how much was paid?

The Hon. J.D. HILL: Yes; I am happy to take it on notice. Some of the \$1.503 million would have gone to the final report, but we are waiting for the final report.

Ms CHAPMAN: I note that the Environment Protection Authority has not actually done a report, but it has been consulted for the purpose of providing guideline assistance as to the private consultants' compliance and is generally in attendance at meetings with your department. Has any fee been paid to it for its services and, if so, how much?

The Hon. J.D. HILL: No; we do not pay the EPA.

Ms CHAPMAN: In the forthcoming budgeted year, which is the \$9.717 million, is any portion of that currently budgeted for site remediation and, if so, how much?

The Hon. J.D. HILL: The advice I have is that some of that money will be spent on site contamination, if that was the question. As to the details, I can provide those. I know the deputy leader keeps wanting to ask questions about site contamination. In general terms, my advice is that the cleaning up of the site will cost considerably less than \$40 million.

We are reluctant to go into how much it will cost because, obviously, we enter into contracts with people to do this work and, if we tell them the specific amount, that is what they will bid. I know it must be frustrating not to have an exact figure. I would like to give you an exact figure,

because it would demonstrate very substantially that it will not cost the \$800 million or \$1 billion that a certain 6.30 television program suggested it might.

Ms CHAPMAN: Minister, as a supplementary in relation to this aspect, do I understand this correctly: you say you cannot make any disclosure, even to this parliament, of what the estimated cost is of the site contamination because it might prejudice some contract that would be in the process of being negotiated? If that is the case, why is it that any project—identified for capital investment purposes—has its total cost of project both announced gloriously each year in the budget and then continued to be maintained in each of the investment year publications?

The Hon. J.D. HILL: We have given a general figure for the site contamination, and I have said that \$40 million is the maximum amount. We would want to get it considerably less than that, and we believe it will come in at less than that. I suppose that we have given a general prediction of how much it would cost to build the RAH, with the size and the configuration that we think would work, and that is about \$1.7 billion. However, once again, we would hope that we would do better in the marketplace.

The \$1.7 billion is a broad figure that has been worked on for some time, and I have given the details of that to a variety of people, including the opposition. But as to the site contamination figure, we will be going into the marketplace reasonably shortly for at least some of that and we do not want to signal too clearly how much precisely we think it will cost. I do not think it is a big deal.

Mr PICCOLO: I refer to the Portfolio Statement, page 8.5, where it is stated that under South Australia's strategic plan the government is working to increase the proportion of people living with a chronic disease whose self-assessed health status is good or better. What initiatives have been put in place to achieve this?

The Hon. J.D. HILL: In February this year, the government announced a 10 year plan to tackle chronic disease—our country's biggest killer. The Chronic Disease Action Plan was developed to help South Australians live longer and healthier lives. The plan addresses the key recommendations arising out of our Health Care Plan.

Nearly half of all South Australians—that is, 46 per cent—have at least one chronic disease. Nationally, almost two-thirds of all avoidable hospital admissions are related to chronic disease. The older people are, the more chronic conditions they have and the more likely they are to be admitted to hospital.

International evidence shows that if we help people with chronic disease to better manage their conditions they will live healthier and longer lives and they are more likely to stay out of hospital. The Chronic Disease Action Plan is aimed at helping:

- prevent the development of chronic diseases such as diabetes, heart disease and respiratory disease;
- detect diseases including those people at risk of early onset disease, and intervene effectively; and
- manage existing disease effectively and proactively.

As part of the Chronic Disease Action Plan, the government is doubling the size of a program that gives people one-on-one support with a lifestyle adviser to help them get healthy. The investment of \$14.3 million over four years for the Do It For Life program is just one of the many strategies being used to improve the lives of South Australians.

Do It For Life began in early 2008 with the appointment of 24 lifestyle advisers and support officers, and an additional 13 officers have recently been appointed. These lifestyle advisers work one-on-one with high risk clients to provide education, advice and support to raise client awareness of the impact of their lifestyle and behaviours on their health and the role of these factors in the development of chronic disease.

Clients are then assisted to make informed and positive lifestyle changes. It will provide them with the knowledge and self-management skills they need to manage their health effectively and provide better quality of life. Ultimately, the goal of programs such as Do It For Life is to see fewer cases of chronic disease.

Additionally, we know that there are also things we can do to help people who already have a chronic disease. The Chronic Disease Action Plan sets out how the health system can support people with chronic disease to maintain better health, including actions around improving support

for self-management and improving disease management through partnerships, monitoring, care planning and enhanced IT to support such strategies.

SA Health is also working to address these actions and, in 2008-09, we spent \$29.7 million on programs that address the coordinated management of chronic disease through chronic disease care packages, strategies for complex cases and hospital avoidance, and early discharge support. The new model of care will improve access to the appropriate services required to manage the condition and reduce pressure on the acute emergency department.

SA Health is also working to increase the capacity of the workforce to support and provide opportunities for clients to better self-manage their chronic conditions through funding from the Australian Better Health Initiative. Such management support programs assist people to:

- acquire better knowledge of their condition;
- follow a treatment plan (a care plan) agreed with health professionals;
- actively share in decision-making with health professionals;
- monitor and manage signs and symptoms associated with their conditions;
- manage the impact of the condition on their physical, emotional and social life; and
- adopt a healthier lifestyle.

Another strategy will be the development of agreed health care plans between health professionals and clients where clients are directly involved in understanding and managing their condition, monitoring symptoms and collaborating with health professionals who establish the client's targets and goals. The outcome of this collaboration will be to reduce the number of unplanned hospital and GP visits.

Reducing demand on acute services by keeping people fit and healthy, and out of hospital in the first place, and managing their conditions outside of hospitals should they become sick, is an essential part of our planning to ensure that South Australians continue to receive world class health care into the future.

Mr PICCOLO: One of the things that the minister talked about in his previous answer was the workforce, and obviously the workforce is a key element in providing good health to our nation. On page 8.10 of the Portfolio Statement it identifies that South Australian Health will develop and implement strategies and plans around its workforce. What is the government doing to strengthen the health workforce of South Australia?

The Hon. J.D. HILL: While it is very important for our public health system to invest in infrastructure, recurrent budgets, equipment and research, of course, the backbone of our health system is our workforce—the doctors, nurses, allied health professionals and support staff who serve our patients with great skill and commitment. We have been very successful in recruiting extra staff into our hospitals. At June 2008, we had 3,083 doctors, which is an increase of 902 from when we came to office; and 13,859 nurses and midwives, an increase of 2,883. The latest Australian Institute of Health and Welfare report confirmed that South Australia still has more doctors and nurses per capita than any of the other states.

In addition, this budget is committing to hiring an additional 160 full-time equivalent nurses and midwives as part of the implementation of the new nursing career structure. These extra nurses will allow other nurses essential non-clinical time to properly supervise and manage their staff. This is something that the nurses, in particular the Australian Nursing Federation, have been calling for and we are delighted to be able to deliver that in this budget. The \$51 million commitment over four years should see the number of extra nurses hired under this government top 3,000 and the total number of nurses in the public system top 14,000. It also comes in addition to the 50 practice nurses that we are funding each year in GP clinics across the state. The GP Plus practice nurse program has helped encourage GP clinics to employ practice nurses and help waiting times in GP clinics, particularly in outer suburban areas.

We also make no apology for our commitment to hire more nurses within the system and reduce our reliance on agency nurses. While there will always be a place for agency nurses in the system, we want to ensure that we reduce our reliance, which will save taxpayers' money and deliver superior clinical outcomes, not because the nurse is not trained as well, but a nurse from within our system knows the services and the people and can fit in more easily. With regard to doctors, our state is now training a record number of doctors in our universities. In fact, our state punches above its weight in the number of doctors we train for our population size.

This year, a record number of 242 full-time intern positions has been secured, an increase from just 155 in 2003. Four of these positions are being shared by eight part-time trainees, bringing the total number of interns to 246. Flinders with 75 interns and the Royal Adelaide with 79, of course, are the bigger sites. Queen Elizabeth has 41; Lyell McEwin, 27; Modbury, 18; and Mount Gambier, six. We have successfully lobbied the commonwealth for 60 more university places in medicine being allocated to South Australia. We are also working with our federal colleagues to provide 135 more places for nursing students as well.

As well as record numbers of trainee doctors, the state's new enterprise bargaining agreement with public doctors means our doctors are amongst the very best paid in the country. This will make it easier to recruit doctors in difficult to fill positions into the future. In addition, SA Health continues its partnership with the rural doctors workforce agency that has been very successful in recruiting GPs to work in rural South Australia.

Mr PICCOLO: The investing payments summary on page 8.12 of the Portfolio Statement shows that, in 2009-10, \$30 million has been allocated for the recently announced South Australian health and medical research institute. Could you please provide the committee with further information about this institute and what the building will house in it?

The Hon. J.D. HILL: Supporting our reform program is the establishment of a new health and medical research institute building to be built adjacent to the new Royal Adelaide Hospital. An amount of \$200 million in funding for the facility was announced in the 2009 federal budget, and I thank the federal government for its support of this major initiative.

The centre will provide world-class facilities and make a significant contribution to national and international research. The flagship research centre will become the headquarters for the new independent South Australian health and medical research institute and home to the best and brightest researchers working on cures and treatments for disease. Once completed, the facility will house up to 675 researchers, around half of whom are expected to be new to this state. This incredibly exciting development will bring significant benefits to South Australia's economy and is a once in a lifetime opportunity to ensure that we continue to play a leading role on the global health and medical research stage.

Establishment of the SA health and medical research institute and the construction of the research building were a key recommendation of the Review of Health and Medical Research in South Australia by Professor John Shine and Mr Alan Young. For the past year, we have been working hard with our federal colleagues to make this happen, along with the state's three universities. I should say Mr Alan Young AM, because he was awarded honours in the most recent Australian honours. I congratulate him for that achievement as well.

Site work will start in early 2010, with an expected completion date of 2012. The building will represent around 25,000 square metres (that is, gross floor area) and will include fully flexible laboratory space, 100 per cent wet convertible, and nine research modules. It is expected the design team will be on board by August this year to begin work on the concept designs. The state's three universities have all been part of the planning of the South Australian health and medical research institute and will continue to be engaged as part of the extensive stakeholder engagement process that will be undertaken during the design and planning stages.

The government is also setting up and maintaining a health and medical research fund, another key recommendation of the Shine and Young report. This will oversee investment in health and medical research throughout the state. The research institute will be governed by an independent board, which will include representatives from each of the three South Australian universities. The tertiary education sector is especially supportive of this major investment in the future of health and medical research in this state. All three universities and key members of the research community have backed the building of a new research centre.

The authors of the Review into Health and Medical Research in South Australia, Professor Shine and Mr Young, have praised the government's commitment to increase the health and medical research capacity in this state significantly. I thank them once again for their work on this project. I believe the development will bring not only significant benefits to our health community but also to our state's economy. It will mean that we will be able to continue to play a leading role on the global health and medical research stage. Doctors and scientists will have a state-of-the-art facility that will generate additional research space as well as help attract extra researchers to this state.

Ms CHAPMAN: I think in answer to one of the other questions, you indicated that you had a response on what would be spent for the 2010-11 year as a budgeted item—I think \$1.9 million

on consultancies, leaving a balance of \$35.4 million. During the dinner break, when you are getting the estimates of those others, I would ask that you provide a breakdown of what the \$35.4 million is budgeted to be spent on.

The Hon. J.D. HILL: That is site works, and a large proportion of that will be the decontamination.

Ms CHAPMAN: I refer to Budget Paper 4, Volume 2, page 8.24, in particular, the salaries of neurosurgeons at the Royal Adelaide Hospital. I understand that there are three or four neurosurgeons employed and, as the minister would be aware, they are there to treat the brain. That specialty is important, as it provides a statewide service. The opposition has been informed that the Director of Neurosurgery, Associate Professor Brian Brophy, is retiring shortly and that a second neurosurgeon's contract expires in a matter of days, on 30 June 2009. We are informed that both these neurosurgeons are the only ones on the neurological team who have a specialty in the treatment of aneurysms. My question is: what provision has been made in the budget to advertise and/or hire replacements for these neurosurgeons?

The Hon. J.D. HILL: As the deputy leader no doubt would know, there is no specific line in the budget to advertise for a particular position. Of course, we have provision in our budget to advertise generally to replace staff, and we go through the process of replacing staff all the time. I suppose that the point the member is making is that neurosurgeons are not easy to replace. They are a relatively rare and difficult to recruit group, but I am advised that they will be replaced.

Ms CHAPMAN: Earlier, the minister indicated that his answer referred to a committee member's questions on State Strategic Plan targets. I would like to ask about T6.24, which is referred to in Budget Paper 4, Volume 2, page 8.6. Will the minister explain why the percentage of Aboriginal employees target has been reduced from 1.6 per cent to 1.3 per cent? How will that affect the State Strategic Plan target, identified as being in T6.24 which, I am sure the minister would be aware, is to increase the number of indigenous persons in the health workforce?

The Hon. J.D. HILL: Overall, as a service, we are determined to increase the number of Aboriginal employees—which is currently at 1.07 per cent—and we have a very good unit (which is on the same floor as my office) that works on Aboriginal recruitment. We have a whole range of strategies—including scholarships, mentoring, and so on—which have been doing terrific work in getting Aboriginal people with skills who can be used within the health service, but there is a fair way to go—there is no doubt about that.

The apparent drop in the percentage or the number of Aboriginal workers reflects the fact that two Aboriginal health services—Pika Wiya, which services the Port Augusta area, and Ceduna/Koonibba, which obviously services that area—are currently part of Country Health. However, the decision has been made in collaboration with them to have them created as autonomous services so that they are consistent with Nganampa Health and some of the other Aboriginal health services. The view—and it is kind of a philosophical view, I suppose—is that health services for Aboriginal people produce better outcomes when they are run by Aboriginal people. So, we have had a mix of services—some run in-house and some run through this other model.

In working with community groups, the decision has been made to extend the independent model to those two communities. That fact will mean that there is a reduction in the number of Aboriginal people employed by the service, but it does not reduce the number of Aboriginal people who are delivering health to Aboriginal communities. I would hope that, as those services flourish, we will increase the amount of employment of Aboriginal caregivers within those services but that, of course, will not be reflected in our stats.

Ms CHAPMAN: I have a supplementary question on that. You mentioned that there are better outcomes under these models for indigenous communities to have autonomy. Has there been some research done to support that—in which case, I ask the question: has the same been done to identify whether it is, in fact, better for non-indigenous communities for all those country boards to be kept?

The Hon. J.D. HILL: It does not take long for the deputy leader to try to politicise any discussion. I understand that there is research, and I will ask someone to see whether we can find something for you. I understand that this is a policy which enjoyed bipartisan support at a federal level. The Howard government and the incoming Rudd government made that determination.

I point out to the Deputy Leader of the Opposition, though, that the services provided through Country Health are run by non-Aboriginal people, and that is the difference. This is about

having the service run, managed and controlled by Aboriginal people. I would have to go through the history, but the services were first set up decades ago, before the general application of that policy occurred. It may well have been that, when they were set up, they were relatively small services and did not have the capacity to run themselves. However, now that they are large enough to run themselves, it is the view of the health system—and my view as the minister—and the communities themselves that this is the best way for them to operate. This is not about governance models. In one sense, this is about cultural ownership of the process.

Ms CHAPMAN: It may be that I need to seek clarification; perhaps we were at cross purposes. Perhaps I did not make my question clear enough, but what I did not understand in your answer is that, if there is research and there is acceptance that keeping independence from Country Health is the preferred model, these services were each independent of Country Health, and they have been brought into Country Health only in the past year or so. I accept that they were not as autonomous as the APY lands health provisions.

The Hon. J.D. HILL: No; they were not autonomous at all. They were part of the Health Service of South Australia. They had a governance model, but they were not independent of government. When we set up Country Health, I talked to them about what they wished to do. I said to them, 'You can go one of two ways. You can come within Country Health if that is what you choose, or we can go down the path of using the more familiar model, the Nganampa Health model.' They both agreed, I think, that they would like to transition to that model over time in an appropriate way. This is about appropriate management of those kinds of services, and the evidence that has been put to me (and I will see whether I can find some for you) is that this is the best way of optimising health outcomes for Aboriginal communities.

I certainly know that, in the APY lands, Nganampa Health Service, which is very strongly controlled by that community, has done some remarkable things in terms of health achievements. It has a white doctor, who is the clinical director, but the board is a local community board, and it makes decisions. When that board makes a decision, it can make it stick. For example, every member of that community, as I understand it, has its own unique identifier. They are all regularly tested, and every child is vaccinated. They have a 100 per cent success rate in vaccination, and that is not something you can say about the broader community. Once a community, such as the APY community, makes a decision to do something like that, it happens. We want to see that same kind of involvement across the board, but you have to do it in a very sensitive and very careful way and not impose a model on those communities that they do not want. However, through negotiation, discussion and appropriate transition arrangements, that is what we would like to move to.

The Hon. S.W. KEY: I refer to page 8.26 of the Portfolio Statement. In those statements, it shows the projected increase in the number of women being screened for breast cancer. Minister, what initiatives are being put in place to ensure that as many women as possible are screened for breast cancer?

The Hon. J.D. HILL: I thank the member for this important question. As she and many other members would know, BreastScreen SA provides a free government screening mammography service across South Australia. Women aged 40 and over with no breast cancer symptoms are eligible to attend, but the service primarily targets women aged between 50 and 69 and aims to ensure equitable access for women in this age group, including women from Aboriginal and culturally and linguistically diverse backgrounds, as well as women from rural, remote and lower socioeconomic backgrounds and women with special needs.

To ensure maximum screening participation rates, the government has implemented a number of initiatives to increase the proportion of women in the targeted age range who are screened for breast cancer. One of these initiatives was the creation and trialling of a new health workforce group (radiographer assistants), and I guess this relates to an earlier question from the member for Light about workforce issues.

Radiographer assistants were introduced into BreastScreen SA in January last year in response to a number of ongoing challenges, including increased demand for screening services in the targeted age group. Limitations in screening capacity and radiographer shortages have been alleviated by creating this new role to undertake some of the more repetitive administrative work or jobs involved in screening, such as processing x-rays. The radiographers can now devote more time to their core responsibility of providing mammograms.

Figures for 2008 show that the radiographer assistant trial has resulted in almost 3,500 additional mammograms performed during the year, compared to 2007. The radiographer

assistant strategy, along with offering additional screening on Saturday mornings at the Marion clinic and the ability to attract more radiographers, has also contributed to an 87 per cent reduction in the number of overdue screening invitations, and those statistics relate to the comparison between April 2008 and April 2007.

The radiographer assistant success was recognised at the inaugural SA Health Allied, Scientific and Complementary Health Excellence awards, where it received the award for innovative models of care in 2008. These initiatives have resulted in an estimated 74,026 women being screen in 2008-09, compared with 71,048 in 2007-08, an increase of 2,978 women (or approximately 4.2 per cent). The success of these initiatives will enable even more women to be screened for breast cancer in 2009-10, during which time it is estimated that screening will be conducted on 75,220 women.

Reforming our health system is an essential task because we cannot continue on with a 'business as normal' approach as our ageing population places additional demands on our health system. An important part of the reform process is improving the efficiency of our current services through these kinds of workforce initiatives. The introduction of radiographer assistants has allowed radiographers to concentrate their time on providing essential medical services to patients.

The other side of our reform agenda is increasing capacity within the system, and initiatives in the budget to increase physical capacity include the commissioning of two replacement country mobile mammography screening units. This will maintain an enhanced screening service to women in the target age group living in rural and remote areas of South Australia, especially indigenous women, those from culturally and linguistically diverse backgrounds and women with special needs, including women with disability.

BreastScreen SA will also introduce new digital mammography equipment on the two replacement country mobile units, and its screening clinic at the Elizabeth GP Plus Health Care Centre. The commonwealth government in its budget announced digitisation of equipment in all the breast screening clinics around Australia, which is very good news, because the more we can use digitisation for the radiography the faster the process, which means the more people we can deal with. I take this opportunity to thank very much the staff who work in BreastScreen SA. I have met a number of them over the past few years and they are incredibly committed, hard working and dedicated to the cause of women's health.

The Hon. S.W. KEY: I refer to the Women's and Children's Hospital Children's Cancer Centre and to Portfolio Statement, Budget Paper 4, page 8.12. Will the minister advise the committee of the progress of the Children's Cancer Centre being established at the Women's and Children's Hospital?

The Hon. J.D. HILL: In January this year the state and commonwealth governments announced a new \$17 million Children's Cancer Centre to be built at the Women's and Children's Hospital. This will create South Australia's fully integrated dedicated children's cancer facility, bringing together in one location Adelaide's services that specialise in the treatment of cancer and other blood disorders in children.

The commonwealth government is jointly funding the new 1,200-plus square metre purpose-built facility with at least a \$2 million contribution from the McGuinness McDermott Foundation. I thank both parties—the commonwealth and the foundation—very much. We as a government will continue to fund the facility's ongoing operations. In recognition of the McGuinness McDermott donation, the new centre will be called the McGuinness McDermott Foundation Haematology Oncology Centre and will involve two new storeys being built on top of the existing Gilbert Building, with one fitted out as the Children's Cancer Centre and the other to allow future redevelopment of the hospital. Construction will commence early next year and be completed by mid 2011.

Cancer services for children in Adelaide are currently provided out of two main areas of the Women's and Children's Hospital. Outpatient services are located in the heritage-listed Campbell Building—a great building but not a great building for kids with cancer—and inpatient services (overnight stays) are located in the Queen Victoria Building, which was built 15 years ago as an adult obstetric unit. The new centre will provide a custom-built facility to allow for the multi-disciplinary haematology and oncology staff to continue to provide best practice care for these children and young people generally.

The new Children's Cancer Centre will provide nine overnight beds for children and 10 same day treatment beds; the best care and treatment possible for children and their families; better facilities (including those for isolating patients at risk of infection); and an improved working

environment for the doctors and nurses who treat child and adolescent cancer patients. Children receiving cancer and non-malignant blood disorder treatment have unique needs, and this new centre is about meeting their special requirements. Every year the Women's and Children's Hospital treats up to 70 South Australian children newly diagnosed with cancer—one can only imagine how awful that would be for their families, a number of whom I have met over the years—cancers such as brain and other solid tumours, leukaemia and lymphoma.

The Women's and Children's Hospital has around 1,600 cancer-related admissions and treats approximately 5,300 outpatients and day patients every year. A cancer diagnosis can be devastating, but it is particularly distressing when it occurs in young children. Children suffering from cancer or a non-malignant blood disorder need a specialised centre, and this centre will meet those needs. The new facility will provide up-to-date facilities, with more beds and chairs for both outpatient and inpatient care for kids. Cheesman Architects, the appointed architects for the project, are currently developing the design concept for the new building. They will continue to work closely with the clinical team, consumers and other interested parties in developing these plans. I take the opportunity to thank the staff who work in that area for their immense dedication and hard work.

Ms CHAPMAN: Back to Budget Paper 5, page 32, the hospital site works: how much has been spent in the 2008-09 year—which presumably is in the last months, since your department's advice on 3 June this year—in an attempt to recover the lost USB flash drive?

The Hon. J.D. HILL: That is a peculiar question. I have no idea and we do not have a budget line for such things, as the member would appreciate.

Ms CHAPMAN: On that matter, your department knew about it before the budget was issued.

The CHAIR: Order! The minister will answer and then you will have an opportunity.

The Hon. J.D. HILL: This is just a cute political point the deputy leader is making. There is no budget line for this item.

Ms CHAPMAN: How much have you spent on it?

The Hon. J.D. HILL: There is no budget line. It would be in the hundreds or thousands of dollars. I am happy to get an estimate for the member, if that is possible.

Ms CHAPMAN: What budget has been allocated for an inquiry to be conducted by the Crown Solicitor's office? If it is not in your budget, I will ask the Attorney-General.

The Hon. J.D. HILL: You can ask whoever you like, but we have no budget for that item. These kinds of issues arise from time to time. Various inquiries and investigations have to occur, and they come out of the existing budgets of agencies that have the task of doing these kinds of things. Inquiries and investigations are part of the work of the Government Investigations Unit, and it has a budget to do it and no special provisioning will occur. The suggestion that somehow or other the budget that came down on 4 June would have budget lines for particular matters of this nature is just ludicrous, really.

Ms CHAPMAN: Now that there has been a referral to the Crown Solicitor's Office to undertake an inquiry, how much has been budgeted for that exercise, or is it a situation of saying, 'We will simply pay whatever it costs?'

The Hon. J.D. HILL: The deputy leader, I know, wants to make her political point. I invite her to go outside, put out a press release and make her political point. To ask absurd questions about how many dollars are put aside in the budget—which came down two or three weeks ago—for a matter which was brought to my attention a couple of weeks ago is ludicrous.

There is just no way there are any detailed budgeted amounts for these kinds of investigations. I made the point that existing budgets—which, I guess, have been historically created—will be sufficient, as I understand it, to cover whatever the investigative costs are.

Ms CHAPMAN: Is there any budget in the 2009-10-year for the publication of information and/or briefings to the prospective parties that register an interest, that is, the expression of interest process that has gone out; and, if so, how much is budgeted in relation to this? Will there be another meeting of all those interested parties and will they be given information or briefings?

The Hon. J.D. HILL: We briefed all the consortia a week ago, and that was part of this year. That is not a cost on next year. A statement was made to the house in relation to this matter by me before that briefing, which received a reasonable amount of media attention. We invited

questions from everyone at that event and not one question was asked about this matter. If anyone wants to ask us questions about it, we will tell them. What would you budget for? I am not entirely sure what the honourable member is getting at. As I say, if she wants to make a political point, go ahead.

Ms CHAPMAN: Just on that, very specifically, what would be the cost of a further briefing? As I understand your answer, you are saying that you published the fact that there was this situation, and that was on 12 June. You say that the meeting of the industry, and so on, actually occurred after that and that those who attended presumably were made aware of this fact.

The Hon. J.D. HILL: I have answered the question. There is no budget line for any of the matters to which the honourable member refers. Any requirements that flow from this issue will be dealt with from within existing budget lines.

The CHAIR: The deputy leader will please address her question to a particular budget line.

Ms CHAPMAN: I have; these are all page 32. When was the Auditor-General told, and is there any budget to prepare a brief to him in respect of any material effect of the content of the flash file adversely affecting the expression of interest or tender process?

The Hon. J.D. HILL: Let me get to the heart of the matter the honourable member is trying to come up with. On Tuesday 2 June, an employee of the Department of Health's Major Projects Office lost a USB flash drive containing an electronic copy of some new RAH working files. Later that day the employee advised his director and the Major Projects Office—

Ms CHAPMAN: I have a point of order, Madam Chair. I appreciate that the minister is giving us a repeat of what he told the parliament, and if there is any new information I would be happy to hear it, but this was all given in a ministerial statement.

The CHAIR: There is no point of order. The minister may answer the question in any manner he wishes.

The Hon. J.D. HILL: Later that day, the employee advised his director and the Major Projects Office of the loss of the drive. An extensive search has been undertaken, but the drive has not yet been located. Both the Treasurer and I were advised of this event by our respective departments on Friday 12 June. This matter has been reported to SAPOL and the Crown Solicitor's Office.

The government's internal and external probity advisers have also been apprised of this event. The matter is being comprehensively investigated by the Crown Solicitor's Office and its Government Investigations Unit. That investigation has to date included very detailed electronic analysis of relevant systems and detailed interviews with relevant persons. The results are anticipated shortly, and I am advised that, at this stage, it would be premature to further comment on the specifics of the investigation.

There is, however, currently no evidence that any information has been improperly conveyed to any person outside of the project team. The officer who reported the loss of the USB has been removed entirely from the new RAH project and related activities pending the outcome of the investigation and is continuing to cooperate fully in the investigation. At this stage, interim steps have been taken to ensure that there is no further use of USB devices under any circumstances, and a detailed review of document and information security protocols is well advanced.

I am advised by the CSO that, as this USB is government property, any use of it would be illegal. The government remains 100 per cent committed to the building of the new RAH and is progressing its procurement as a public private partnership through the expressions of interest stage that began two weeks ago. The advice to the Treasurer and to me is that this event is not expected to have any impact on the work going on at the moment in preparation for the construction of the hospital.

The deputy leader is quite at liberty to ask any questions about any budget lines in relation to any of the issues that I have referred to the relevant minister.

Ms CHAPMAN: When was the Auditor-General told?

The Hon. J.D. HILL: I have read to the honourable member a statement and I am not—

Ms CHAPMAN: I have not got the answer.

The Hon. J.D. HILL: I am sorry, but this is not general question time: this is an examination of the budget line. The deputy leader wants to—

Ms CHAPMAN: You told me when the Crown Solicitor was told and when the police were told—

The CHAIR: Order!

Ms CHAPMAN: All I am asking is: when was the Auditor-General told? It is pretty straightforward.

The CHAIR: Order!

The Hon. J.D. HILL: I refer the deputy leader to her point of order earlier when she said, 'What is the budget line?'

Ms CHAPMAN: And it was overruled.

The Hon. J.D. HILL: As I said, I would be happy to refer her back to it when the point arose. You can try to turn this into a mockery and make political points as much as you like. I have given you as much information as I am prepared to in relation to this issue on advice.

Ms CHAPMAN: What a disgrace!

The CHAIR: Does the deputy leader have any further questions?

Ms CHAPMAN: Yes, I have plenty of questions.

The CHAIR: Pose one, please.

Ms CHAPMAN: The minister has indicated that the person who mislaid the flash file is now no longer working on the project. As the minister is aware, the Treasurer announced publicly on this issue that there has been a clear breach of probity in the action. Especially arising out of the statement just made by the minister, my question is: is he satisfied that this USB file has been only lost and not the subject of deliberate action to dispose of the file?

The Hon. J.D. HILL: I can only assume that the deputy leader listened to not a word of my statement. I indicated to her that this matter has been referred to the SAPOL and the Crown Solicitor's Office and is being investigated by the Government Investigations Unit. It would be totally inappropriate for me to make any comment whatsoever as to the status of any of the matters that are being investigated.

As to the Auditor-General, I am not sure of the point that is being made. At what appropriate time any matter the Auditor-General should have referred to him I guess will be determined after this process has been concluded.

[Sitting suspended from 18:46 to 19:32]

Ms CHAPMAN: Minister, in respect of the USB flash file we were dealing with before the dinner adjournment, which one of the departments sitting next to you knew about this issue before you?

The Hon. J.D. HILL: I am not answering any further questions on that. I have indicated that to the committee.

Ms CHAPMAN: Minister, you have spoken about the importance of breast cancer assessment and screening, in particular. My question relates to Budget Paper 4, Volume 2, page 8.12, where you commit to the breast screening units for country mobile services in regional areas. This is also detailed in the capital works paper.

My question is: what action has been taken to ensure that the country mobile units for breast screening will actually be commissioned during the 2009-10 year, given the previous announcement in last year's budget and the failure to deliver that service, apparently due to the bumpy roads and vibration interference with the equipment, as a result of which no service has been delivered? Is the minister aware of some provision in the transport budget that will improve country roads?

The Hon. J.D. HILL: The deputy leader's question is based on a false premise. There is a service being delivered: the existing service is being delivered. The new equipment was ordered to replace the existing equipment when it came to the end of its life, and that is what will happen.

Unfortunately, as the member suggested, the new technology, which is the digital technology, has to be able to withstand bumpy country roads because that is where the services go. That is being ordered, so we anticipate that it will appear on time.

I can assure the member that the breast screening buses, and the clinics contained within them, are still being provided to country women. In fact, I was recently in Roxby, where I met some of the staff working in one of the buses that was stationed there.

While I have the floor, I have some information for the member relating to questions before the dinner break. In relation to the RAH, the member asked me how the \$1.503 million was spent from 2008-09. It was spent on contamination assessment from Coffey Proprietary Ltd and also on traffic and geotechnical engineers and environmental auditors.

In relation to neurosurgery, the advice I have is that Professor Brophy is not resigning in the foreseeable future. Four VMSs are renewing across the RAH, the Flinders Medical Centre and the Women's and Children's Hospital. We are also recruiting three full-time equivalent salaried specialists across the FMC, the RAH and the Women's and Children's Hospital, so we will have a highly viable service available to people in this state.

Ms CHAPMAN: Perhaps I did not get that down quickly enough, so I seek some clarification. The \$1.5 million included the Coffey International report. One of my questions was: how much was it paid? Did you identify that, or did I just miss it?

The Hon. J.D. HILL: No, I was telling you that the \$1.503 million was spent on such items as contamination assessment, and that involved the Coffey environment report. That is not all the sum we will need to spend on Coffey, but we will get how much we have spent to date for you at some stage. It was also spent on traffic management reports and geotechnical engineers, in other words, a whole range of a whole range of consultancies related to the understanding of the site and how the new hospital with fit in with that site—traffic, geotechnical engineering, environmental auditors and the like.

Ms CHAPMAN: Is there a breakdown of each of those as to what was at least budgeted?

The Hon. J.D. HILL: Well, this is what we have spent.

Ms CHAPMAN: Is there a chance that we can have the breakdown of those?

The Hon. J.D. HILL: We can give you more detail of how that money was spent.

Ms CHAPMAN: Thank you. I refer to Budget Paper 6, page 19, and my question relates to the Royal Flying Doctor Service aircraft and a \$6 million contribution proposed by the government. What is the total cost of the aircraft proposed to be acquired by the Royal Flying Doctor Service to which the government proposes to make this contribution of \$6 million?

The Hon. J.D. HILL: I am not sure we have the information out. It is not part of our budget: it is part of our arrangement with the RFDS and the commonwealth where each party is responsible for paying a certain proportion. The commonwealth and state governments both make contributions to this valuable service, and everybody is happy with the arrangements, including the Flying Doctor Service, as I understand it. We can ask the Flying Doctor Service what the total cost of the aircraft is for the honourable member.

Ms CHAPMAN: My only other question about the project is that, if it is identified in the report that the RFDS needs a new plane, why is the government waiting two years into the 2010-11 budget year to actually provide for the contribution?

The Hon. J.D. HILL: This is part of the forward plan. We have to replace the aircraft every five or 10 years, and there is an ongoing commitment. This is the time that the aircraft needs to be replaced, so our contribution is put in the forward estimates for that year. I think it is every five years, but I will get a more detailed explanation of how it works.

Ms CHAPMAN: I refer to Budget Paper 3, pages 2.21 and 2.22 which largely, as the minister would be aware, set out the savings initiatives under Expenditure in summary form. The first matter I note is an ICT saving which is identified at a total of \$42 million over the next four years and which is then identified ICT infrastructure program. Will the minister explain what that is and what part of it will be discontinued or reduced, as is indicated there?

The Hon. J.D. HILL: I will have to take some of that on notice. The budget contained large amounts of money for ICT and, when the global financial crisis occurred, obviously, all agencies had to make some adjustments. This was an area that was identified for health. We are still working through the priorities, but significant sums of money are continuing in the budget, and we

will work through what are the lower priorities. That is where the savings will be funded. In relation to the Royal Flying Doctor Service, some of the advice I have is that our \$6 million will actually help with the purchase of five aircraft by the Royal Flying Doctor Service.

Ms CHAPMAN: In respect of other savings initiatives, you indicate that some response in savings with ICT results from the global financial crisis. One of the projects under your government's expenditure is one which is currently operated at the Glenside hospital campus, which is under the operational supervision of minister Lomax-Smith. However, the development on it is the film hub by the Premier of some \$43 million. When you considered the savings initiatives for your department, had you put any presentation to the Premier that that project be cancelled, given what you are expected to do in your department?

The Hon. J.D. HILL: The deputy leader is trying to be cute again, I guess. This, of course, not one of the lines that I am responsible for, either in this agency or wearing my hat as Minister Assisting the Premier in the Arts. The Premier answered the deputy leader's questions in relation to this during his period of examination, and I have just stated that the health portfolio, which is spending \$4 billion, has had to make some adjustments, and we will do that.

Ms CHAPMAN: Perhaps you misunderstood the question. On that, I appreciate that the Premier answered some questions in relation to that project but, really, my question is what contribution you made, if any, after you were told of the Treasurer's position.

The Hon. J.D. HILL: I am happy to answer questions about this year's budget and the lines that I am responsible for, and I suggest the honourable member stop wasting the committee's time and start asking me questions about the lines that I am responsible for.

Ms CHAPMAN: I take it that the Premier won.

The CHAIR: Deputy, do you have another question?

Ms CHAPMAN: Yes. The savings initiative target—which is another one which seems to be ahead of the Film Corporation—is \$24.3 million to be saved in the 2012-13 year. Can you tell me what that is for?

The Hon. J.D. HILL: As part of the 2009-10 budget a savings target of \$24.3 million for 2012-13 was approved for the health portfolio. The savings targets built on other savings over the three years leading up to that, which were approved as part of last year's budget. No additional savings targets for 2008-09 were approved as part of the 2009-10 budget. As part of the 2009-10 budget a savings target of \$24.3 million was approved for health for 2012-13. We have a range of savings targets that have been approved. We anticipate that we will save \$44.1 million through supply chain reform initiatives, including the consolidation of warehousing and procurement, purchasing activities within SA Health—

Ms CHAPMAN: Can I interrupt for a moment, Madam Chair. I think we are at cross purposes. I am not referring to page 2.22, which is the procurement activities revised arrangements. I am still on page 2.21, which is at about point 6, detailed as savings initiatives under which is a savings target at \$24.3 million.

The Hon. J.D. HILL: Yes, and I was talking about it.

Ms CHAPMAN: Not the \$42 million you are referring to over the page.

The Hon. J.D. HILL: What I am saying is we already have other savings targets, and the collective savings will be made through these. For example, we have \$81 million which we have to save over three years which was approved as part of last year's budget. We add that \$24 million to it, so we now have \$105 million worth of plus-savings over four years.

It is anticipated—and I am just telling you how we are going to save it, so we do not break it down into particular bits—that \$44.1 million of that will be achieved through supply chain reform initiatives, including the consolidation of warehousing and procurement, purchasing activities within SA Health and by introducing best practice supply chain initiatives, including best of breed supply chain information technology. A range of initiatives are in the early stages of being developed to ensure improved efficiencies in service delivery across the health portfolio to meet required savings targets. The savings strategies to achieve SA Health's significant remaining efficiency targets include the review of portfolio-wide support functions.

In a budget of \$4 billion-plus, there are a lot of opportunities for doing things in improved ways, and already we have seen considerable improvement in the way SA Pathology services are run, and we are making savings there which are ongoing. Through the MedSTAR arrangements,

we have a better service, and some savings have occurred as a result of that. Through supply chain, we are getting good savings as a result of better ways of providing equipment and consolidating warehousing and so on.

So, there are a range of ways of doing things. We are changing some of the library services around. All of these things, of course, provoke criticism but they are all designed to make the system work more efficiently without impacting on services, and I am very optimistic that we will continue to find smart ways of delivering non-service savings.

Ms CHAPMAN: I am pleased to hear that, minister, but my question is: how is the \$24.3 million made up? The 64 jobs that are going, as per the chief executive's announcement—and you gave that information to the parliament the other day—are now. I am talking about 2012-13 when I refer to this \$24.3 million, which someone in your department has identified as savings, and you have told us that you have approved it. If you have no idea yet where you are going to take it from, please say so.

The Hon. J.D. HILL: What I was trying to indicate to the member was that the 2012-13 savings of \$24.3 million are an extension of the savings that are made in the years prior to that. Then in the year 2013-14, I guess the equivalent figure will apply because these are the ongoing consequences of the savings that are made in the preceding years.

Ms CHAPMAN: You will see that there are no savings in the previous years.

The Hon. J.D. HILL: You do something new in one year and then there are long-term savings consequences of that which tend to accumulate over the forward estimates. However, in addition to that, we will continue to try to make savings in the health service that do not reduce services but improve the efficiency of the organisations which comprise SA Health. I think that is about as good as I can tell you.

Ms CHAPMAN: If they are an extension of the savings currently occurring, can you tell me what the breakdown is of the \$81 million over three years which is currently applying that you have told us about and of which the \$24.3 million you have told us is an extension?

The Hon. J.D. HILL: I thought I just did.

Ms CHAPMAN: So far I have not had one service or initiative in that category that has been identified. I have had procurement issues and warehousing, and I will certainly come to that in a moment, but that is in a different category.

The Hon. J.D. HILL: I can give you some more information. We will go right back, shall we? As part of the 2006-07 budget, a savings target of \$25.511 million for 2008-09 was approved, which will increase to \$35.501 million in 2009-10. As part of the 2006-07 budget process, the government approved a range of savings initiatives relating to the Department of Health and health regions. Of the \$25.511 million savings targets approved for 2008-09, SA Health is projecting an achievement of \$19.8 million, and that is comprised of head office administrative savings of \$2.169 million in the 2008-09 year that has just passed.

Service delivery changes at Tregenza produced some savings. The SA Ambulance Service produced some savings of \$400,000. Metropolitan and regional health service administrative efficiencies of \$4.647 million will be achieved through the review and restructure of existing organisational structures. Public pathology services, which I have referred to, are expected to save about \$1.07 million in the 2008-09 year.

In the 2008-09 savings targets is an efficiency dividend of \$14.086 million, and we are expected to achieve about \$9.386 million of that; that has been worked through in the regions as well as the head office. The regions have identified strategies in consultation with the Department of Health to manage the growth in savings moving forward.

However, it envisages that the growth of \$4.7 million in 2008-09 will not be achievable. There were some plans for cogeneration that we will not achieve at Flinders until the project is fully completed. In 2009-10, we have some targets. Head office administrative savings targets of \$3.9 million and out year savings targets are projected to be achieved, and we have seen some of those savings announced just recently.

The Tregenza savings are worth \$2.216 million in 2009-10, and the savings target in the out years is fully achieved. The Ambulance Service savings initiative of \$1.023 million in 2009-10 and the savings target across the out years will be fully achieved. Pathology, I have referred to. Metropolitan and regional health services, \$7.824 million in 2009-10 is expected to be achieved through review and restructure with existing organisational restructures.

The efficiency dividend in 2009-10 savings target is \$19.016 million. Strategies are currently being developed to meet the remaining \$4.7 million from 2008-09 and the associated growth in savings targets from 2009-10. The regions, in consultation with the Department of Health, have developed management strategies to assist in meeting these, and that has included improved leave management through standardisation of leave management and the review of annual leave policies across the portfolio; better management of overtime costs through a comprehensive review of overtime and implementation of standard overtime policies across all major hospitals; more efficient utilisation of agency staffing; reduction in administrative support costs, with review of all non-clinical services and reduction of duplication of support services; vacancy management through review of historical practices surrounding filling vacancies; and the focus of priority filling of essential positions. All of these are directed at administrative rather than front-line services.

If we now move to part of the 2007-08 budget, a savings target of \$42.551 million was approved, which will increase to \$61.630 million in 2009-10, and as part of the 2007-08 budget process the government approved a range of savings initiatives relating to the Department of Health and health regions. Of the \$42.551 million savings targeted for 2008-09, we are projecting to achieve 13.7. Consolidation of after hours hospital services in CNAHS emergency surgical services has achieved a savings target of 1.022. Some administrative efficiencies in Country Health has picked up 1.020. The consolidation of paediatric and obstetric services at Lyell McEwin has saved 409,000. Country Health has achieved 5.5, predominantly through regional structures. There is 4.5 which we expect to get (we have not got it yet) through commonwealth revenue for the transfer of aged care beds. In relation to service delivery changes, the 2008-09 target is 13.6, but we are also unlikely to get all of those, and so it goes on.

The vast majority of these services are through administrative arrangements, which I have already said. In 2009-10, we are working on a range of savings across the board. I guess the details of that will be worked out as we progress through the year.

Ms CHAPMAN: With all those efficiencies, do you think that you can still achieve \$24.3 million extra even in the next three years?

The Hon. J.D. HILL: We get \$4 billion plus each year and 1 per cent of that is \$40 million. I would hope that any organisation which gets \$4 billion could make efficiencies—and this is increasing funding every year. We just need to find smarter and more efficient ways of doing things. I have to say that the department has been very skilful at identifying ways of doing things more efficiently. It is absolutely essential that we continue to do this.

The deputy leader made a claim at the beginning (which I have not checked) that our share of total government expenditure had fallen over the course of this year. I suspect she is wrong, but, nonetheless, I would hope she is right because, if we are able to reduce the proportion of spending on health compared to the total budget, that is a very good thing. That is my goal, because I want to ensure that the health budget is sustainable into the future, and that means that, if we can manage the growth in expenditure, we will be able to continue to deliver the full range of services to our population. If we cannot manage the growth in our budget and the budget for health continues to grow at a rate greater than general revenue is growing, eventually services will have to diminish.

We are very committed to making the system work more efficiently, and central to that, of course, is building a new RAH. The existing RAH is a very inefficient hospital. The new RAH will not only be bigger and better but it will be much more efficient, and that will generate savings of up to \$100 million a year. All these things are part of our goals.

Ms CHAPMAN: Minister, you mentioned that there have been some savings in Country Health. Your chief executive gave evidence to a committee of parliament last year that the \$31 million budget cuts for Country Health were still expected to be honoured. Is that on track? We have only a few days to go before the end of the financial year, but will that be achieved?

The Hon. J.D. HILL: That was not an annual figure but over the forward estimates. As I think I just went through, we are trying to make about \$10 million worth of savings in Country Health. Roughly half of that was through reducing quite dramatically the number of managers that we had in Country Health. I will give you more details. As part of the 2007-08 state budget, savings targets were applied to SA Health and savings initiatives of 35.7 were approved specifically for Country Health over four years—it is just under nine, I suppose, each year—between 2007-08 and 2010-11. These things are being achieved through administrative efficiencies. For example, the 44 country health units were managed by 28 chief executive officers. Now that we have Country Health as an entity, we have been able to reduce that into 12 clusters resulting in recurrent savings of 1.44.

In 2008, the commonwealth Department of Health and Ageing agreed to provide recurrent funding for 137 new residential aged care beds. They are beds that we were funding. The initiative will result in 5.5 million additional revenue in a full year. In relation to the 2008-09 outcomes, the \$1 million savings target for 2007-08 has been achieved recurrently; that is, the strategies undertaken to achieve the 2007-08 target result in the achievement of the 2008-09 and out years targets as well.

With the formation of Country Health SA with a single chief executive office, there have been opportunities to reduce the duplication of administrative overheads. This initiative reduced the number of middle management administrative positions by 25 in 2007-08. These savings have been maintained, thus achieving the 2008-09 and out years savings targets without any impact on the delivery of front-line services.

The consolidation of corporate services will achieve the \$10 million savings target from 2008-09 and \$30.7 million over three years; \$5.5 million of the \$10 million in the 2008-09 savings targets will be achievable. The achievement of \$5.5 million has predominantly been derived through changes in regional structures, which I have talked about. We have the adoption of consistent policies and procedures across all health units in the country, and a single operational structure has been introduced in finance and human resources. This has led to improved efficiency, and it is an immediate savings of \$5.5 million. The non-achievement of the \$4.5 million is primarily due to the delays in the receipt of the commonwealth revenue for the transfer of aged care beds, which I have referred to, but we are expecting that to flow into a full-year effect, so that will give us the \$10 million. I guess that basically covers it.

Ms CHAPMAN: The South Australian Ambulance Service cost recovery is identified over the next four years as totalling \$15.396 million. I note that you, minister, read out a number of other efficiencies that that service has actually achieved in the last couple of years. How is the \$15.396 million going to be achieved under the current budget (this is still on page 2.21)?

The Hon. J.D. HILL: As part of the 2009-10 budget, additional operating and investing expenditure authority was provided to the SA Ambulance Service for the continuation of service delivery reforms, specifically for the expansion of the roll-out of the 2008-09 pilot program relating to extended care paramedics and the introduction of mobile data terminals. In order to fund the 2009-10 continuation of services delivery reforms, fees associated with ambulance transport and ambulance cover (membership) will increase by 4.2 per cent for CPI, plus an additional 4 per cent.

In addition, the SA Ambulance Service fee structure will be revised to include the levying of a fee for the treatment of clients who are treated at a scene but who may not ultimately be transported to hospital. In the past, there was no fee for that, which seemed strange. So, that will provide sufficient revenue to cover the additional services that we want to put in place. The other thing that I would indicate is that breast screening mobile trailers are now being constructed and equipment is out to tender.

Ms CHAPMAN: I take it, minister, that the new specifications will be sufficient to accommodate the fact that the new digital equipment will be free of damage as a result of vibration. Was that your understanding?

The Hon. J.D. HILL: We would not be doing it if that were not the case.

Ms CHAPMAN: Excellent. I refer to page 2.22. Regarding the health and medical research institute, revised arrangements provide for an investment of \$8.67 million over the next four years. That is money coming back onto the balance sheet. Is that because you have made some state allocation for an institute as part of the new hospital development at City West and this is no longer required as a result of your getting the commonwealth funding?

The Hon. J.D. HILL: No. My understanding is that during 2008-09, the SA Health budget was adjusted to reflect the transfer of the health and medical research fund to the new South Australian health and medical research institute once it is established. So, the budget is being held in the department and it will be transferred to the new institute. In addition, the SA Health budget was adjusted to reflect the transfer research functions from SA Health to the new South Australian health and medical research institute once it is established.

Ms CHAPMAN: So, I assume the answer is yes.

The Hon. J.D. HILL: Sorry?

Ms CHAPMAN: That is, you are getting this money back onto the balance sheet. You are getting a credit back for it because the cost is now going to be absorbed by the new institute.

The Hon. J.D. HILL: No. Let me explain. We have set up a health and medical research fund. We did that first because we had approximately \$2 million a quarter coming into that fund from our share of the commercialisation of research primarily undertaken by Professor Hopwood. That fund was part of the government funds. Our intention is that this fund will be outside of government and will be the funding source, or our contribution to research in South Australia. We hope that, over time, that fund will grow quite substantially. As it has probably been mentioned to you through some of the briefings we have given you, we want the commissioners of charitable funds to manage that fund, so it will be an independently managed/held fund.

Ms CHAPMAN: So, the revised arrangements allowing you to bring this back onto the budget is the money that will come out of the fund as a distribution?

The Hon. J.D. HILL: I see what you are saying. I think this is the point that you are getting to. It is a hypothecated fund and, of course, Treasury has to agree to any expenditure. Once it has agreed to the expenditure, it comes into the budget papers. There are lots of funds of that order around the place. I think Zero Waste within the environment department was one. There is a highways fund. There are funds all over the place. The advice is that the two lines relating to it have to be read together. It is an accounting adjustment to reflect that the funding will be going into an independent institute.

Ms CHAPMAN: Correct. I think you are going to get about \$8.67 million back on the bottom line, but there has to be a payment out of \$25 million on the next line. I am talking over the next four years.

The Hon. J.D. HILL: As I understand it, we are accumulating about \$8 million a year in this fund.

I have to say that Professor Hopwood's research is outstanding. The benefit to this state from just that one research unit has been extraordinary, and we want to make sure that the benefits of that commercialisation go into the fund and are then able to be used to support other researchers. Hopefully, over time, other researchers will be able to commercialise their work, and a share of their commercialised benefits will go back into the fund, which will then help other researchers, and so it will accumulate over time.

Ms CHAPMAN: That is why I want to clarify this. On the face of it, read together, we have an income over the next four years of \$8.67 million, which reflects about \$2 million a year coming from the new fund.

The Hon. J.D. HILL: Two million and a quarter.

Ms CHAPMAN: And a quarter?

The Hon. J.D. HILL: Apparently, it is a technical point. I will ask Mr O'Connor to try to explain it.

Mr O'CONNOR: The transaction reflects, as the minister said, not only the revenue that is coming into the fund but also the transfer of expenditure authority which is related to the National Health and Medical Research Council funding which currently comes to SA Health, which will transfer to the new institute as well. So, the transactions there need to be read together, but they are shown as two separate lines.

Ms CHAPMAN: I appreciate that. That has made it absolutely crystal clear. I will move now to the Hampstead Rehabilitation Centre. This is part of the property that you have previously told the parliament is surplus to requirements, and I am paraphrasing there. This is now reflected in the \$7.2 million you expect to generate in the forthcoming year. How much of the land will be sold?

The Hon. J.D. HILL: I do not have those details with me, but I think that, at the time of the announcement, I made that plain. I am happy to get that information for you. I understand that it is about a quarter of the site.

Ms CHAPMAN: Does the government have any concern that, by disclosing that it is anticipated that an estimated \$7.2 million will be recovered from the sale of this site, you might be flagging to prospective purchasers the bottom line expected from the sale, such as in the case of other projects you have referred to that might be at risk if there is commercial disclosure of a contract, for example?

The Hon. J.D. HILL: I understand that LMC will conduct the sale, which I gather is usually by auction. I suppose it is like any other property owner who says what they expect to get for their property: the market will be created and it will determine the price.

Ms CHAPMAN: When we get to minister Lomax-Smith, I will see what she says about the property to be sold at Glenside. I will see whether she has the same answer.

The CHAIR: The member will return to the question.

Ms CHAPMAN: I will now move to the procurement activities, which has been referred to and which is \$44.1 million. You mentioned there that you anticipate savings from, I think, supply efficiencies and best practice technology. However, you also mention the consolidation of warehouses. At what sites does the government currently own warehouses?

The Hon. J.D. HILL: Once again, I will ask Mr O'Connor to answer that question.

Mr O'CONNOR: There are currently a range of warehouses that are located on most hospital properties. The majority of them are poorly fitted out and not sufficient for current best practice and supply chain practices. The revised arrangements will be to have a central warehouse, which will distribute directly to hospitals and to impress facilities within those hospitals.

Ms CHAPMAN: Where will the central warehouse be located?

Mr O'CONNOR: Currently, the distribution centre is located at Camden Park, in the old Supply SA warehouse.

Ms CHAPMAN: Am I to understand that this efficiency will be achieved as a result of your distributing on a sort of 'just in time' basis; that is, as the recipient health service or hospital requires it? Is that what will happen? You will not be storing it out on site?

Mr O'CONNOR: Not necessarily. The business model is being refined at the moment. There are items that are obviously critical in nature, and they will be located at individual sites or in individual areas. Other things will be delivered directly to impress, using current technologies. So, it will be a range of delivery service methods.

Ms CHAPMAN: Can you give me an example of what is in each category?

Mr O'CONNOR: About category, I am not sure.

Ms CHAPMAN: The ones that still have to be delivered or the others that can be done in a different way.

Mr O'CONNOR: The ones that will be delivered directly to impress will be a range of medical consumables that are high volume/low value items. However, it may be things which are particular to cardiac or orthopaedic theatres which need to be on site at that particular point in time. The other benefit really accrues from significant improvements in purchasing by—

Ms CHAPMAN: If I can interrupt the minister's adviser, before we leave the dispensing or distribution of equipment for hospitals and before we get to the procurement arrangements, do I take it that, at the moment, if you need a supply of swabs or some sort of medical equipment, they are just ordered in by a hospital site and they do not go through some central program? Is that what happens?

The Hon. J.D. HILL: I stand corrected if I am wrong but, in the past, I think that, with the various arrangements we had in place, every hospital would essentially have its own stock. There might be different contracts with suppliers, different arrangements in place and different ways of managing that stock. Sixty hospitals would have 60 different processes. You do not have to think about that for very long to realise that that is not best practice.

The advantages come from having standardised procurement prices, which is the point Mr O'Connor was getting to, so that you get the best price. However, I imagine you would also get some benefits through having standardised equipment, regardless of where you are. The Ambulance Service, for example, is fantastic because, whichever ambulance station you go to in the state, any officer would be able to work that system perfectly because everything is identical; that is, they have the same drugs, the same equipment and the same protocols, and they can work very efficiently. I guess you get those kinds of benefits in the longer term as well. They are clearly some thing like loaves of bread, bottles and cartons of milk that you would still need to get locally.

Ms CHAPMAN: Is it the understanding that as part of the best practice that offering for statewide tender of services will still be open to everyone, or will there be a new tender regime that requires that only limited tenderers are able to apply? Is there a limitation on the tender entitlement?

The Hon. J.D. HILL: The State Procurement Board has a policy that we will comply with. I cannot tell you precisely what it is. It will be as open as it possibly can be. The greater the competition the greater the price advantage. The goal in doing this is to run these services as efficiently and cost effectively as we can, and we will not exclude people if it can help us achieve that.

Ms CHAPMAN: It will save money which may be a good thing. A procurement process will be initiated through the State Procurement Board rules: is that the minister's understanding?

The Hon. J.D. HILL: Essentially. An interim supply model will be implemented as of 1 July this year, involving the SA Health central distribution centre becoming the main supplier to existing warehouses across SA Health sites, and they will operate within the rules of the State Procurement Board. During 2009-10 the full supply chain service model will be developed and will cover supply to all SA Health customers. The full supply chain service is based on the premise of supplying goods to SA Health stockrooms and those stockrooms being managed as part of the single supply chain service across SA Health.

In line with an increased focus on whole-of-health contracting, tenders will be called for linen services, IV fluids, renal consumables, surgical procedure packs, office stationery and general medical consumables. Regional hospitals will continue to engage the service of local providers, for example, builders, plumbers and so on, and will be permitted to purchase, outside of selected state-wide contracts, goods where local industries are in existence, such as foodstuffs—meat, poultry, smallgoods, fruit and vegetables—and where value for money can be demonstrated.

Ms CHAPMAN: What about cleaning equipment? This issue is alive out in the country on the West Coast, for example, where a contractor is complaining that there will be a serious problem because of the support they currently provide to a number of local hospitals on the West Coast. I am sure you are aware of the case.

The Hon. J.D. HILL: I understand that there will be local suppliers who have been in an arrangement with a local hospital and are concerned that the suppliers may come from elsewhere. It may well be, but if it costs more to get it locally than centrally, why would we want to get it locally?

Ms CHAPMAN: The answer is simple, that is, that they provide a different service from that which would be available from a central warehouse. That is their argument, although it may not be right.

The Hon. J.D. HILL: Without getting into a debate with the member, I will try to answer the question. This is about trying to get the best service for the best price in each location, and there is capacity for flexibility where we can achieve that. We will not be hidebound or ideological about this. It is trying to get the best consumable or service for the best price. Dr Sherbon may amplify it.

Dr SHERBON: Where we can achieve statewide savings, usually in high volume, low complexity goods—cleaning fluids would be one—we will almost certainly be able to secure significant savings through a statewide process. We have said publicly to local suppliers that, if they can better those arrangements, then all power to them. Early evidence is that we can make savings of well over 20 per cent and up towards 50 per cent in some cases through statewide procurement. As the minister said, for inherently local contracts, such as maintenance and tradespersons' supply, fresh fruit and vegetables and foodstuffs, then there will be little advantage in a statewide contract on account of freighting costs, and in the case of tradespersons' labour transfer costs, so local service provision will prevail in those circumstances. In your example of cleaning fluids, it is almost certainly likely to be a statewide contract.

Ms CHAPMAN: That type of product provision will be entirely determined on price and what can be achieved by bulk acquisition rather than issues as to availability to service equipment, dispensers and those sorts of things?

The Hon. J.D. HILL: There is no point buying products that cannot be used. You can chase this around in ever-decreasing circles of complexity, but the principle is that, if we need X number of product A across the state in 50 or 60 locations, it is cheaper to buy them through a central procurement service and distribute them where they are needed. If they need another product, we will buy however many bits of that product that are needed. We will not do things that are not logical. With regard to the question about the land at Hampstead, I am advised that it is 36,000 square metres.

Ms CHAPMAN: In relation to the procurement, I understand what you are saying. To ask it another way around, if the cleaning product is able to be purchased significantly cheaper, it raises the question that it may also need to be used in the hospital. Who will provide that service?

I suppose what I am asking is: will there be some level of flexibility? If it is not viable for someone to be out in a country region, for example, to do the cleaning service if they have not already got the contract to buy the product, you will not have someone to use it. Do you see my point? Is that what you mean by having some flexibility?

The Hon. J.D. HILL: I see your point but it is a point based on a misunderstanding of what we do in terms of cleaning in the country. The advice I have is that, by and large, cleaning in country hospitals is done in-house. It is not done through a contracted arrangement but by people who are paid by the health service to be cleaners, and they use the equipment and products that are provided by the hospital for that purpose. There might be some exceptions but generally that is the case. Cleaner A must clean hospital B and use the product that is provided for that purpose.

I can understand the point that, if you have a contracted service to have cleaners providing services outsourced in some way, how they do it and what products they use is obviously part of the contract of service and that may be procured. If, for example, all the cleaning in country South Australia was done on a contracted basis, I suppose that one option would be to have a general tender, and a number of companies might come forward and say, 'We'll clean all your hospitals for you for this amount of money', but we do not do it that way.

I suppose it would be possible for Spotless, or one of those kinds of companies, to say, 'We'll clean all your hospitals' and then go out and hire staff locally, but then it would have difficulties in managing them locally. We have managers who can manage. Mount Gambier might be an exception. There might be one or two exceptions—probably the bigger centres.

Ms CHAPMAN: One of the concerns raised about this new system is that companies, such as Spotless (I identify that because it happens to be one of the few I know; I am sure that it is a very reputable company), already provide services in this field to major metropolitan hospitals. They are under significant contracts; they have to tender for them, etc., and they are very large contracts. One of the concerns raised with the opposition is that for the smaller operators in regional South Australia there is absolutely no way they can compete with a major company that may in fact offer to provide some regional services for free to enable them to secure a contract at a statewide level or, in particular, to secure a much more lucrative opportunity at one or more major metropolitan hospitals.

If XYZ company at Ceduna is trying to compete with a company such as Spotless under the state procurement board rules, to be frank, I would not think it would have a hope.

The Hon. J.D. HILL: That is all hypothetical. The point I make is that most of these cleaning arrangements are in-house. We think that Mount Gambier might be subject to a contract, and there might be one or two others around the place. I have just checked and Country Health tells me that all cleaning services are in-house. Maintenance services are contracted at Port Augusta and Whyalla, but the rest of them are in-house. What we are talking about is the fact that the equipment used by the cleaners in our hospitals would be provided through a central procurement agency rather than the cleaners going down to the local department store or supermarket and buying whatever products they need themselves.

We will be able to get them, as Dr Sherbon said, 20 to 50 per cent cheaper because we buy them in bulk directly, I guess, through the warehousing arrangements rather than through the retailers.

Ms CHAPMAN: Perhaps the example is too narrow. I go back to the West Coast example of which I am sure you are aware, and, I think, submissions have been put to the government on this issue. It is not only a cleaning product that is provided to a number of West Coast hospitals but also the toilet paper and the paper towel disposable content which is placed in them and which is serviced and maintained. The dispenser itself might be broken and fixed by the local provider. The concern is that if this is all sent in a truck from Adelaide there is no-one out there to do that.

The Hon. J.D. HILL: Do what?

Ms CHAPMAN: Fix up the dispenser that might hold the disposable paper towels.

The Hon. J.D. HILL: I think that the deputy leader is misunderstanding. The majority of maintenance is done at a local level. If the toilet roll dispenser breaks, it will be replaced or fixed by someone locally. What goes in the dispenser, of course, is the toilet rolls, and we will purchase

them in bulk at the cheapest price we can and supply them as frequently as they are needed. We think that by doing this we will make savings.

We are talking about things that are inherently local, such as maintenance services involving a builder or a plumber. We will not have a contract with ABC Plumbing to provide ad hoc plumbing services to hospitals across the state. Locals will still be able to do that. Perishables, food stuffs, meat, poultry, smallgoods, and so on, can be purchased locally as well. I understand that local communities think, 'Well, this is money that is not being spent in our community', but the money we want to spend in their community is on health services, not on the purchase of toilet paper.

If we can save money in these areas we will not have to make savings in the area of service delivery. We are here to try to provide health services to people in the country. People in the country tell me they want more health services and I want to provide more health services to them, but we cannot do everything. If it is a balance between an extra nurse and the purchase locally of toilet paper and other matters, I would rather go for the extra nurse.

Ms CHAPMAN: I refer to Budget Paper 3, page 4.6. Minister, this budget paper indicates \$64 million less for the 2009-10 year than the previous year that will come from the federal government specifically for SPPs. Will you identify the total revenue receivable from the commonwealth in each of those financial years and the estimated total income for 2010-11 and 2011-12 pursuant to the national health agreement?

The Hon. J.D. HILL: Yes, that is relatively straightforward. The 2008-09 estimated result was \$1.077 million, and the budget for this year is \$1.013 million. The difference is made up primarily of two matters. I do not have the detail, but I am happy to get it for the member. One is the commencement of the HPV vaccine, which is an ongoing program, but there was a one-off commitment to cover the backlog so that a whole range of girls and young women were given the vaccine. That was a one-off amount.

Secondly, we received money from the commonwealth for the Elective Surgery Strategy, which was a backlog amount as well, and that was to get the long waits down. We have achieved that, and now we go onto a more maintenance based funding arrangement for both those areas, which will allow all the new girls coming of age to get access to the vaccine and the elective surgery to be maintained. That is the essence of it.

Ms CHAPMAN: Was all the elective surgery money spent on time or pursuant to the requirements of the commonwealth?

The Hon. J.D. HILL: Yes, indeed. We did remarkably well in South Australia, and I will find the figures for the member. Elective Surgery Strategy funding for 2008-09 (commonwealth allocation of \$13.6 million through stage 1) was directed towards overdue patients and to improve wait times. A further \$8.1 million, of which \$3.1 million was allocated in 2008-09, has been committed by the commonwealth, under reduction of waiting list stage 2 funding over 2008-09 and 2009-10, to support infrastructure development for elective surgery to sustain activity.

In the 2008-09 year to date, May 2009 performance, the commonwealth released an additional \$13.6 million during 2007-08 and 2008-09 to undertake an additional 2,262 procedures in 2008; \$8.5 million in 2007-08; and \$5.1 million in 2008-09. Metro hospitals achieved 2,578 additional procedures and country hospitals an additional 618 procedures, which is a total of 3,196 procedures achieved in 2008, thereby exceeding the target.

A total of 37,389 (excluding almost 3,000 procedures undertaken at Noarlunga. We have excluded Noarlunga, and we are bringing that into the calculations from this year) or 98.4 per cent of the target (38,000 procedures) have been undertaken as of 31 May this year. This is 2.6 per cent (938) more procedures compared with the year-to-date figures as of 31 May the year before. It is anticipated that approximately 41,000 procedures (excluding Noarlunga, which will be another 3,000) will be undertaken for 2008-09, which is 2.5 per cent more than in 2007-08.

As of 31 May 2009, there has been a reduction of 89.6 per cent in the number of patients waiting longer than 12 months for surgery, from 614 at 31 May to 64 at 31 May this year. So, that is over the course of 12 months. As at 31 May 2009, there were 330 overdue patients (excluding 14 at Noarlunga) waiting for elective surgery. This is an improvement of 77 per cent in the reduction of overdue patients when compared with 30 June 2007.

A further reduction of approximately 180 in overdue patients is anticipated by the end of this financial year, with an estimated result in 2008-09 of 150 overdue patients. This will result in an improvement of 90 per cent in overdue patients when compared with June 2007.

Strategies to address capacity constraints and other risks associated with undertaking timed elective surgery include opening additional theatres, operating on weekends and evenings, opening additional beds to accommodate extra activity, recruiting additional staff, funding theatre equipment to increase efficiency, throughput of the number of patients treated, transferring patients between hospitals with the capacity to treat and so on. I could go on for ages, but I will not. This has been an extremely good set of outcomes, and I am advised that we used every single cent we were given plus some.

Ms CHAPMAN: The second half of my question related to the total revenue received, on the basis that obviously there are the special purpose payments (and you have explained why there has been a reduction this year, having accommodated the one-off payment), which is separate from the SPPs from the commonwealth in each of those financial years. I am happy for you to take that question on notice.

The Hon. J.D. HILL: I am happy to give you all that information. There has been real growth in funding from the commonwealth. As I said at the beginning, there has been real indexation of 7.3 per cent, which is much better than the 5 per cent under the former government. We always want more, but we think that this was a very good first demonstration of the terrific partnership between the commonwealth and the states in fixing the health services in our country.

Ms CHAPMAN: Under the National Health Care Agreement, I note that there are certain obligations for the reporting of data and performance indicators; one of them is the provision of information on golden staph infection in hospitals. As I understand it, under the current arrangements, records are kept from a number of selected hospitals (I think 10 or so) to keep an eye on this issue in the state. Now that this becomes a performance requirement of the commonwealth, is it your understanding that all hospitals will have to keep a record of golden staph infection?

The Hon. J.D. HILL: That is the advice I have, yes.

Ms CHAPMAN: Is it the proposal of the government to accommodate that requirement that a golden staph infection will become a notifiable disease?

The Hon. J.D. HILL: We will comply with all the requirements that the commonwealth and the states have agreed to in terms of reporting. Some of them are quite onerous and will require some build-up of capacity in the system over time. I am not sure about it becoming a notifiable disease.

Dr SHERBON: Golden staph, *Staphylococcus aureus*, is an extremely common bacterium; every pimple, every infected wound and every person in Australia would have it at some point. If you are talking about multi-resistant *Staphylococcus aureus*, I would have to check with our communicable diseases staff, but we certainly track its occurrence in hospitals. Hospital acquired infections are very closely monitored.

Ms CHAPMAN: Now that you have this new onerous requirement, I hear the minister and I am sure you will be using your best endeavours to comply with the commonwealth requirement but, as this a new and extra requirement, is it your intention that it will be a notifiable disease to ensure there is compliance with that?

The Hon. J.D. HILL: I seem to recall that the deputy leader proposed this some time ago, and I think the point Dr Sherbon made amply explains why that would be like having something as basic as the common cold or dandruff being made a notifiable disease; it is so universal that the whole system would not cope. We need to make sure that in hospitals where it is detected it is reported, and that is what we will focus on, but knowing whether or not a pimply teenaged boy has it is neither here nor there.

Ms CHAPMAN: A bit like influenza, I suppose.

The Hon. J.D. HILL: No; it is not like influenza; that is not true.

Ms CHAPMAN: What I am putting to you, minister, is that Dr Sherbon has made very clear about where it is a MRSA developed condition and it is identified in the hospital. Given this agreement where minister Roxon has now imposed on us—amongst other things—the requirement to report, how can you be sure, unless it is a compulsory notification, that all hospitals will actually report a MRSA case in their hospital? Will it be a condition of compliance or some other way?

The Hon. J.D. HILL: Let us go through the claims the deputy leader has made. First, she said that minister Roxon has imposed it on us. This is not the case: this is an agreed set of matters that will be measured and reported on, and there is a whole range of matters which will be

measured and reported on and which the states and commonwealth have agreed upon, so it is not imposed.

The second issue is that the requirement is to report on its incidence in hospitals, not in the broader community, so why would you make it reportable in the broader community? You want to know its incidence in the health system, and the health system is expert in tracking and managing this matter. That is what we will do, and that is where we will focus our resources. There is no point in doing it in the broader community.

Ms CHAPMAN: I will read the omnibus questions into the record. These will conclude my questions.

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 2007-08 for all departments and agencies reporting to the minister, listing the name of the consultant and contractor, cost, work undertaken and method of appointment?

3. For each department or agency reporting to the minister how many surplus employees there will be at 30 June 2008, and for each surplus employee what is the title or classification of the employee and the Total Employment Cost (TEC) of the employee?

4. In financial year 2006-07 for all departments and agencies reporting to the minister what underspending on projects and programs was not approved by cabinet for carryover expenditure in 2007-08?

5. For all departments and agencies reporting to the minister what is the estimated level of under expenditure for 2007-08 and has cabinet already approved any carryover expenditure into 2008-09? 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 also as a sub-category 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 2008; and

(ii) Between 30 June 2007 and 30 June 2008, will the minister list 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 2006-07 and 2007-08 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 and the purpose of the grants and whether the grant was subject to a grant agreement as required by Treasurers Instruction No. 15?

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

That concludes the questions I have of the minister, and I thank him and his advisers for their attendance.

The CHAIR: There being no further questions and the time having lapsed, I declare the examination of the proposed payments in the Health portfolio (\$3,272,016,000) adjourned to Estimates Committee A on 30 June. Thank you, minister, and thank you to your advisers.

The Hon. J.D. HILL: I thank the opposition and my committee members.

DEPARTMENT OF PLANNING AND LOCAL GOVERNMENT, \$18,002,000
ADMINISTERED ITEMS FOR THE DEPARTMENT OF PLANNING AND LOCAL GOVERNMENT,
\$2,215,000

Departmental Advisers:

Mr K. Pugh, Acting Director, Office for the Southern Suburbs.

Mr A. McKeegan, Acting Manager, Finance, Department of Planning and Local Government.

Mr J. Hanlon, Deputy Chief Executive, Department of Planning and Local Government.

The CHAIR: I declare the proposed payments open for examination. I refer members to Portfolio Statement, Volume 1, Part 4. Minister, do you wish to make an opening statement?

The Hon. J.D. HILL: If I may. The state government coordinates a whole-of-government approach to the southern suburbs through economic, social and environmental projects. We work with a range of key stakeholders, including the cities of Onkaparinga and Marion, the Southern Adelaide Economic Development Board, Flinders University, local business, and state and federal government agencies.

The Office for the Southern Suburbs is a catalyst in this process, working closely with each of the stakeholders. This year, the office engaged in a range of activities and programs that are helping to shape the future of the southern suburbs. For example, the 30-Year Plan for Greater Adelaide will provide a framework for the future growth and development of the metropolitan region. It is being approached at a regional level and the Office for the Southern Suburbs has been closely involved with the work to develop the Subregional Plan for Southern Adelaide and in liaising with local government stakeholders.

The office attends meetings of the Southern Adelaide Economic Development Board and works to further the board's priorities for the region's industrial development. For example, the office was instrumental in promoting the establishment of the Medical Devices Partnering Program, which I launched on 21 July last year. This program, which has received over \$1 million of state government support, focuses on finding solutions for clinicians, the ageing and the disabled and assists the development of prototypes and the potential of products to be brought to market.

Furthermore, the office has worked with the Southern Adelaide Economic Development Board and DTED on the board's development of a regional cleantech strategy. This reflects the government's own aspirations for the region as the focus for a cluster of clean technology industries—in particular, Mitsubishi's Tonsley Park site.

In immediate response to the closure of Tonsley Park, the state and federal governments introduced a package of support that included two funds aimed at developing innovative capacity in industry. These are the Small Business Development Fund, aimed at small and medium business in the south, and the South Australian Innovation and Investment Fund for which larger enterprises across South Australia are eligible to apply.

To date, a total of \$18.2 million has been awarded to companies under these two schemes, generating up to 628 full-time equivalent jobs supporting capital projects worth almost \$79 million in South Australia, of which around \$39.5 million—exactly 50 per cent of the total—will be in southern Adelaide.

In another response following the Mitsubishi closure, I established and chaired the Southern Suburbs Coordination Group which meets regularly. This group has provided me with a regular forum for engaging with key stakeholders and driving actions that will make a difference in the south. The Office for the Southern Suburbs provides executive support to the forum. These are examples of the types of activities where the Office for the Southern Suburbs has helped us to steer the direction for the south.

In closing, I thank the staff of the office for all their hard work this year, particularly Penny Crocker, who has left the office. She was 'pinched' by Flinders University to provide liaison support between the university and the southern community, which I think was an excellent decision by them; they chose a terrific person to do it. I also thank the other office staff and those within the agency who support the office. Of course, next year we will continue to focus on facilitating collaborative regional approaches in the great southern suburbs.

The CHAIR: I invite the lead speaker for the opposition, if he so wishes, to make a statement.

Mr PENGILLY: I have just a few brief words. I note the minister's comment that Penny Crocker has moved on. Penny was not here last year because she was ill and this year she is not here at all, either. I acknowledge the work that Penny did. She was always very good if you needed to know anything. I am glad she has gone on to greener pastures, so to speak.

I also note the minister's comments in relation to the communications of the Office of the Southern Suburbs down through the south. It is somewhat different to the message that the opposition is receiving from down there. However, I will not ask him to justify each and every one that he has talked about. We follow the southern suburbs with a great deal of interest. It is a moving feast down there and it is a challenging area. It is an area where people are most comfortable living and they do not want to go anywhere else. They want to stay in the south and work in the south. That is the way things are. They do not see themselves as having any connection with the northern suburbs and they rail at the idea of potentially having to go there in order to work, or whatever. We do follow the activities of the south with interest. With those few words, I am happy to move on to questions.

I refer to Budget Paper 4, Volume 1, page 4.10 and to the summary income statement program 2, expenses of supplies and services. Can the minister provide an explanation and breakdown of where the extra \$12,000 is allocated within supplies and services—that is, general supplies and services and consultant expenses—and what firms will get this funding?

The Hon. J.D. HILL: The question is related to the supplies and services line.

Mr PENGILLY: Yes; Budget Paper 4, Volume 1, page 4.1 and the summary income statement program 2, expenses of supplies and services.

The Hon. J.D. HILL: Yes; it is \$117,000. Is that what you are referring to?

Mr PENGILLY: Yes.

The Hon. J.D. HILL: That amount relates to the office supplies and services, including accommodation, telecommunications, staff training and development. They are just the on-costs of having staff. As you may recall, we stopped renting a specific building a year or so ago and now the officers who work for the southern suburbs hot desk are either down in the southern suburbs or in the city. They are just the on-costs associated with having officers who need a place to sit to do their work, essentially. There are no consultancies or anything of that order.

Mr PENGILLY: I refer to Budget Paper 4, Volume 1, page 4.10 and the summary income statement program 2, expenses of employee benefits and costs. The employee benefits and costs have been raised by \$1,000 for the southern suburbs portfolio. Can the minister advise the committee of the total employment costs for this portfolio, including salaries and wages, superannuation contributions, annual leave and fringe benefits?

The Hon. J.D. HILL: We basically employ two full-time equivalents. For the 2009-10 budget, employee benefits and costs will be \$258,000, so it is a slight increase. The explanation for why the increase has been so small is that there was a period when there was a vacancy in the office while the previous incumbent as director was not there—she moved on to a new job. It is really just to pay the costs of two full-time equivalents. I am not too sure how much detail the member really wants us to provide, but that is what it is for—to employ two staff.

Mr PENGILLY: I refer to Budget Paper 4, Volume 1, page 4.10, the summary income statement, program 2, expenses, grants and subsidies. Can the minister outline why the southern suburbs portfolio is losing \$5,000 in grants and subsidies; what projects are likely to miss out on these government funds; and why that has been reduced?

The Hon. J.D. HILL: We had \$20,000 (I think) last year. The office does not have a specified grant program. As minister, I can reallocate funds between supplies and services and grants, if an appropriate grant is identified. To date, the following support payments have been identified: \$7,000 on up-front costs for July 2009 business innovation forum; and \$2,500 sponsorship to engage sector stakeholders in a workforce planning implementation workshop which took place in July last year. We put in \$500 sponsorship towards the 2008 Fleurieu Folk Festival.

The \$5,000 reduction is an amount of money which was in grants and subsidies but which is now in supplies and services. It has just been moved into a different line, but there is flexibility there if we need it for a particular purpose. We do not run a grants program and I do not want to

give the impression that we do, because there are too many people who want money, but it is good having a little money around to stimulate the odd event which is worthwhile.

Mr PICCOLO: I draw the minister's attention to Budget Paper 4, Volume 1, page 4.10. Could the minister advise the committee what role he envisages the Tonsley Park site playing in the future of the southern Adelaide region?

The Hon. J.D. HILL: Yes, I am very happy to do that. I thank the member for his interest in the southern suburbs.

Mr PICCOLO: You take an interest in my area and I take an interest in yours.

The Hon. J.D. HILL: That's true. It does take me almost two hours to visit his area when I come from my home. I am always happy to go there, especially on a dark winter's night. The government has quite strong ambitions for this site. However, the land is owned by Mitsubishi and so the ball is definitely in their court at the moment, but potentially this site could make an enormous contribution to the long-term development of the southern Adelaide economy. Where northern Adelaide has the electronics and defence industries, the government aims to establish the south as the home of clean-tech industries in South Australia.

Clean-tech refers to knowledge based industries which generate revenue and increase productivity while reducing environmental impacts. Examples are renewable energy, energy efficiency, recycling, smart manufacturing, water conservation and treatment, biotechnology and nanotechnology. Development of these types of industries in the southern suburbs not only supports climate change adaptation and mitigation but also creates sustainable jobs and new investment opportunities for the region and, indeed, for the whole of the state.

As a launch pad for this, the government would be interested in developing a suitable site, preferably in conjunction with private sector partners, which could then attract a cluster of organisations to this sector. This could potentially play host not only to advanced manufacturing but also research, testing, trialling and various educational activities. We have certainly spoken to many people and many companies—not only prior to the global financial crisis but also since that time—who were very interested in being part of such a site. The Tonsley Park site, of course, would be ideal for this kind of development, being 64 hectares of very well-positioned industrial land close to transport corridors and the city centre and of course the university and other facilities.

We obviously have been in discussions with Mitsubishi about the potential purchase of the site. They have said to me that they want a fair market price and, of course, market prices by their very definition are neither fair nor unfair: they are what they are. We are prepared to pay a fair market price for it, and we would hope that Mitsubishi would agree to that. In terms of where things stand at the moment, Mitsubishi has conducted extensive environmental testing and is reviewing options for the sale of the site. The South Australian government has previously expressed non-binding interest in purchasing the site subject to conducting further due diligence and with a preference for a partnership or involvement with the private sector.

The current financial market environment is not exactly conducive at the moment to the sale of an extensive industrial property such as Tonsley Park, and Mitsubishi has not made a final decision on the sale or future disposal of the property, nor have they established a definitive time frame for such a decision. Nonetheless, the government continues to set out its position on the future of the land. It was with this in mind that I led a small delegation to Tokyo in May this year to discuss the site's future with senior Mitsubishi officials and, following on from that meeting, we will continue to work with the firm with the aim of achieving both their and our objectives.

I strongly believe an outcome is possible that will deliver the right strategic economic development outcomes for the state while achieving for Mitsubishi an acceptable commercial solution as well as a positive legacy for the company in South Australia. I know from my electorate where many former Mitsubishi workers live that they would want to see a positive way of commemorating that Mitsubishi existed in this state for many years.

Membership:

Dr McFetridge substituted for Ms Chapman.

The Hon. S.W. KEY: Unlike the member for Light, I actually do represent a seat that is in the south-west of the city so the Southern Suburbs portfolio is of great interest to me. However, I

would also like to ask a question along the lines of the question that the member for Light has already asked.

Mr PICCOLO: My question was so incisive, you see.

The Hon. S.W. KEY: Yes, the member for Light's question was so incisive. I just want to change my tack slightly, but I also refer to Budget Paper 4, Volume 1, page 4.6, and I wonder, minister, whether you could advise this estimates committee on how the Southern Suburbs Coordination Group has become a forum for facilitating regional development in the southern Adelaide metropolitan region.

The Hon. J.D. HILL: I certainly can. It is a powerhouse, I have to say, of intellect and energy. We brought together key players at the time that Mitsubishi closed, and I knew that local councils from Marion and Onkaparinga both wanted to be involved in thinking through the response to that closure. We also had, of course, a range of government agencies that were involved: DTED, DTEI, DFEEST, Planning and Local Government, DFC, the Land Management Corporation and, of course, the Flinders University, the Southern Adelaide Economic Development Board and the federal government's Department of Education, Employment and Workplace Relations.

We got a whole range of key people together to work through this matter. The first issue, of course, was what to do to help people who had lost their jobs, and the commonwealth and the state jointly formed a package that has been made available so we looked at how that package is being expended.

We also then started looking at the land and what might happen on the land, and then we started thinking about other issues that might be of benefit for the southern suburbs: industries such as the water industry, the need for broadband, the impact of the 30-Year Greater Adelaide Plan, and so on. This has been a really good forum to bring together key players involved in planning and thinking about the South's future.

Mr PENGILLY: I refer to Budget Paper 4, Volume 1, page 4.10, summary income statement, program 2, expenses, grants and subsidies. Can the minister outline how this budget cut is structured to develop the regional strategies of southern Adelaide economically, socially and environmentally?

The Hon. J.D. HILL: Well, I would dispute that there is a cut. We have a very small budget, but it has not been cut. As I said before in answer to your previous question, I think, the budget for grants and subsidies appears to have gone down and, collectively, the amount budgeted for supplies and services and grants and subsidies has gone up by 5.1 per cent. So, in fact, there is no reduction in there; it is just in a different line. We can transfer it between lines if the money is available and there is a demand, but I do not want to create the impression that we have a big grants and subsidies line. Sometimes things come up, and it is just sensible to have a bit of cash there which can be used to stimulate some activity.

This office is not a great big player in the scheme of things. It is to try to get better coordination of state, federal and local government services and service providers and planners to create better links so that outcomes are improved. That is what we do with very little resource but we now have access to, of course, the Department of Planning and Local Government. Having the office in that new agency has, I think, been very helpful, because we are connected to a whole range of resources and capacity—without having to have budget lines for them—which we can draw on for the benefit of the south. So, I am very pleased with the way it is going, and I am really very grateful to the officers who work within it.

Mr PENGILLY: I refer to Budget Paper 4, Volume 1, page 4.11, program performance information, performance commentary at paragraph 10. Can the minister explain and break down the financial support that the state government provided to establish the 2009 Southern Adelaide Innovation Forum, and will the funding continue next year?

The Hon. J.D. HILL: It was a one-off amount, and I have already indicated that there was a \$7,000 upfront cost for the forum. The forum is in July this year, so it is yet to be held, but I understand that the grant has been provided to allow them to do the planning and whatever they are required to do.

Mr PENGILLY: Part of this question was answered in answer to one of the government members. I refer to Budget Paper 4, Volume 1, page 4.11, program performance information, performance commentary, paragraph 1. Can the minister outline the executive support that has been provided to the Southern Suburbs Coordination Group and how this has benefited the 25 per cent of Mitsubishi workers who still remain unemployed?

The Hon. J.D. HILL: As I said to you, the Director of the Office of the Southern Suburbs provides the executive support. The coordination committee has the responsibilities that I have outlined. The direct benefit through the application of the two funds that have been established I think is highly measurable and, as indicated, a large percentage of those people who lost their jobs at Mitsubishi have now found employment. One of the particular outcomes was the establishment of a small business fund, which has been available only to businesses in the southern suburbs. That is very much a direct outcome of having that kind of coordination process. It was felt, particularly by the councils in the south, that, in the past, when the Lonsdale site was closed, a lot of smaller businesses in the south were just not able to apply for funds because they were too little, so we needed a smaller fund.

One of the pleasures I had was launching the expansion of one of those businesses which makes renewable energy powered gates—Hydragate. It is a company which I refer to the member, and I suggest that he might like to visit it. It is a small company with a couple of guys who have quite good skills in engineering. They have developed a unique set of products for rural communities to allow gates to be opened and closed automatically.

One of their mentors (I think the father of one of the guys) is John Chappel, whom you might recall from the Pastoral Board. They got me down there a little while ago. They got some of their money from this program. If it had not been for this program then, of course, there would not have been this expansion. That is an example.

There were six full-time jobs created—relatively little, but it is the kind of technology and the kind of company which you can tell by just talking to the guys and looking at what they do has great potential to expand. I think that is one of the very positive outcomes. If we had not had that fund and we did not have the group that suggested that fund, then those guys would not have got the job and that company would not have been able to expand, so I guess it is a good example of how it is working.

Mr PENGILLY: I have no further questions.

The CHAIR: There being no further questions, that ends our session with the Minister for the Southern Suburbs. Thank you, minister; thank you members. I now declare the examination of the proposed payment adjourned until 29 June.

At 21:12 the committee adjourned until Friday 26 June 2009 at 10:15.