

**HOUSE OF ASSEMBLY**  
**Thursday 7 October 2010**  
**ESTIMATES COMMITTEE B**

**Chair:**

Mr T.R. Kenyon

**Members:**

Ms F.E. Bedford  
Mr J.A. Gardner  
Mr T. Piccolo  
Mr D.G. Pisoni  
Ms R. Sanderson  
Mr A.J. Sibbons

*The committee met at 09:02*

**DEPARTMENT OF EDUCATION AND CHILDREN'S SERVICES, \$2,196,172,000**  
**ADMINISTERED ITEMS FOR THE DEPARTMENT OF EDUCATION AND CHILDREN'S**  
**SERVICES, \$200,674,000**

**Witness:**

Hon. J.W. Weatherill, Minister for Education, Minister for Early Childhood Development.

**Departmental Advisers:**

Mr G. DeGennaro, Acting Chief Executive, Department of Education and Children's Services.

Mr C. Bernardi, Director, Finance and Investing, Department of Education and Children's Services.

Dr P. Kilvert, Chief Executive, SACE Board of South Australia.

**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 changeover of departmental advisers. I ask the minister and the lead speaker for the opposition if they could indicate whether they have agreed on a timetable for today's proceedings and, if so, provide a copy to the chair. Minister, have you agreed on a timetable?

**The Hon. J.W. WEATHERILL:** I think we do have agreement, in a general sense—a fluid agreement.

**The CHAIR:** Excellent; the very best sort. Changes to committee membership will be notified as they occur. Members should ensure the chair is provided with a completed request to be discharged form. The chair reserves the right to refuse. If the minister undertakes to supply information at a later date, it must be submitted to the committee secretary by no later than Friday 19 November 2010. This year the *Hansard* supplement will contain all estimates committee responses, and it will be finalised on Friday 3 December 2010.

I propose to allow the minister and the lead speaker for the opposition to make opening statements of about 10 minutes each, but would prefer if it was less. There will be a flexible approach to giving the call for asking questions, based on about three questions per member, alternating each side. Supplementary questions will be the exception rather than the rule. A member who is not part of the committee may, at the discretion of the chair, ask a question. Questions must be based on lines of expenditure in the budget papers and must be identifiable or referenced.

Members unable to complete their questions during the proceedings may submit them as questions on notice for inclusion in the assembly *Notice Paper*. There is no formal facility for the

tabling of documents before the committee; however, documents can be supplied to the chair for distribution to the committee. The incorporation of material in *Hansard* is permitted on the same basis as applies in the house; that is, it is purely statistical in nature and limited to one page in length. All questions are to be directed to the minister, not the minister's advisers. The minister may refer questions to advisers for a response.

I also advise that, for the purposes of the committees, television coverage will be allowed for filming from both the northern and southern galleries. I will now proceed to open the following lines for examination. I declare the proposed payments open for examination and refer members to the Portfolio Statements, Volume 3, Part 9. This is the Department of Education and Children's Services: \$2,196,172,000 and Administered Items for the Department of Education and Children's Services: \$200,674,000. I call on the minister to make a statement, if you wish, and introduce your advisers.

**The Hon. J.W. WEATHERILL:** If I might begin with a brief opening statement concerning both the SACE and administrative items which have been opened for examination. As honourable members would be aware, the SACE Board is overseeing the transition to our new secondary school certificate, which will culminate next school year in the graduation of the first students to complete the new certificate.

The more rigorous South Australian Certificate of Education will ensure that for the first time students are leaving high school with minimum standards in maths and English. Year 12s will be better prepared for further study, having been through high school courses that better plan their preparations for work and further education through detailed personal learning plans. Similarly, with the new focus on learning research skills, students will be better prepared for taking the next step into university and, indeed, preparing them for the world of work.

The state government will build on the \$54.5 million initial investment to implement the new SACE by investing extra funds in this budget, totalling \$16.4 million over four years, to upgrade information, technology and data management systems to support the new SACE and to strengthen assessment and moderation activities. Like all changes, there will be concerns raised and issues to be addressed as the new certificate is awarded for the first time. Indeed, there will be similar issues to work through as the new national curriculum is implemented.

We approach these changes in the knowledge that students have more choice than ever before when it comes to tailoring an education to suit their work and life goals. This comes from the work being done by the Department of Education and Children's Services to make our public schools places of excellence and diversity, which I will speak about in a little more detail under those budget lines.

The state government also continues to support children in the non-government sector and will continue to support the work of ethnic schools and multicultural educational programs in the matters contained within the administered items, but of relevance is the significant additional allocation in this budget of \$20.1 million over four years to support students who attend non-government schools.

**The CHAIR:** Member for Unley, do you have an opening statement or will you go straight to questions?

**Mr PISONI:** No, I will go straight to questions, if that is okay. The first question relates to state government funding of non-government schools, Budget Paper 4, Volume 3, page 9.38, Additional Information for Administered Items, DECS, Non-government Schools, Funding from the State. This line indicates that non-government school funding from the state will be \$695.426 million. This appears to be misleading, by incorporating both commonwealth and state recurrent funding.

Past budget documents have separated commonwealth and state grants more accurately, demonstrating the trend in the state allocation of non-government schools. The non-government school sector finds this to be quite unacceptable. You would be aware that in the lead-up to the last election there was quite a bit of debate about state contribution to non-government schools in South Australia compared to other states. So, the question is: what is the actual state government allocation to non-government schools for the 2010-11 budget period?

**The Hon. J.W. WEATHERILL:** Can I first just respond to explain why the change has occurred: it has occurred as a direct result of changes to the intergovernmental agreement with the federal government, and so there is a new way in which the commonwealth is seeking that funding to be reflected now. Under the new arrangements DTF, rather than the Department of Education

and Children's Services, will be the recipient of the commonwealth funding for national partnership payments and national specific purpose payments. So, there was a broad set of reforms that the federal government involved itself in concerning commonwealth/state government relations in terms of these agreements.

The financial statement recognises that funding from 1 January 2009 is provided to DECS in the form of appropriation and other transfers from DTF rather than revenue directly from the commonwealth. This is also the reason for the variance between the 2008-09 actual result of \$134.5 million compared with the 2009-10 budget of \$642.4 million. Commonwealth funds received through DTF are distributed as grants based on the payment schedules received from the commonwealth, and commonwealth funding is now based on the capacity of communities to provide financial support for their schools.

Non-government schools are funded according to their socioeconomic score. The state funding component to non-government schools is allocated according to student enrolments and the needs of students in schools. Each year the state budget is adjusted to reflect the following:

- the Treasury inflation on goods and services and adjustment for 25 per cent of the cost of salary movements based on the latest enterprise bargaining rates applied to the base FTE levels assumed in the funding formula; and
- adjustment for increase and decrease in student numbers in non-government schools and an offset for in-kind assistance provided by the department to the non-government section.

So, things like School Card or student conveyance allowances. In 2009-10 about \$141.8 million was paid to non-government schools, which excludes the in-kind assistance provided by DECS plus allocations to the Non-government Schools Secretariat and Advisory Committee on Non-government Schools. These costs were budgeted at \$2.3 million. For 2010-11 the budget for the state component is estimated at \$152 million. In addition, as part of the 2010-11 budget the state government has committed a further \$20.1 million over four years for children with special needs to fund maths and science initiatives and for children with disabilities. This equates to an additional \$5 million per annum.

The additional funding approved by this government will take the state's commitment to an estimated \$157 million, which includes the in-kind assistance and other allocations to the Non-government Schools Secretariat and Advisory Committee on Non-government Schools. The final 2010-11 state-funded component will be finalised following the 2010-11 Mid-Year Budget Review that will take into account movement in enrolment figures and the impact of wage increases.

**Mr PISONI:** You don't have the figure—

**The Hon. J.W. WEATHERILL:** I just gave it to you.

**Mr PISONI:** —for 2010-11? You said that needs to be finalised.

**The Hon. J.W. WEATHERILL:** We do not have the final figure, but I have given you the estimated figure of \$157 million.

**Mr PISONI:** Can we have a breakdown of a per student contribution on that? I am happy for that to come back to the committee.

**Mr PICCOLO:** Is that a supplementary question?

**The CHAIR:** Carry on; I will count it as three questions. Let us move along.

**The Hon. J.W. WEATHERILL:** Just to be clear, is the question that has now been asked: what is the per capita funding per non-government school student provided by the state government component?

**Mr PISONI:** Yes.

**The Hon. J.W. WEATHERILL:** I will take that question on notice and bring back an answer.

**Mr PISONI:** Can the minister identify where in the budget is the government's commitment to continue providing \$16 million—\$4 million per year—for students with special needs, and will the government confirm whether its election commitment with regard to the additional \$16 million over four years to support students with special learning will be honoured?

**The Hon. J.W. WEATHERILL:** To take the second part of the question first, we can confirm that the election commitment given in the lead-up to the 2010 budget will be honoured and has been funded in this budget and is contained within the all inclusive figure of \$695,426,000 that you referred to earlier on page 9.38.

*Mr Pisoni interjecting:*

**The Hon. J.W. WEATHERILL:** It is inclusive within that figure. This would of course be the first component of the \$16 million tranche and \$4 million would be contained within this year.

**Mr PISONI:** We also have Budget Paper 6, page 1.21, non-government school support for students with disabilities. This budget line indicates an additional \$500,000 to be provided in the 2010-11 budget from within existing resources for a total of \$1 million that year. What is the source of the existing resources?

**The Hon. J.W. WEATHERILL:** For non-government schools the \$4.1 million was initially budgeted over four years, to be provided on a calendar year basis. The commitment that is sought to be provided is, in fact, on a financial year basis, so the budget provides for, in effect, \$3.5 million over the forward estimates or \$3.6 million over the forward estimates, with \$500,000 being provided out of the existing resources within the department. So the funding is not being sourced from administrative items but from existing resources within the department. We are confident we can find the savings that would be necessary to meet the \$500,000 within our existing budget of \$2.5 billion.

**Mr PISONI:** That is on top of the \$30 million of efficiencies that you have identified?

**The Hon. J.W. WEATHERILL:** No, we are confident that this is capable of being found within the \$2.5 billion budget and that will be clarified in the Mid-Year Budget Review.

**Mr PISONI:** So it is the budget within the non-government school sector?

**The Hon. J.W. WEATHERILL:** No, this is within the government sector. We have a \$2.5 billion budget and we are confident that that \$500,000 can be found within those existing resources.

**Mr PISONI:** You have identified efficiencies of \$30 million on page 116 of Budget Paper 6. I am trying to clarify whether the additional \$500,000 is from within that or whether it is an additional \$500,000 of efficiencies?

**The Hon. J.W. WEATHERILL:** We are confident it can be achieved this financial year and that will be clarified in the Mid-Year Budget Review.

**Mr PICCOLO:** In his opening remarks the minister made fair comment with regard to SACE. I draw the minister's attention to Budget Paper 4, Volume 3 of the Portfolio Statements, page 9.2, where his ministerial responsibilities for the SACE Board are mentioned. Will the minister elaborate further on how we are funding the South Australian Certificate of Education Board to help it realise the vision of the SACE review panel, which handed down its report in 2006?

**The Hon. J.W. WEATHERILL:** This budget, as noted, will provide the SACE Board with an extra \$10.6 million over four years for the upgrade of IT and data management systems and an extra \$5.9 million over four years for additional assessment and moderation activities. These investments will support the ongoing operation of the board and help it to administer the new high school certificate that the SACE review panel envisaged in 2006 in its report 'Success for all'.

It is worth remembering that in preparing its report the review panel undertook a period of consultation and research, which included consideration of about 170 written submissions, more than 200 face-to-face meetings and an investigation of trends in young people's involvement in learning and work. The report observed the detrimental social and economic consequences associated with leaving school before the completion, at least, of year 12. It also observed that young people in South Australia did not find senior school purposeful enough to encourage them to stay to the end of year 12. Accordingly, the panel's final report stated that superficial tinkering at the edges was not considered an option and that long-term collaborative approaches to engage all young people are likely to lead to sustained improvement in school retention and the engagement of young people in productive learning and work.

As a result of its analysis, the review panel recommended that a number of new subjects and concepts be developed and incorporated into a more rigorous and flexible high school certificate. These included the introduction of the personal learning plan, requiring students to think

more seriously and proactively about how they spend their senior school years and how this will lead to work or further study.

There is a requirement for all subjects at stage 2, that is year 12, to have an external assessment component, not just some as is currently the case; the introduction of an extended learning initiative, now called the research project, at year 12, to build students' ability to find and critically analyse information while studying a subject area in greater depth; and more scope for vocational education and training to contribute to the new SACE.

These reforms have required the SACE Board to develop a more sophisticated administration capability that can manage a broad range of data generated by the greater diversity of study options the new SACE offers. In that regard, the new funding will be allocated for IT requirements, which will include expenditure on VET recognition, registration register, software, the upgrade of SACE data and reporting systems, system changes for stage 2 assessment, data integrity systems and securing SACE technical architecture.

Additional funding for assessment and moderation activities will help to ensure the performance standards established by the new SACE are reliably met, and this additional investment is a further demonstration of the government's commitment to rigorous testing and standards in the new SACE.

**Ms BEDFORD:** My question is about SACE reviews. As part of the government School to Work initiative, what initiatives have been funded to support implementation of the review of SACE?

**The Hon. J.W. WEATHERILL:** Under the state government's School to Work strategy, \$54.5 million has been allocated to support the Catholic, independent and government school sectors to implement the new SACE, and that has been occurring since 2006-07. The new components of the SACE began to be introduced in 2009, with the schools teaching the personal learning plan that assists students to identify their preferred work or tertiary study options and helps them plan their final years of study accordingly. New compulsory literacy and numeracy requirements were introduced this year for students in year 11, and in 2011 the research project will be introduced for students in year 12.

In the lead-up to these changes, support for teachers in schools to effectively teach the SACE has been at the forefront of the government's thinking, and it has invested heavily to provide the necessary support. In addition to support provided directly by the SACE Board, the government has provided approximately \$14 million for implementation initiatives in the 2009-10 financial year. This has followed investments of \$16.7 million in 2008-09 and \$8.3 million in 2007-08 and \$1.8 million in 2006-07.

Since 2007 more than \$16 million has been provided directly to schools to help them teach the new SACE. This has included almost \$10 million specifically for professional development grants, \$4 million for trialling the new components of the SACE and \$2.1 million for schools participating in School to Work innovation programs. In 2009 alone, the government funded \$3.1 million in grants to schools for stage 1 professional development activities, while a further \$1.2 million in grants was shared by schools to pilot the new research project subject.

That piloting has been going on in both Wilderness School and Urrbrae. I was able to witness the excellent work going on at Urrbrae and see how the new Research Project is developing. I think it is going to be a very exciting initiative.

Further professional development grants totalling \$3.48 million have been provided in 2010 for schools with year 11 and year 12 enrolments. In all, 15,000 registrations have been recorded at professional development activities provided for teachers and leaders between 2007 and June 2010.

Help to implement the new SACE has also recognised that different schools may need their support to focus on specific areas or issues. To address this, 14 implementation officers have been employed across three school sectors to provide an outreach service where professional department activities are tailored to individual school needs. Each school sector has received salary support to help it manage implementation of the new SACE within its sector.

A key feature of the new SACE has been the increased emphasis on delivering successful school-to-work transitions for more students. To encourage new thinking about how to manage these transitions, schools and their industry or university partners have received a total of \$5.7 million of grant funding for the following programs since 2008:

- the School to Work Industry Pathways program, which provides students with industry endorsed training as part of their SACE studies in areas of skill demand;
- the School to Work Mathematics and Science program, where schools, universities and industries are teamed up to encourage more students in the subjects and career paths;
- the School to Work literacy and numeracy program, which uses the results of year 9 diagnostic testing to improve the skills of students in need; and
- the First Generation program, which targets students who may be the first in their family to attend university.

By the end of 2010, a total of 148 individual schools are expected to have been involved in these School to Work initiatives.

For government schools, the education department website also provides online teaching and learning resources for teachers and tools for school administrators. These resources include a comprehensive new SACE leaders handbook that provides a single point of reference to locate relevant information and commentary that assists leaders with SACE implementation decisions; resources to help teachers plan learning and assessment for the compulsory literacy and numeracy components of the new SACE; and template and spreadsheet tools to help school timetabling.

In the 2011 calendar year, the first students who will graduate with the new SACE will commence the stage 2 or year 12 studies. To assist schools, in 2011 further development grants will be provided and implementation opposite support will continue to increase tailored support for schools.

**Mr SIBBONS:** What is the government doing to better support students attending non-government schools?

**The Hon. J.W. WEATHERILL:** The South Australian government is committed to supporting the educational needs of children and achieving excellence in all our schools within this state. The 2010-11 budget includes record spending for students in our public schools but also includes record spending for schools in the non-government sector.

Members would be aware that funding for different schooling sectors is traditionally provided by different tiers of government. For public schools, the majority of funding is provided by state and territory governments, with a smaller contribution made by the commonwealth. Conversely, for non-government schools the majority of grant funding flows from the commonwealth government, with the state government playing a comparatively smaller role in supporting the non-government sector.

That is not to say that the non-government schools are not important and, indeed, I regard them as part of my role as Minister for Education. I believe that, in the short time I have had in the portfolio, we have, as a government, continued to build on our positive relationships with the non-government sector.

In recognition of the importance of the non-government schools, as part of the 2010-11 budget we have allocated an extra \$20.1 million over the forward estimates to better support students attending these schools. This new funding will help non-government schools to better support their students who have a disability, those with behavioural issues and those who are new arrivals.

Funding has also been allocated to support students in areas of science and maths. This funding builds on the existing \$4 million per year provided to non-government schools for children with special needs, which will continue to be provided. As Minister for Education, I will continue to work to support the improved outcomes for all South Australian children, regardless of what kind of school they attend.

**Mr PISONI:** I refer to the same budget line, minister. When will the exact details of the research project based on the topic of choice be made clear? There is as yet no example on the SACE website—certainly not when I last looked at that website. Students will be required to study this in 2011, and some are arguing that it will be without any preparation. Will schools be able to put the research project before year 12 to free that year up for additional subjects? There is talk about the fact that a number of schools would like to be able to start the research project in year 11; however, with the lack of detail, we are not seeing that happening, particularly in the government school sector.

**The Hon. J.W. WEATHERILL:** The research project subject, as the member has indicated, has become a compulsory subject in the new SACE, and it is worth remembering what is its purpose, and that is to give students an opportunity to study an area of interest in great depth; it is something they get to determine. It allows students to use their creativity and initiative while developing the research and presentational skills they will need for further study or work. All students in years 10 to 12 will be offered the research project subject in 2011, and students must complete a 10-credit research project at stage 2 with a C grade or better.

Two research project subject options are available in the new SACE: research project A or research project B. Students enrol in either research project A or B, depending on their intended pathway. These enrolment options vary only in how students present the external assessment: all stage 2 subjects of a school-based assessment component of 70 per cent and an external assessment component of 30 per cent. The research project A does not contribute to the Australian tertiary admissions rank (ATAR) and research project B does; and schools can utilise the research project as an avenue to maintaining an area of study that may not be on offer. So, it can provide a vehicle for students to choose something that may not be available within their particular school because of the small number of—

*Ms Bedford interjecting:*

**The Hon. J.W. WEATHERILL:** Exactly—it might be a small number of students that are in a particular school. Two research project pilots are occurring, as I mentioned before, in Wilderness and Urrbrae—

**Dr KILVERT:** And in other schools as well.

**The Hon. J.W. WEATHERILL:** —and in other schools as well. They are the two I am familiar with. Indeed, I went to Urrbrae and saw the students working on the research project. The topics they chose were all generated by the students themselves; and they were fascinating subjects, and they were obviously directed at areas of particular interest for a student.

One particular student was interested in getting into the STAR force, so he decided to study the psychological and physical testing regime that was necessary to get into that, and it is quite a complex set of arrangements. So, he was able not only to explore a topic that would no doubt range across a whole range of science, maths and other types of disciplines but also to tailor that in a way that was going to be of very importance assistance for him as he sought to take the next step in his career. It is just an example, I think, of how imaginative and valuable the research project can be.

I understand the anxiety involving students. I have certainly spoken to a number of students who feel that it is a cause of concern that there is such a subject that seems not as defined as the other subject choices, but that is the point: it is self-directed. While people are looking for lots of guidance about the research project, the point of it is the exploration and inquiry the students themselves are undertaking. It is not a subject; it is not a case where the teacher is standing out the front and is essentially lecturing the class and giving them the information the students are then going to regurgitate back to the teacher. It is deliberately about trying to provoke the students into a series of inquiries that will not only assist them in developing their research skills and their capacity to think and grow but also enhance their maturity and their capacity to deal with a life at work, as well as a life at university. This can be a big shock to many students when they leave school that somebody does not tell them exactly what to do all of the time, and I think this subject puts our secondary school certificate at the forefront of progressive secondary certificates in the world. I think this is a very important aspect, although I do agree a more challenging aspect of the senior secondary certificate.

We are sharing information. I mentioned earlier in my answer the amount of professional development that is occurring for teachers. Their capacity to assist students in making what is a relatively simple choice in a way about a topic, that is all that is really being sought there; they are going to be able to assist them in making those choices. That is all that is necessary for them to be able to commence the research project.

**Mr PISONI:** So when will the details of the research project be available for schools?

**The Hon. J.W. WEATHERILL:** I will get Dr Kilvert to give you the precise dates on which the material has been presented. I think it proceeds from a misapprehension that somehow this is something that is determined by the education department or the SACE Board. These are choices that are going to be made by students and the material that they need to assist them in making

those choices has already been made available. I will get Dr Kilvert to explain when and how that occurred.

**Dr KILVERT:** Through the minister, I will provide the following operational details in response to the honourable member's question. The draft version of the subject outline for the research project has been available since last year. During the course of this year, there have been a series of workshops with teachers. In terms 2 and 3 there were 37 workshops and over 1,500 teachers attended those workshops. As a result of that work, the research project subject outline was updated in response to teachers' feedback and that was posted to the website on 17 September. We have also been providing exemplar materials from the trials that the minister referred to, and they will also be available for schools from the start of term 4. In addition to that, the implementation officers, to which the minister has referred, have visited schools throughout this year, either to individual schools or to clusters of schools, and there have been over 734 such visits and contact with schools about the research specifically.

**Mr PISONI:** Can you clarify for me—

**The CHAIR:** You will have to be quick, member for Unley, because we have gone well past time for this session.

**Mr PISONI:** Just a clarification on that then: will the subjects covered in the research project qualify for prerequisites for university entry?

**Dr KILVERT:** Through the minister, as the minister explained in his opening comments, the research project can contribute towards the students' Australian tertiary admissions rank, yes.

**Mr PISONI:** But the prerequisites that are required—say, chemistry, maths or English? What prerequisites are actually required for certain subjects in university?

**The Hon. J.W. WEATHERILL:** The answer is that these are matters that are determined by the universities. As the way things presently stand, the universities, to the extent that they have prerequisites for some of their courses, will be drawing on the subjects that occur in either stage 1 or stage 2 of the SACE, rather than topics that might comprise a research topic. That is their present view.

**The CHAIR:** We now move on to the Department of Education and Children's Services section.

#### **Departmental Advisers:**

Mr G. DeGennaro, Acting Chief Executive, Department of Education and Children's Services.

Ms J. Andrews, Deputy Chief Executive, Department of Education and Children's Services.

Ms J. Riedstra, Acting Deputy Chief Executive, Department of Education and Children's Services.

Mr C. Bernardi, Director, Finance and Investing, Department of Education and Children's Services.

Ms J. Emery, Director, Department of Education and Children's Services.

Mr T. Radloff, Director, Department of Education and Children's Services.

Mr A. Gerace, Policy Adviser, Department of Education and Children's Services.

**The Hon. J.W. WEATHERILL:** I will make a brief opening statement. South Australia is in the midst of what I think could be described as the most substantial phase of investment and reform in education in a generation. Physically, our preschools, primary schools and high schools are undergoing major makeovers through state and federal school building programs. Building the Education Revolution and Education Works and the rollout of computers and other technology is dramatically changing the face of our classrooms.

The whole way we fund schools will change from next year, with a new student-centred funding model, giving principals more say over how education dollars are spent. Next year, of course, will complete the rollout of the SACE, and I have already commented upon that. In the context of this change the state government is striving for an education system based on excellence and diversity, so that South Australian schools offer the highest standards of



educational achievement and the broadest possible options that will help every student achieve their best.

There are also other critical issues. The economic and social prosperity of the state is dependent on our strong education system. Our education services in South Australia also amount to a major industry in their own right, employing thousands of South Australians. The Rann government's education and children's services policies are focused on keeping pace with the changing educational needs of our society from the crucial early years of children's lives to when they are making decisions about their future careers and life in the community.

During our first two terms of government one of the most significant achievements was a 15-year high in retention rates to year 12 that we are now experiencing. The government is continuing to work to help students gain the skills and qualifications they need for the jobs of the future, particularly in areas where there are recognised skill shortages.

Under our School to Work strategy we have now helped 2,000 students embark on apprenticeships whilst still at school. While starting apprenticeships at school, students do a combination of study, work and skills training, and apprenticeship brokers based at our trade schools for the future organise apprenticeship and traineeship opportunities with local employers.

South Australian employers have been incredibly supportive of this program and have embraced giving young people a foot in the door of their chosen careers while they complete their schooling. Our successful school retention initiative, ICAN, has helped thousands of young people stay at school, and has been extended into new regions of the state to help some of our most vulnerable young people engage in education. We are specifically targeting maths and science for areas of improvement by mandating minimum lesson times in primary schools and investing in specialist training in areas for teachers.

This government is building on its leadership in early childhood development by working with the federal government on improving the quality of child care in preschool and continuing to establish a network of children's centres.

In setting out our achievements and where we are heading in investment of education, I also must pay tribute to the work of my predecessor, Dr Jane Lomax-Smith, who drove this government's education agenda as the previous minister for education. This has formed the basis for the more diverse school education on offer for our students, and the 2010-11 education budget delivers on our commitments to further this work.

While this government has many significant achievements in education there are so many more to be addressed. We are about to face a changing workforce with a large number of retirements in the teaching profession, which also represents a tremendous opportunity to renew and refresh our teaching workforce. We know that teacher quality is one of the most important factors in good education systems, and increased investment in teacher support staff and local services is at the heart of the 2010-11 budget.

The government will provide an extra \$265 million over four years in response to the Industrial Relations Commission ruling on the new enterprise bargaining award for public and preschools. This means an extra 700 teachers and support staff in schools and preschools, allowing teachers more preparation time, more school services officers in special classes and extra resources for ICT technical and curriculum support.

The operating budget increases by \$203 million, increasing for every government school student by \$920 on the last financial year. While, as a large government agency, the Department of Education and Children's Services has received this substantial funding boost, it has also been expected to contribute its share of savings to the government's overall saving task. We have achieved this increase in our operating expenditure, and our savings measures have focused resources on our core responsibilities of educating young people.

Highlights in the budget include: \$60 million to expand the capacity of four specialist high schools; \$15.1 million for six new better behaviour centres; \$9 million for six extra units for children with disabilities; \$8.7 million over four years to attract and retain teachers with science and maths skills; and \$540,000 over four years to create a maritime school at Le Fevre High School. The budget includes \$720 million in capital expenditure to provide new school facilities, and regional school students will benefit from the expenditure of \$114.5 million to modernise and improve school bus services.

**Mr PISONI:** Budget Paper 6, page 116, Departmental efficiencies and co-located schools—amalgamations. We are seeing there \$30 million in cuts to the budget, described

particularly in the headline, Departmental Efficiencies, with descriptions of 'lower cost delivery models and a rationalisation of support functions'. Are you able to advise the committee of what programs, services and staff allocations will be cut to ensure that this large saving is met in the forward estimates? In other words, how are you going to achieve the \$30 million in cuts?

**The Hon. J.W. WEATHERILL:** This initiative relates to a review of all areas of DECS to identify opportunities to deliver lower cost delivery models and a rationalisation of corporate and program support functions; essentially, head office functions. A key goal of the review is the reduction and removal of red tape within the department, targeting those administrative and structural arrangements that are outdated and which are creating barriers and burdens that affect schools and their main function of educating young people.

While this strategy focuses on head office reforms, it will also target improved efficiencies which can be made within schools and regions which will not impact on the teaching of students in classrooms. Specific areas that will be considered and reviewed are programs that are duplicated, programs that are not meeting planned objectives or are not delivering improved outcomes, and making better use of information technology and simplifying administrative tasks. The review of programs will also identify opportunities to re-engineer existing programs to achieve improved outcomes.

Essentially, this measure is directed at achieving efficiencies across what is a very large budget, a \$2.5 billion budget, and we are confident that we can do that without threatening the quality of services that are provided in schools.

**Mr PISONI:** Are you able to clarify examples of duplicated programs that will go, other programs that are not meeting objectives that will go, and which programs will be re-engineered?

**The Hon. J.W. WEATHERILL:** That is the point of the review. The savings task is extended over a period of time. We will, of course, be guided by our recently released report that was prepared by Ernst & Young, which was the red tape reduction report. That canvasses a range of things that we require of schools that the head office does which might permit us to meet our requirements but which create administrative burdens which create work and expense. They are the sort of things that we will be seeking to target.

**Mr PISONI:** I am having trouble understanding how you have come at a figure but you have not been able to give practical examples of duplication, programs that are not meeting objectives and re-engineered programs. There must have been some analysis of programs for you to have actually put that \$30 million figure—that you believe is achievable—in the budget. I just cannot accept that you are still going through the review stage, yet you have actually put a figure on it.

**The Hon. J.W. WEATHERILL:** The Ernst & Young report is a very detailed report; it extensively identifies, in great detail, the topics that should be considered for red tape reduction. They include things like procurement processes for purchasing goods and services in schools, especially in country school communities; human resources and payroll-related forms; the resolution of disputes involving schools and preschools in a timely manner; and a whole range of things relating to better use of IT to make administration of schools easier. Those are the topics that have been extensively canvassed in that report, and I invite you to look at it.

**Mr PISONI:** I was refused access to that report under FOI.

**The Hon. J.W. WEATHERILL:** I thought it had been released to you. I have released it publicly, so it should certainly be made available to you.

**Mr PISONI:** I was actually told that it was not complete—just last week, I think it was.

**The Hon. J.W. WEATHERILL:** If it has now been finalised, I will make sure you have a copy of it.

**Mr PISONI:** Thank you. I refer to Budget Paper 6, page 115, Adult re-entry programs in public schools, and I accept that you may need to come back to the committee with some of these answers. What programs are currently on offer in adult re-entry schools, and which programs will be cut, once school numbers are reduced, for those that remain under the age of 21? The budget cut itself saves \$20.3 million by removing funding for students over the age of 21 to complete their SACE at DECS schools. You have said, on radio and in the parliament, that TAFE is not an option for SACE. So, could you inform the committee where adults over the age of 21 will be able to complete their SACE after 2012?

**The Hon. J.W. WEATHERILL:** The first thing I need to say is that I did not say that on television, in the media or in the parliament. In fact, with the changes we have made to SACE the lion's share of SACE can be completed at TAFE; that is the whole point of having these other pathways, that SACE can be substantially completed outside of the school system, or even within the school system but within TAFE using vocational education and training. That is the whole point of those reforms.

I think we need to go back and actually understand what we are seeking to save here: it is the offering that presently occurs to those people who are essentially using the adult re-entry system for something that it was not designed for. The adult re-entry system was designed to give young adults—or adults generally—a second chance to complete high school, but the reality is that there are a substantial number of people who use the adult re-entry system to do a few subjects, that are high school subjects, out of interest. That is not a bad thing; it is a good thing, but it is not something that, as a matter of priority, we can afford to support.

For people who are genuinely trying to come back and finish their high school certificate so that they can go on to do other things, we will substantially be able to support those people, and that includes people over 21 years—people who for a range of reasons have been unable to achieve their high school certificate but want to return to do it. We will support those people, such as young mothers who have not been able to complete or undertake their SACE, as well as people with disabilities, migrants and refugees, and we will assess everybody's individual circumstances.

It needs to be borne in mind that there is a range of ways in which we are also doing that at the moment but which do not involve adult re-entry and, in fact, are superior in a way. With the new ICAN program these young adults, some of whom are over 21, will continue to have the ability to finish their higher schooling in the high school. If they still have a connection with the high school, it is obviously a superior way in which they can finish their high school—to actually do it at the high school they were attending. For many young adults that will still be an option, even if they are over 21, and that is being supported through the FLO and ICAN programs.

There are also young mothers in particular whom we are seeking to engage through the Learning Together program, which can also count towards their SACE project. They are there with their young children, engaged in preschool or child care, and we have a Learning Together program, which is growing dramatically each year. That program not only assists the young mother to improve her literacy and numeracy skills but can be counted towards their SACE.

In adult re-entry we are seeing a large number of adults (and the numbers of people we are talking about here are: over 71, 133; 61 to 70, 574; 51 to 60, 934; and 41 to 50, 854. There are a lot of people in the higher age groups, many of whom are going into adult re-entry for the purpose of doing some subjects that may be beneficial to them but are not directed at completing a high school certificate. The criticism being levelled by the member for Unley is that people wanting to get a second chance to complete their high school are being deprived of that. The truth is that many people are going back because they are finding it an alternative to WEA or to University of the Third Age, and many of the topics are arts-type or IT subjects, which would traditionally be offered by WEA.

We are saying that is fine and beneficial—and we acknowledge that—but it is something we cannot continue to afford to do. In the context where this budget has provided an extra \$203 million for education, education still has to make its contribution to the overall sustainability of the budget, and we have to look at those things we are doing that are of lower priority to others, so we have unashamedly prioritised frontline services—700 extra people back into schools. The truth is that for those people who are perhaps seeking to go back to take advantage of the adult re-entry, since the time when this scheme was first put in place compared with now, there are now many more options for people to get into university. We now know that there is the capacity to enter through TAFE, which does not require SACE completion. There is also the STAT (Special Tertiary Admissions Test), which permits people to go in without completing year 12. A number of foundation studies are run by the universities, which permits them to go into university without having completed year 12. So there are many other options for people who are seeking to return to university that do not involve re-entry through adult re-entry campuses.

Just finally, it also needs to be remembered that there are a range of other commonwealth programs that are directed to long-term unemployed people, which are more in the province of employment-related programs, where long-term unemployed people can gain access to skills and retraining to assist them to provide a new pathway into work. Probably the most significant contribution that this budget has made in this area is \$194 million for 100,000 apprenticeship and the like places over the next six years in areas of skill that the economy needs. That subsidised

training is available to and accessible by adults who are seeking to re-engage with the workforce and need to upgrade their skills. That is the approach that has been taken with adult re-entry programs in public schools.

**Mr PICCOLO:** I wish to direct the minister to Budget Paper 4, Volume 3, page 9.9, which deals with the overall investment expenditure. My question relates to the Education Works stage 1 program. The question is: what are the educational benefits of Education Works stage 1 program and the level of support in the community for the new schools?

**The Hon. J.W. WEATHERILL:** The six new schools being built under Education Works stage 1 will deliver modern teaching methods in new high quality classrooms and an increase in curriculum choices for students. The previous minister met with the amalgamating school communities and community consultation meetings were held, giving parents and teachers an opportunity to express their views and ideas on the government's major investments in public education infrastructure.

Taking part in Education Works stage 1 was not mandatory and required the majority of parents in the school to agree to amalgamate in order for that school to take part in the program. In respect of the six schools being built under Education Works stage 1, the vote for amalgamation in all affected schools was overwhelming. Those parents could see the massive educational advantages for their children of the new schools.

The new schools will transform the educational experience of those fortunate enough to be in them. The new schools are brand new state-of-the-art facilities. They are built to enable the way we teach today, not the way we taught 30 or 40 years ago. I had the good fortune to be taken around John Hartley School site yesterday, and I must say the facilities are amazing. It is—

**Ms BEDFORD:** Tempting you to go there?

**The Hon. J.W. WEATHERILL:** Well, that's right. It is an extraordinary design. The physical design of the classrooms now supports modern methods of teaching. It has the benefit of being a birth to 12 school, which is exciting in itself for the transitions that occur across those schools, but importantly it permits the school leader to understand the critical relationship between birth all the way through to year 12. I think that when we—

**Mr PICCOLO:** Do you mean John Hartley or Munno Para?

**The Hon. J.W. WEATHERILL:** John Hartley.

**Mr PICCOLO:** Birth to 7, John Hartley, isn't it?

**The Hon. J.W. WEATHERILL:** No.

**Mr PICCOLO:** Is that the one you are referring to?

**The Hon. J.W. WEATHERILL:** We are at the John Hartley School and that is a birth to 7 school. Yes, sorry.

*Mr Piccolo interjecting:*

**The Hon. J.W. WEATHERILL:** What it permits the teacher to do is to understand the critical connection between the way in which those early years affect the later development of the school. What we were able to see there is the way in which the children's centre that is incorporated into the John Hartley School can connect not only just the educational services but the health and wellbeing services that are capable of being brought into that school.

The other thing that I think is incredibly valuable is the proximity of that school to the nearby community centre across the road, the John McVeity Centre, and also little athletics park next door to the school. So, it is beautifully located.

Interestingly enough, the builder, who is also involved in building projects for the New South Wales government, thought that this was a superior design because of the collaboration with the community. The school community was involved in the design of the project, so there was a lot of feedback between the builders and the needs of the school community. So, rather than a one-size-fits-all project, they had a very tailor-made design.

It is no surprise to me that the school community cannot wait for the new schools to open, and the opening is near. That school will have the capacity to open in the very near future. John Hartley will have the capacity for 620 students and 45 childcare places, and it is due to open in term 4.

**Mr PICCOLO:** In terms of investment in schools, Education Works stage 2 is also of interest to me because some of my schools are involved in it. I refer the minister to the same portfolio reference. Will the minister update the committee on investments being made under the Education Works stage 2 program?

**The Hon. J.W. WEATHERILL:** Since coming to office, we have of course substantially boosted our investment in public school infrastructure. Funding has been delivered through School Pride and also the six new schools built under Education Works, as I mentioned earlier.

In addition, we have set aside \$82 million, under Education Works stage 2, to deliver further upgrades in public schools and preschools. Education Works 2 is once again a voluntary program, and that program has included a number of schools, including:

- Modbury West Junior Primary School, to form a new reception to 7 school, with refurbished music, visual arts and administration areas;
- Magill Junior Primary and Primary schools to establish the Magill reception to year 7 school and new administration;
- Burton Primary School and Burton Park Preschool, for the Burton birth to 7 school; and
- Evanston Primary School, Evanston Preschool and Gawler High School, to form the new birth to 12 school on the Gawler High School site, a new children's centre, classrooms and activity spaces.

Similar projects have also been supported on other sites. I am pleased to be able to advise the committee that the government has approved \$19 million to support a further six projects to complete this \$82 million school building program. These projects will be:

- Campbelltown, reception to year 12 school, a \$10.15 million project for the alteration of classrooms and a new covered learning area and the establishment of an administration area;
- Stirling North preschool to year 7 school, \$3.2 million for the co-location of Stirling North Children's Services Centre and new administration centre;
- Highgate reception to year 7 school, \$2.654 million for the refurbishment of existing buildings and classrooms and learning areas, and a new administration building and landscaping area;
- Grange reception to year 7 school, \$1.54 million for refurbishment of the new resources centre, administration centre and other internal spaces;
- East Adelaide reception to year 7 school, \$1.12 million for the refurbishment of existing building, removal of buildings and remediation of the site, which complements the capital works project of more than \$4.6 million; and
- Swallowcliffe Child Parent Centre to year 7 school, \$738,000 for building refurbishment and new covered outdoor learning area.

This means that more than 65 schools, preschools and early years centres are being supported by funding from the state government's Education Works stage 2 building program. Our public education system already has good schools and great teachers, and these investments will assist those students to do even better.

**Mr SIBBONS:** I refer to the budget measures on page 110, Budget Paper 6. Will the minister explain how the better behaviour centres and truancy officers will help teachers, students and families?

**The Hon. J.W. WEATHERILL:** Obviously, addressing behaviour and attendance at our schools are critical issues. Students cannot learn unless they are in an environment that is conducive to that. The state government's commitment to providing quality education and addressing behavioural issues for young people was reaffirmed with our commitment to create six new behaviour centres, as well as providing an additional 12 attendance officers.

Although there is more that can be done in this sphere, South Australia is considered a leader in this area, and we look at best practice. We have early uptake of research in the field. The international evidence shows that behaviour and attendance issues are apparent from an early age and that, if they are addressed early, they can be nipped in the bud, and that is where our commitments are largely focused. Four of the better behaviour centres will be located in

metropolitan Adelaide and will work with primary school students. The centres will be based on school sites because it is important that the children targeted by this initiative are not isolated. These centres are about early intervention and about working with students who are beginning to show the signs of disengagement or bad behaviour, and addressing those issues before they escalate.

Teachers who have particular skills in dealing with children with behavioural issues will staff these centres, which will employ psychologists to work with students. The centres are not about punishing children: they are about helping them to get back on track. The centre we currently have operating will continue to focus on the pointy end of student behavioural problems, but it is anticipated that many of the students who currently end up in those centres will, under this model, have their problems addressed through involvement in better behaviour centres before the behaviour spirals out of control.

The other two centres will be based in regional South Australia and will operate as the more traditional behaviour centres that we currently have in metropolitan Adelaide. These centres will work with secondary students. The department is currently working with potential schools to identify the sites of these centres, with the first two expected to be opened in early 2011. The additional attendance officers (or truancy officers) will also begin at the start of 2011. These appointments will be more than double the current number of attendance officers we have working in the system. These officers will focus their attention on the students in the early years of their schooling, allowing the attendance officers currently employed in the system to focus their attention on chronic non-attenders in the compulsory years of schooling.

For those kids, there are often family reasons why they are not attending school, rather than 'playing hooky'—there is a phrase I have not heard for a while. This non-attendance sets up a pattern for later schooling because attendance in these early years is often out of the control of the students. These attendance officers will work with families to assist them in accessing the support and services they need to get their families back on track. These positions will be advertised shortly and will focus on the selection of people who can address the complex social needs those families are facing.

**Mr PISONI:** I refer to Budget Paper 6, page 117, Green schools grants. On 16 April 2008, the Premier and the then education minister put out a joint press release that stated that wind turbines and solar panels would be fitted to South Australian schools when they undergo major upgrades, as part of a new Rann government initiative to help green schools and preschools. The same press release went on to state:

In addition to the SA Solar Schools Program and green capital work initiatives, the state government is supporting schools and preschools to improve energy use through green school grants.

The press release then went on to list 13 schools that would be getting wind turbines as part of their upgrade. On Wednesday 22 October 2008, the Public Works Committee, when hearing evidence about a public works program for the Victor Harbor High School, asked questions about wind turbines. At that time, Mr Kenyon asked about a wind turbine illustration shown to the committee. Mr Gnezda, who was giving evidence to the committee, said:

It is a windmill. It is a turbine, yes. The bottom elevation is the east elevation, and it shows the eastern wall of the administration building.

The Presiding Member then asked whether that was the end of the presentation, and a series of questions were then asked. I was then interested to know more about the wind turbine and asked, 'And the windmill, is that happening?' Mr Gnezda replied:

No. It was happening but a recent decision of DECS, I think, was that they be—I think the contract has gone.

Then Mr John Chadwick explained that it is not a windmill, it is a wind turbine, which is going to be implemented in all new capital works programs across the state; however, the arrangements in relation to the provision of those, I understand, through government contract have not come through.

Since then, we saw an article a few weeks ago in the newspaper that the Premier is removing his wind turbine from the State Administration Centre because it does not work. Now we have seen justification for the wind turbines, the school grants and, at the same time, the justification for reducing the allocation for electricity for schools which, in 2006, reduced to 80 per cent of 2003 levels, with the green grants being used as justification for that purpose. My question is: why are we cutting the green grants program when we do not have the wind turbines,

and when will you be making an announcement with the same fanfare that was made when the wind turbines were announced that they do not work?

**The Hon. J.W. WEATHERILL:** I think I get the question. The first thing to say is that the Green Schools Grants Program is just one of a number of initiatives that support environmental sustainability at schools, including the South Australian Solar Schools Program and Curriculum and Learning, which aims to support the use of alternative forms of energy and create an understanding and acceptance of a range of energy technologies. The Sustainable Schools and Children's Services Initiative supports schools also in the development of sustainable practices.

There are ongoing initiatives such as those that assist schools in energy, water and waste management at DECS sites supported by the federal government's National Solar Schools Program, which has enabled schools to apply for up to \$50,000 for a single campus and \$100,000 for multi-campus for a range of environmental initiatives. This national program will continue until June 2015, and the first round of funding has provided commonwealth funding to 127 DECS schools. So there is an alternative commonwealth program in place which is being accessed by DECS schools.

I think the important thing to remember here is that environmental requirements will continue to be implemented into capital works projects for new buildings and redevelopments of existing buildings in line with DECS policy. These requirements include passive design principles such as building orientation, shape, shading and natural ventilation that reduce the need for mechanical heating and cooling and assist in lowering the consumption of natural resources to sustainable levels.

I was looking at John Hartley School the other day. The member for Light might be interested that the use of natural light in the design of these new buildings almost makes the use of lighting within the buildings unnecessary. There is an extraordinary amount of natural light that comes in through the clever use of windows in a way that does not add to the heat load so that you do not create a corresponding increase in heating or cooling. In a sense these are becoming mainstream propositions for the way in which we build our capital works program. As for the turbines, I think that question has been asked and answered on numerous occasions including in the Public Works Committee and also in written answers to questions.

**Mr PISONI:** This refers to Budget Paper 5, page 32, new projects, high school expansions. During the election campaign the government announced the expansion of four of the state's popular schools, as they were described by the Premier at the time, and this was in response to the Liberal Party's policy of a second city campus for up to 1,000 students at the former Clipsal site at Bowden.

**The Hon. J.W. WEATHERILL:** Is that still your policy?

**Mr PISONI:** Yes, it is still our policy. I understand that promises on zone changes were made. As a matter of fact, the Premier's press release stated that by expanding the schools we can relax the zones so that students from Prospect and Walkerville, for instance, will be able to attend Adelaide High School. We notice that there is \$500,000 in the budget to be spent this year, so obviously things are moving. We do note that the schools will not be completed until after the next election, according to the budget papers.

If we look at the school zone for Brighton, for example, I know that there are a number of parents, who live on the other side Brighton Road, who are frustrated because they cannot get their kids in. Seaview is underutilised, and Hamilton College, we know, will be even further underutilised with the defunding of the adult entry program. Pasadena, up the road, has a capacity of 900 students, but only 300 students attend. Can you explain the changes—which suburbs will come into the Brighton zone—once the new school is opened?

**The Hon. J.W. WEATHERILL:** I think I need to clarify, by way of response, some of the remarks that were made in that question. The suggestion that the four upgraded schools will not be completed until after the next election amounts to a misreading of the budget papers. The budget papers set out the expectations around when the final payments will be made. The final payments will be made, obviously, once the work is completed and inspected and a conclusion has been made.

The expectation that the budget papers are drafted on is that two schools will be opened for the 2013 school year and two schools will be opened in the 2014 school year. The two schools for the 2013 school year will be Glenunga and Adelaide High School, and the remaining two

schools for 2014. That is the basis on which the budget papers have been constructed, and that is certainly the estimates about when the schools will be upgraded for those purposes.

In terms of the way in which the new students will be accommodated, that will be a matter determined in part in discussion with the school communities and the school leadership about how they wish to construct the additional students who will comprise the additional numbers. Obviously, there are some choices and options around that, because a number of the schools run programs which are in the nature of specialist programs as well as taking students who emerge from their catchment areas. Certainly, the way in which school zones will be affected will depend upon those discussions with the school communities and, indeed, the outcome of a review that we announced would occur for the purposes of establishing the new zones.

**Mr PISONI:** The press release stated that Prospect and Walkerville will be included in the Adelaide zone. Currently, the Adelaide zone does not include Prospect and Walkerville; it includes St Peters, North Adelaide, part of Thebarton, Keswick, and, of course, the CBD. The release was specific and stated that students from Prospect or Walkerville, for instance, would be able to attend Adelaide High School. Are you ruling that out, or are you guaranteeing that it will be the case that students from Prospect and Walkerville will be able to attend Adelaide High School after the rebuild?

**The Hon. J.W. WEATHERILL:** No, I am not ruling that out. Your question was about Brighton High School; if you are asking me specifically about Adelaide High School—

**Mr PISONI:** I thought your answer was generally about zones.

**The Hon. J.W. WEATHERILL:** Well, no, I was talking about zones in the context of your question, which was about Brighton High School. As you now ask about Adelaide High School, the terms of the commitment were to undertake a review of the zoning arrangements, and indications were given of the sorts of suburbs that could be considered for expansion in the context of that review. It is our intention to honour the terms of the commitments that were given.

**Mr PICCOLO:** I wish to draw the minister's attention to Budget Paper 4, Volume 3, page 9.7, Building the Education Revolution. Can the minister advise the committee how the state government is getting value for money with the Building the Education Revolution projects in South Australia?

**The Hon. J.W. WEATHERILL:** I thank the honourable member for his question. The federal government, as members would be aware, committed \$16.2 billion over three years for the major investment in school buildings and refurbishment for Australian schools. South Australia's public, independent and Catholic schools will receive \$1.37 billion to build new halls, multipurpose classrooms, science and language centres, libraries and upgrade and refurbish existing learning areas.

For the state government, the school share in this massive investment is \$944 million. Reference designs were developed for South Australian government schools to choose from those to meet the demands of the school community, and it also considered existing learning areas in the school. The reference designs include environmental and energy efficient features, such as insulation and shading, rainwater tanks and solar panels.

The implementation of the reference designs means that architectural and design costs are kept to a minimum, as these costs are shared across the 20 designs, instead of architecture and design fees for every single project. The truth is that the South Australian approach has, I think, generally been accepted as one of the best approaches that have occurred across the nation. If you look at the individual costs that a number of schools, including non-government schools, have had to bear in terms of the architectural costs for each individual school site, more dollars are going into the actual building than they are into the pockets of some of these other professionals.

The reference designs are costed by the government and two builders to establish a target price for the designs. Each builder submits a price for the fixed component of the reference design project. Costs were kept down in South Australia as we do not pay the fees groups working between the schools and the builders.

Each Building the Education Revolution project has varying site conditions, soil conditions, upgrades to power transformers and sloping of difficult terrain: they are some of the variations that builders have submitted prices for that were checked to make sure that we got value for money. What we did is take out of the equation those things that we could control and then allowed the variations over those things that were site specific. The department is working closely with the



Department for Transport, Energy and Infrastructure, builders and the school community to deliver this major investment in schools.

Finally, because of the way we structure our administration arrangements in South Australia, the government will be able to manage all project overheads within the 1.5 per cent administration budget allocated by the commonwealth. I should acknowledge the work, not only of the officers in my agency for this outstanding result, but also of Rod Hook and his team in the Office of Major Projects.

**Ms BEDFORD:** My question is from Budget Paper 4, Volume 3, page 9.19, Performance Commentary. I would like you to give us a bit more detail on how the state government is re-engaging students.

**The Hon. J.W. WEATHERILL:** I thank the member for her question. I think we can all be pleased by the fact that last year we saw the highest retention rate that we have seen in 15 years in our schools, a retention rate which had, sadly, crumbled under the previous Liberal government. Last year, the apparent retention rate was almost 80 per cent. Central to this strategy are the Innovative Community Action Networks.

Last month I attended the launch of the new ICAN in Murray Bridge. At the launch I heard from young mums who are now re-engaged with school. I also heard Verna Koolmatrerie, representing the Raukkan Aboriginal community, speak about how this flexible approach has allowed their community the space to determine how to address the issues facing their community. As Verna said, their community wants to be assisted, not directed, to get results for their young people.

ICANs support young people aged 12 to 19 who are at risk of missing out on an education; who, without strong supports, would be lost to the education system. For these students, ICANs provide access to individual case management, links to local partnerships, and strong connections with the community to keep them engaged in learning and training. Putting aside any social justice imperatives for keeping them engaged, our economy demands that we do. The combination of a tightening labour market and an increasingly high-skilled economy means that our economic success will, in part, depend on how well we keep young people engaged in learning and training, and how well prepared they are to participate in both work and life.

At the heart of the success of the ICAN project is the wider community. Businesses are engaging in partnerships with schools, community members are giving up their time to join the networks, and non-government organisations are connecting to the development of their community's young people. They are a great example of governments working with local communities to come up with local solutions. Since 2004 about 9,000 people have participated in ICAN, with about 70 per cent of the participants across that period being re-engaged in learning and earning—an incredibly high success rate.

Flexible learning options (FLO) is a strategy introduced to ICAN schools in 2007, expanding the ICAN project. FLO gives schools some flexible per capita enrolment funding to assist them in successfully engaging their young people. Of the students who participated in the FLO enrolment in 2009, 70 per cent of those, through their local ICANs, achieved positive results and have either returned to mainstream schooling or remained in the ICAN program, enrolled in further education or training opportunities, or gained employment. A total of 67 per cent of Aboriginal students engaged in the program achieved positive outcomes.

In term 3 of this year 2,355 students were enrolled as flexible learning option students through ICAN. ICANs have been so successful that, with the support of \$32.4 million from the commonwealth government, we are rolling them out across the state. We estimate that by 2013 up to 8,000 young people per year will be helped to engage in school. These are precisely the same sorts of people who slipped through the cracks under the previous arrangements. When one considers the question of adult re-entry, this is the best result, to actually make sure that people do not fall through the cracks in the first place, to make sure that they stay at school. This is the investment that does that.

We recognise that many young people live very adult lives by the time they have reached the end of their schooling, and schooling looks to them much less relevant, a place where young kids go. So we have to be flexible in what we offer if we are to keep them to year 12, and that is what this program is about. Sometimes it will involve some relief from the classroom, which is important and which keeps them engaged. That is what these ICANs allow us to do. By connecting with business it also permits them to mix with other adults outside of the school environment; they can see pathways that are much more real for them than if they were just sitting in their classroom.

This is a very exciting program, and we believe it is the correct approach to dealing with low SES schools. A number of other states have taken a different approach, but we have taken the approach of wrapping support around the student to keep them at school. We will evaluate this but we are very confident that, based on all the literature, this will be the thing that makes the biggest difference to learning for young people in some of these more challenging suburbs.

**Mr SIBBONS:** I refer to Budget Paper 4, Volume 3, page 9.9, New Special Units to Support Students with Disabilities. What is the government doing to better support South Australian children in mainstream schools?

**The Hon. J.W. WEATHERILL:** I thank the honourable member for his question, and know his passionate interest in this topic. Currently, the majority of children with a disability do attend mainstream classes in public schools and, from my conversations with parents and students in my visits to schools, I recognise the benefits for families with disabled children of having access to specialist services in their local area. By expanding our network of disability units we will be better able to support children with disabilities, and by offering these services from mainstream schools the units will be able to better integrate into their local school communities.

The 2010-11 budget allocates \$9 million over three years to develop six extra units for children with disabilities based at schools, which will expand our network of special units to 26. This new investment forms part of this government's broader commitment to supporting children with special needs. Two of these units will be specifically for children with autism spectrum disorder, and would become hubs of best practice in autism education. The further four general units for children with a disability will also be developed. Combined, these units will accommodate at least an extra 140 children across the state. DECS has been developing a model for provision of services from the autism units in conjunction with Autism SA. Preliminary consultations have occurred with parents in regard to the autism specific units.

In relation to all six units DECS has undertaken an analysis of service demand and is currently in the process of consulting with regional and school leadership teams about the location of the units. Consultation on the location for these units is currently being finalised and I expect that the specific locations for the units will be known. It is anticipated the units will be completed by 2012-13, subject to required building works.

**Ms SANDERSON:** I refer to Budget Paper 6, page 114, high school expansions. Given that Adelaide High School cannot even fulfil its in-zone commitment, and is already over capacity (and has been for some eight years), with 400 to 500 applicants per year, is the minister considering a second city public high school campus or are all the Adelaide City Council mayoral candidates wasting their time in advocating for it?

**The Hon. J.W. WEATHERILL:** We are in this budget dealing with the expansion of the existing high school within the CBD, and that is the focus of our attention. What we do in future will be part of our normal planning processes. We continue to explore the demand for schooling in the broader CBD. We will consider additional capacity that may be needed to 2020 and beyond, and this is all part of the normal way in which we consider the demands for education within South Australia. These questions of the needs for high schools within the CBD will be determined in part by the projected growth in Adelaide over the next 20 years or so, so they will be factors that we will take into account in assessing the needs for schooling within the city of Adelaide.

**Mr GARDNER:** I refer to Budget Paper 6, Part 2, page 117, Multi and dual campus structures efficiencies, where it states:

Additional above entitlement supports that have been allocated to a number of schools that have multi and dual campuses will be reviewed and reduced.

There has obviously been some public discussion of how this will affect the community at Norwood Morialta High School. The governing council has provided information that they have been informed that the extra allocation it will lose includes one of its two deputy principals, one of its three assistant principals, a coordinator, a teacher and significant SSO time, totalling value in staffing of \$620,000 per year.

In various radio interviews the minister has made some reference to efficiencies that he says can be made at Norwood Morialta High School and says that the advice of the governing council as to the teachers, deputy principal and assistant principal who will be lost is, in fact, unfounded. Will the minister describe the efficiency measures he thinks the school can take in order to save \$620,000 that is necessary to keep these above entitlement staff positions?

**The Hon. J.W. WEATHERILL:** First, there are a number of inaccuracies contained within the explanation to the question, the first being that the funding that is provided is \$588,000 in relation to the dual campus support rather than the \$620,000. The second point is that it ignores the fact that the budget provides extra funding to schools. Extra funding of \$265 million is provided to schools in South Australia over four years, and because Norwood Morialta is the largest school in South Australia it will obviously receive a very substantial boost in its funding. So, there is a very substantial offsetting item that exists there within the budget. That will become clearer once the student-centred funding model is rolled out in the coming months, so the net effect in relation to Norwood Morialta might indeed be quite small.

In addition to that, we have the question of the efficiencies. The next thing that needs to be said is that the assertion that you made in your question is inaccurate. The school was not told that they would have to lose a deputy principal, an assistant principal, or whatever is the configuration that you said would occur. That was simply not said.

What we were going to do (and we are doing this) is work with the school to identify the way in which the school works across the two campuses, because there are ways in which the school works across the two campuses that can create costs for the school, and there are ways of working across the two campuses, in terms of the way in which staff are allocated, that can reduce costs. We want to find ways in which we can work with the school to minimise those costs.

The other factor to be borne in mind is that we have also said in relation to Norwood Morialta that we are prepared to look at a process of transition to minimise and hopefully avoid altogether any effect on the school. We are confident we can do all this without compromising educational standards at Norwood Morialta, and that is the work that will occur over the coming period to settle this particular issue.

**Mr GARDNER:** On the same reference, on 30 September a letter was sent to the minister by his cabinet colleague, the Minister for Youth, in which she wrote:

My constituents are concerned about the ramifications this decision will have on the school and its existing structure, program delivery and quality of education.

She also wrote:

I share these concerns and take very seriously the representations being made by local residents and the school community.

If the minister's own cabinet colleague is unwilling to back him up on the issue, why should the community believe him?

**The Hon. J.W. WEATHERILL:** The two things do not follow from one another. The member for Hartley wrote to me expressing the concerns that the school council had expressed, and I have given her the explanation that I have given you just now, and she accepts that explanation and is continuing to work with the school community, a school community that she has a very close relationship with, to achieve those outcomes, and we are very confident that we will get there. So she is doing what a good local member does: representing her local community and representing the concerns that that school community has expressed to her. I then represent back to her my response, which I have given to you just now, which she accepts, and we will continue to work together.

**Mr GARDNER:** Budget Paper 4, Volume 3, page 9.3. In reference to that, you have talked about the 700 extra teachers back in school classrooms on a number of occasions today. The budget reference I have referred to lists DECS staff as 20,768 in 2010-11, 20,348 in 2009-10, and 20,265 in 2008-09. Can you please advise—and I am happy if you want to come back to us with this information—how many of these full-time equivalent staff are teachers in classrooms, how many are principals, how many are other positions, and, by way of comparison, how many were in the equivalent positions in 2001-02?

**The Hon. J.W. WEATHERILL:** We will come back with the precise details, but it has always been said that the lion's share of the 700 extra positions are teachers but it also includes SSOs and other teaching staff. I will come back with a precise answer that breaks down the particular categories for you.

**Mr GARDNER:** I have a series of omnibus questions I would not mind reading into the *Hansard* so the minister can take on notice and get back. Do you want to do that now or later?

**The CHAIR:** Perhaps we will do that when we come back. You may not even need to read them into *Hansard*. You might be able to just hand them to the minister. It might save everyone a bit of grief.

**Mr GARDNER:** Would you like me to do that now?

**The CHAIR:** If you are happy to hand them over, you may as well do that now. We will take them as questions on notice for the minister to bring back at the appropriate time.

*[Sitting suspended from 10:45 to 11:03]*

**Mr PISONI:** I refer to Budget Paper 4, Volume 3, page 9.6, Objective, 'to ensure that the state's public education and children's services offer high quality and responsive services to all South Australians'. Before I begin my questions, I will read from Acting Principal Steve Adams' May 2007 report to the Cooper Pedy school's governing council, entitled 'Challenges and issues':

Many students demonstrate disrespect...A significant number of students and parents with whom I come into contact indicate a negative view of education and schooling. They lack faith in education as a positive change agent and act out of their dislike for the system...Student behaviour management is an issue, significantly:

- managing many students' attitudes of chronic indifference to learning;
- managing challenging, defiant and off task behaviour;
- managing students who lack respect and seek to undermine productivity;
- managing students who abuse and violate others;
- managing students who interfere with others right to teach or learn,;
- managing poor punctuality and attendance...

From my perspective there appears to be high levels of tolerance for these behaviours. I'd suggest that the reluctance to intervene is based on a sense of powerlessness or at least inefficiency in exercising strategic responses that result in changed attitudes or behaviours.

I just want to explore the circumstances that led to the removal of Sue Lewis from that position. I have been advised that Sue Lewis has a reputation of dealing with some of the more difficult schools in the suburbs and that she went to Coober Pedy on a PCO6 salary and was successful in some behaviour management change in reducing truancy.

Since that time, we have seen the department fund three reviews. We have seen acting principals, who have been recruited at two levels higher, at PCO8, effectively working only a four-day week in that they fly up on Monday morning and fly out on Friday afternoon so that the school is without a principal at the beginning of the week and the end of the week, and they have their accommodation and meals paid for. There are also additional permanent relief teachers and legal costs involved. Can the minister provide the committee with the cost to date for managing this situation—that is, the cost over and above what the school will receive in its resource entitlement statement—and will the eventual full-time replacement principal for Sue Lewis be paid at the PCO6 or PCO8 level?

**The Hon. J.W. WEATHERILL:** I will take on notice the question about new additional costs associated with managing the issue. The actual salary arrangements and any potential attractions arrangements will be known only when we have secured the successful candidate, and we can provide that information when that occurs.

**Mr PISONI:** Is it appropriate, minister, to advertise the position of principal at the Coober Pedy Area School when the principal is currently appealing the decision made by DECS? In answer to a question in parliament, you clarified that the principal did not, in fact, breach any DECS guidelines with her behaviour. Section 35 of the regulations provides:

Delay of proceedings by the Director-General where the Appeal Board is hearing an appeal by a teacher in any matter, the Director-General shall delay any action against that teacher in respect of the matter until the board has notified its determination of that appeal.

So, my question is: is it appropriate to advertise for a permanent principal at Coober Pedy while we are still in the appeal process?

**The Hon. J.W. WEATHERILL:** We need to be realistic here. The school needs to get on with settling their arrangements for Coober Pedy school; that is the overwhelming view of the school community, the school council and the mayor. Our advice is that the appeal is not

competent, therefore the regulation to which you refer does not apply. However, in any event, we are only at the advertising stage. Obviously, if that situation changes, we can revisit that question. We have advertised, but there is a real need to get on with settling arrangements for this school so that it has a certain future. I think that everyone accepts that that should be the approach we take.

**Mr PISONI:** I refer to Budget Paper 4, Volume 3, page 946, Objectives. Minister, I know you are aware of the situation at Rose Park Primary School. I appreciate the efforts you have made since you have had the portfolio, but there are some issues I would like to raise in regard to objectives of the education department that led up to the situation we have there. It began with an email from Margaret Sexton to the then minister for education, Jane Lomax-Smith (and this information was obtained through freedom of information) on 22 September 2008, at 2.27 in the morning.

Ms Sexton complained about the actions of the principal in reducing the family unit from an R-7 to an R-5 school and threatened in the email that there would be consequences if it was not dealt with. We then saw an intervention by DECS. An independent report into the family unit was promised by DECS. Explicit and written promises were made to the school community by both the chief executive and district director that the report would be independent. Ex-principal Doug Moyle was commissioned to write the report.

In the meantime, we know that the school community was incensed by the unit issue; 300 people voted at the governing council elections in 2009, producing wholesale changes to the governing council and replacing the unit parent and Australian Services Union organiser, Austin White, as chair of the governing council. Then public support for the principal by the new governing council was endorsed. The school community was clear that its primary concern was inadequate quality of resource allocations with the Rose Park Primary School and support for the principal. The family unit had declining numbers (50-odd) and had extensive space. The main school had serious space problems.

Some months later DECS issued the report and, ultimately, fruitless dialogue between the Rose Park Primary School governing council followed. Rose Park Primary School governing council volunteers devoted about 200 hours to deal with this in formal meetings chaired by the then department head, Mr Chris Robinson. But the whole exercise was based on a lie and deception by the department.

Mr Moyle produced a 40-page report, which dealt with both sides of the issue. DECS finally issued a 17-page report but it was never independent. DECS, which had previously overruled the principal, now edited the report in favour of the unit. Observations favouring the main school (now 400 children) were systematically removed by Rod Nancarrow and Judy Day of DECS but observations favouring the family unit were retained. I have both reports with me with the deleted sections marked. This 40-page original was obtained after 12 months of futile resistance, if you like, from the department of education; only with the intervention of the Ombudsman was the report released.

I want to concentrate on four matters in the report. The primary concern for the main school community was always the space. Are you aware, minister, that page 12 of the original Moyle report asserts unambiguously that the unit had significantly more space per student than the classes in the main part of the school, that this assertion was secretly removed by DECS before the issue of the 17-page report, and that the subsequent public meetings with the Rose Park Primary School community and meetings with DECS governing council and the chief executive were openly dismissive of the matter of the quality of space?

Also, page 12 of the original Moyle report asserts that it is apparent that, in areas of numeracy, number, measurement and reading, the distance travelled from years 5 to 7 is substantially greater in the main school than in the unit. This may add substance to the principal's plan to transfer years 6 and 7 students to the main school. This assertion was secretly removed again by DECS before the issue of the 17-page report to the school community. The subsequent public meetings with the Rose Park Primary School and community meetings with DECS had kept this matter from the school community, even though it was central to the principal's original decision.

The CE of the department then went on to write to the school community saying that there were no educational grounds for the closing of the Rose Park Primary School and even issued an exemption for compulsory school attendance for family unit members under section 81A of the Education Act. So a number of questions arise from that series of events, minister. Does section 81A that removes the compulsion for students at the family unit to attend school remain? Is

that still in place? Does the minister support his department in doctoring independent reports and then still issuing them as independent reports to the general school community?

**The Hon. J.W. WEATHERILL:** I thank the honourable member for this question. The question of the Rose Park family unit and its future disposition has had a long history. I do not want to say anything that will inflame past passions, because the events that I have set in place now really call for a constructive engagement between the primary school and the family unit as we seek to find a new future for the family unit. What I have essentially decided to do is allow the situation to cool down a bit so that we can find a constructive pathway forward. In that regard, I am grateful for the support that the member for Unley has given me in trying to ease those tensions. I do not want to say anything today which—

**Mr PISONI:** Minister, can I just get back to the report and the doctoring of the report?

**The Hon. J.W. WEATHERILL:** I'm coming to that; just let me finish my answer. You asked about a 30 minute sort of question; I think I might be able to give a slightly extended answer. I have been trying to take the temperature down, because it has certainly increased recently. In reaching the conclusion that I reached, which is ultimately that the family unit has to move to another site, I have taken into account all of the views of the various governing councils, the various teachers, the member for Unley, and all the stakeholders who have an interest in this matter.

In terms of the report, I have taken into account the whole of the report—the unabridged version of the report. I have not just looked at the changes that have been made by the department. It is worth saying, though, that the changes that are made by the department are not all one way. Some of the changes that were made by the department involved leaving out very substantial criticisms that were made of the principal of Rose Park Primary School, which were inflammatory and which, in the department's view, would not assist the matter if they were to go forward. So, it is not simply the case that the department has taken the report and left out or put in the things that seem to have promoted one particular point of view. I think that needs to be borne in mind.

My conclusion is firm. It is that the Rose Park family unit does have to find a new future somewhere else. I was not persuaded that the educational concerns that were raised were of sufficient gravity to close the unit. I do support the idea of diversity in public schooling. There is strong support from the parent community in respect of the family unit, but there is, I believe, an untenable situation with that unit sitting on the Rose Park Primary School site in the long term, and I do want to work to a solution where they find a new future for themselves.

I do want the Rose Park Primary School, which is a very good school, to continue to grow and prosper, and I also want to give an opportunity for the Rose Park family unit to have a new future, and that is the reason I took the decisions I took. In respect of section 81A, compulsion to attend school, I am afraid I do not have the details of that, whether that still applies to the family unit. I will take that question on notice and come back to you.

**Mr PISONI:** Why was that given in the first instance? I will read the paragraph in the letter, dated 25 September 2009:

The Family Unit will continue to operate from its current premises while discussions are held during term 4 with the Family Unit executive about future locations. Compliance with statutory obligations for attendance will be met through the operation of an exemption under section 81A of the Education Act.

Section 81A of the Education Act specifically addresses compulsion for students to go to school. One can only read from that paragraph that the chief executive of the department has altered the requirement, which section 81A enables them to do, for it to be compulsory for students to go to school.

**The Hon. J.W. WEATHERILL:** I will get some advice about that. It may be no more than a technical matter, because they are exploring a different school. I know that they are under different school leadership, in relation to Parkside Primary School, so it may be that the exemption was no longer to go to Rose Park but, rather, to be treated as having been attending Parkside Primary School.

I will find out the answer to that question, but I am not presently aware of the particular reason for why that would have been the case. It may have had something to do with the transitional arrangements that were being explored for the future disposition of Rose Park, which, as you recall, was one of the options for potential co-location with Parkside.

**Mr PISONI:** Just on that Parkside Primary School option, a supplementary, if I may.

**The CHAIR:** You can come back to this line of questioning.

**Mr PISONI:** This is supplementary to the—

**The CHAIR:** I am not going to allow it. You can ask it later as a separate question. Member for Light.

**Mr PICCOLO:** I draw the minister's attention to page 10 of the Budget Overview document, where it states, 'The budget also includes additional resources,' etc. What are the implications of the recent education arbitration decision for the education department, and how will the award provisions benefit school staff and students?

**The Hon. J.W. WEATHERILL:** In response to recent decisions by the Industrial Relations Commission of South Australia, the government has substantially boosted funding for education in this budget. Given the breadth and complexity of the issues addressed in the arbitration process, the commission separated its decisions into two stages. Stage 1 dealt with the issues relating to wages and classifications, and it was handed down in February 2010.

The main features of the stage 1 decision include: a salary increase of 4 per cent per annum for school staff, including principals, preschool directors, deputy principals, assistant principals, teachers, school service officers, early childhood workers and Aboriginal education workers, and those increases took effect from 1 October 2009; the creation of a new step 9 teacher classification that recognises experienced high-quality teachers who commit to further professional development; and a new principal level to recognise those principals responsible for managing the largest and most complex schools, such as the Mark Oliphant Sports Park multicampus secondary school, and the like.

The commission's stage 2 decision addressed conditions of employment for teachers and was handed down in June 2010. The main features of the stage 2 decision include: more time for teachers to prepare lessons, mark student work and write reports; maximum class sizes in schools; additional SSO support in special schools, units and classes; and conversion to permanency for identified temporary SSOs, early childhood workers and Aboriginal education workers.

In response to that stage 2 decision, the government has committed an extra \$265 million over four years that will support the employment of more than 700 extra teachers and support staff in schools. Overall, the 2010 award provides for improved pay and conditions and adjustments to classification structures for principals and other school leadership positions to better reflect leadership responsibilities.

Importantly, the Industrial Relations Commission decision also enables the introduction of the student-centred funding model from 2011. When introduced, this model will provide student per capita funding to schools in place of the current prescriptive school staffing formulas. This will mean fairer and more predictable funding arrangements for schools, offering greater planning certainty and increased flexibilities for principals in meeting the educational needs of individual students.

To help finalise the arbitrated award, the government is committed to providing additional funding to assist schools during the transition phase to the new funding model. This will ensure that schools will receive the same or more than they would have received had they continued to be funded according to the current funding formula.

Implementation of the new award is supported by an additional \$12 million of investment and information technology support for public schools, which will free up principals to deal with increased demands for IT. This funding boost will assist every public school to pay for staff dedicated to better manage school computer systems and more effectively integrate them with the school curriculum. It will also complement state and commonwealth government investments in the digital education revolution and wireless internet support for high school students.

A website has also been created to help keep school staff informed of implementation issues, with fact sheets and bulletins regularly uploaded to provide this information, and in term 4 a series of face-to-face meetings with school leaders is planned to help them with the new student-centred funding model and with the other implications of the new award.

This is a very important endpoint. The arbitration process has been a difficult one for the government and for its relationships with schools and teachers. Now that it is over I think we are entering a new phase where there can be a new beginning, and I believe there is a very positive feeling within the school community. Indeed, the South Australian president of the AEU, Correna

Haythorpe, said on radio, the day after the budget was delivered, when referring to the substantial investment in education, that overwhelmingly the impact had been very positive.

**Ms BEDFORD:** I refer to Budget Paper 4, Portfolio Statements, Volume 3, pages 9.6 and 9.36, in relation to improving teacher quality. What action is being taken to attract and retain the best teachers through the national partnership arrangements with the commonwealth and related state government initiatives, such as the commitment to recruit specialist maths and science teachers?

**The Hon. J.W. WEATHERILL:** I thank the honourable member for her question. The Improving Teacher Quality National Partnership with the commonwealth provides payments of up to \$32 million from 2009 to 2013. South Australia's implementation plan for this national partnership was developed across all sectors and was endorsed by the commonwealth in December last year.

The major initiative is the teacher education task force, which has been established to assess the supply and demand for teachers in preservice teacher training and identify new pathways into teaching. Members of the task force include university deans and government and non-government school sector reps. The task force is currently preparing a report that will detail a whole-of-sector profile for the South Australian teacher workforce and outline the planning processes to ensure that we have a sufficient number of quality teachers in all our schooling sectors.

The task force will identify ways in which the professional experience component of teacher education programs can be improved to better prepare graduates for the transition to the classroom, and consider alternative pathways for Aboriginal employees into teaching programs. Other activities led by the education department have included conducting a series of teacher work force data surveys to assist with workforce planning, providing representatives for working groups developing draft national teaching standards, and implementation of a quality performance development pilot for teachers.

Activities under the teacher quality national partnership also support and complement a range of programs that are already underway in South Australia. Through Teach SA, the election commitment to boost teachers in maths and science, \$8.7 million will be used to target up to 155 teachers, comprising 100 existing middle school teachers in maths and science, 40 new recruits in maths and science with a focus on career change professionals, plus 15 existing secondary teachers who will be supported in gaining tertiary qualifications to teach secondary subjects in maths, physics and chemistry or to be regional experts. The Teach SA project will initially focus on upgrading the skills of middle school teachers to create a vital link between senior school and primary school maths, which has already been bolstered by a \$51.1 million primary school maths and science strategy and mandated instruction times for maths and science.

The first teachers are expected to begin training in the second half of 2011, with further initiatives rolled out in 2012. Individual and collective benefits include financial incentives for release time and mentoring in professional and career development opportunities to form an integral part of the Teach SA project. Both Teach SA and the teacher quality national partnership build on other state government initiatives that have been designed to recruit and retain high quality teachers across the state, including our Sea Change program, country teaching and New Beginnings scholarships, country teaching practicum scholarships, and free Beginning Teacher conferences.

Both research and our own experience as students tell us that inspirational teachers are the key to quality education, and the state government looks forward to continuing to work with schools and the commonwealth to lift the standards of teacher quality.

**Mr SIBBONS:** I refer to Budget Paper 4, Volume 3, page 9.22. What steps has the government taken to reduce unnecessary red tape in our state public education system?

**The Hon. J.W. WEATHERILL:** This is obviously important because we need to relieve the burden of red tape on teachers and principals so they can concentrate on their core role of teaching and learning and to make sure that central and regional officers dedicate their efforts to supporting schools rather than have processes that make that more difficult.

In recognition of this we instigated a major review of red tape. Ernst & Young were commissioned to undertake a review, which has identified a number of areas. These include the way schools are funded and efficiencies arising from existing processes. The review was performed in stages, the first to guide the priorities, as leaders perceived them, in schools. Interviews were conducted in 33 schools, preschools and country sites. Interviews were then



conducted with the Central Business Services Unit to explore issues raised by the schools and, finally, schools were analysed and the root causes of red tape and inefficiencies were identified and grouped into themes.

Overall, the report identified 76 specific opportunities to reduce red tape, improve efficiency and improve service quality. They range from ideas that can provide immediate returns, from relatively small changes to process to longer and more complex changes that will need further consultation with schools and stakeholders.

A primary red tape concern related to recruitment practices. Some of the burdens on school leaders will be lifted by the new recruitment initiatives we announced recently, and will be progressively implemented over this year and next. The change in focus by giving principals in public schools more authority to recruit the staff that best suit their school's needs will assist us to refresh and revitalise public schools. This will be increasingly important, given what we know about our recruitment task and about the retirements on the horizon.

Changes to recruitment practices include removal of the requirement for teachers to move schools every 10 years. This will substantially reduce the administrative burden created by the current placement system, which assigns teachers forced to move by the 10-year rule to schools that have matching vacancies.

Another major source of red tape identified by schools was the current funding model. The IRC is now finalising the student centred funding model, which will be much more predictable funding and increase greater flexibility for teachers. We had a situation where the current model meant that, if you tipped over a certain number of students, it led to a whole allocation of an extra staff member, which at the margins caused quite significant concerns.

*Mr Sibbons interjecting:*

**The Hon. J.W. WEATHERILL:** Exactly. Work is also being done to get big wins from smaller procedural changes: simplifying the procurement processes for purchasing goods and services, especially in country schools; redesigning the department intranet; simplifying various processes relating to student attendance and enrolment numbers; simplifying, standardising or reducing all human resources in payroll-related forms; resolving issues and disputes involving schools and preschools in a timely fashion; and, simplifying the calculation and payment of interest to preschools.

In 2010-11 resources will be dedicated to ensure further reductions in red tape are delivered, with an initial focus on streamlining payroll tasks, simplifying annual reporting for schools and improving IT systems to make school administration easier. Where necessary it will produce business cases for the more complex processes.

We also need to make sure we do not add to red tape with any new processes we put in place. The head of the principals association has been briefed that the red tape review is being progressed, and the education department will continue to work with them and other stakeholders to ensure that teaching and learning is the focus of our education system.

**Mr GARDNER:** I seek leave to incorporate into *Hansard* the omnibus questions.

Leave granted.

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 above \$10,000 in 2009-10 for all departments and agencies reporting to the minister—listing the name of the consultant, contractor or service supplier, cost, work undertaken and method of appointment?

3. For each department or agency reporting to the minister how many surplus employees will there be at 30 June 2010, 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 2009-10 for all departments and agencies reporting to the minister, what underspending on projects and programs was not approved by cabinet for carryover expenditure in 2010-11? How much was approved by cabinet?

5. Between 30 June 2009 and 30 June 2010, 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?

6. For the year 2009-10, 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 Treasurer's Instruction No. 15?

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

8. For each department or agency reporting to the minister, how many Targeted Voluntary Separation Packages (TVSPs) will be offered for the financial years 2010-11, 2011-12, 2012-13 and 2013-14?

**Mr PISONI:** I refer to Budget Paper 4, Volume 3, page 9.6, Objectives, the Premier's Be Active Challenge. I refer to a press release put out by the education minister on 7 July 2010, wherein the minister boasted about the success of the program and said that 'to help support the program 240 schools will share in \$100,000 of grants to buy more physical activity equipment for students or to provide specialist training for students'. Not long after that I received a letter from the Premier telling me that each one of four schools in my electorate received \$384 for their Be Active program.

So Massada College has 31 students, so it received \$12.40 per student, so it did quite well. Glen Osmond Primary School had \$1.24 per student, because it has 309 students. Unley Primary School has 468 students, so it got 82¢ per student, and Walford Anglican School for Girls 58¢ per student. All schools were awarded the same figure, \$385 per school (I think I may have said \$384 earlier).

According to your press release, minister, they seem to be reward-based grants, but we have four schools with different numbers of students receiving identical amounts of money. There are two parts to the question:

1. Could I have a breakdown—and you might also need to bring this back—of grants given to all schools in that round that you refer to in your media release?

2. What will schools be expected to do with \$385 when it comes to Be Active activity?

**The Hon. J.W. WEATHERILL:** This is a grants program for sports equipment. So it does not really make sense to think of it as a per capita allocation to students in the way in which you would if you were thinking of a particular program.

**Mr PISONI:** Share a couple of tennis balls?

**The Hon. J.W. WEATHERILL:** Well, each school is receiving, I think, \$1,000 of sports equipment in recognition of their promotion of physical activity; 50 of the high achieving schools, at least, received \$1,000 of sports equipment. That no doubt would assist them. It obviously supplements other arrangements that they have for the provision of equipment within their schools, so this is a supplementary program. It is not intended to be the total contribution to sport within schools. So I think it does make sense for a small amount of additional funding, which appears to have been targeted in recognition of outstanding achievement, to be given to schools. In terms of the more detailed question, I will take that on notice and bring back an answer.

**Mr PISONI:** This refers to the same budget paper, page 9.13, sub-program 2.1, Performance Commentary, Literacy and Numeracy. I will take you back to June 2005, when the then education minister released \$2 million for students struggling with numeracy and literacy. In that press release there was mention of part of the strategy for improving numeracy and literacy, as follows:

As well, we have tens of thousands of students from around the state taking part in the second year of the highly successful Premier's Reading Challenge. These approaches will help us work for our target in South Australia's Strategic Plan of achieving a national average in literacy and numeracy at years 3, 5 and 7 by 2008—

which I do not believe you did meet. In fact, even at the last release of the NAPLAN scores we were below average in 19 out of 20 indicators.

In your targets and highlights since that time, the Premier's Reading Challenge has always featured predominantly, but it does not feature in your targets and highlights this year. I would also like to know what the budgeted allocation for the Premier's Reading Challenge is, what the actual amount was for last year and what the budgeted amount is for this year; in other words, the money that is actually spent on the Premier's Reading Challenge.

**The Hon. J.W. WEATHERILL:** We will take that question on notice. The question also creates a misleading impression that the only thing we are doing in relation to literacy is that contained in the Premier's Reading Challenge. There has been a dramatic increase in the amount of resources that have been applied to our schools in terms of literacy. We have announced \$51.1 million to support initiatives in primary schools that will attack our priority areas of maths, science and literacy but also establish of the Literacy Secretariat, which has been formed to promote high-quality literacy teaching, learning and leadership.

The Literacy Secretariat is working to coordinate and support a focused approach to literacy improvement from birth to year 12 for science and reading, and the DECS literacy improvement model is designed to focus the efforts in all sites and services on improved literacy practices and outcomes. The model works to promote agreed and coherent whole-site literacy approaches, where explicit and systematic literacy teaching of balance and integrated literacy learning occurs.

We also have an agreed approach, which now requires consistent attention being paid to focus on literacy leadership, quality literacy teaching, challenged and engaged literacy learners, successful literacy pathways and high expectations, partnerships with families and communities, and the effective use of evidence data and research. This budget also provides in addition to that an extra \$8.7 million, which we referred to earlier.

This is just one component of what we are doing, which is a proactive approach to dealing with literacy, focusing on the quality of leadership and the quality of teaching in relation to literacy, which is most likely to have the most significant effect on learning outcomes for students.

**Mr PISONI:** I refer to Budget Paper 6, Co-located schools—amalgamations, operating expenses, investing payments. The budget has made the assumption that 68 schools will amalgamate to become 34 schools, including, I think, seven high schools and primary schools that will amalgamate. We also know that school principals have been contacted by phone to be advised of the time line for the amalgamation.

It appears, however, that schools are not given any choice on the amalgamation, yet section 14A—closure or amalgamation of government schools in the Education Act, which was an amendment that was successfully inserted into the Education Act by the Labor Party in opposition—provides that a school cannot be closed unless a majority of parents or adults attending the school agree.

If that process fails, there is a review process that will include the principal and a representative of the governing council; if that process results in a recommendation, if the minister decides to make a decision contrary to the recommendation, the decision for those amalgamations will be tabled in both houses of parliament within, I think, three sitting days.

I know that the member for Morialta has some specific questions in regard to schools in his electorate, but my question is: will the amalgamations be forced, or will you be abiding by section 14A to section 14F of the Education Act in conducting those amalgamations? Will you be attempting to change the act to enable them to take place, or do you have alternative sources of savings if you fail in 10, 20 or 30 per cent of your attempts to amalgamate schools?

**The Hon. J.W. WEATHERILL:** It is our intention to comply with the act, as you would imagine. The act, of course, appears to operate where agreement is not reached, as well as in circumstances where agreement is reached; that part does not apply to the particular amalgamation in question.

Our first step is to see whether we can reach agreement with the school communities. There is \$27 million of capital expenditure, which will assist us in the new arrangements that would need to occur in the amalgamated schools. It is worth bearing in mind that a lot of these schools already have single school councils. Also, there is an anomaly in that a number of junior primary schools and primary schools have already amalgamated in this fashion. That is where we are at the moment. However, it is our intention to comply with the provisions of the act.

**Mr PICCOLO:** I refer to Budget Paper 4, Volume 3, page 9.13, Sub-program 2.1: Year 3 to Year 7 Education Provision, Primary Maths and Science Strategy, where it talks about the government of South Australia announcement in the 2009-10 budget. Can the minister please advise the committee how the government is working to improve maths and science education in South Australian primary schools?

**The Hon. J.W. WEATHERILL:** This is a very important question because many of the jobs of the future require a high level of mathematical knowledge and science literacy, and we are

working to make sure that students are well equipped to participate in the workforce of the future. We know that, if we do not engage students in maths and science in the early years, by the time they reach secondary school it is too late, in most cases, to foster an interest in these fields. That is why we as a government have chosen to focus our primary schools on ways in which we can address maths and science education throughout school.

I have certainly been taking an interest in how we can lift maths and science by engaging directly with students. We had an online logging session—I think that is the language; someone might be able to help me with that so that it is slightly—

*Ms Bedford interjecting:*

**The Hon. J.W. WEATHERILL:** That's right, yes. The critical issues there that were being focused on by students were really the interesting and exciting ways of learning by doing that can be found in maths and science. When that is present, it is more likely that we can engage students and keep their interest and get them to choose maths and science in later years.

The primary maths and science strategy, though, that was announced last year is a \$51.1 million program to support the teaching of maths and science in DECS schools, and implementation is well underway. Primary Connections, the science program for primary schools, has seen 6,700 primary teachers attend workshops this year, while workshops for Maths for All will be run in 2011. Maths for All is currently working with teacher facilitators and focus teachers to assist them with supporting staff within their schools.

Next year, we will see mandated teaching times for maths and science in our public schools. It will mean that students in years 4 to 7 will spend a minimum of 120 minutes on science and 300 minutes per week on maths and numeracy. Year 3 students will spend a minimum of 90 minutes each week on science and 300 minutes on maths and numeracy. By the start of the 2013 school year, school in reception and years 1 and 2 will spend a minimum of 300 minutes each on maths and numeracy and up to 90 minutes each week on science.

If students develop an understanding and appreciation of maths and science in the early years, we know that they are more likely to continue these subjects in their high school careers and beyond. We also know that talented and engaging teachers are the critical issue here as well. There has been a trend, not just in South Australia but across the world, away from studying the highest levels in maths and science, so that is why it is integral that if we are to address the drift away from these subjects and compete in a global economy, we need to engage and excite children in these subjects very early on.

**Ms BEDFORD:** I refer to Budget Paper 4, Volume 3, page 9.19, relating to school-based apprenticeships. I would like to know what investments have been made to give high school students opportunities to begin apprenticeships while completing their schooling. What outcomes are these investments delivering?

**The Hon. J.W. WEATHERILL:** Last financial year the government provided the final tranche of its \$29.5 million investment in the establishment of its Trade Schools for the Future initiative. Trade school students do an apprenticeship or training while still at school, spending their weekdays involved in a combination of school, work and skills training at a TAFE or other training provider.

In 2009-10 state government trade school facilities were opened at Windsor Gardens Vocational College which has received a \$660,000 upgrade. The upgrades respectively for trade school facilities are: Le Fevre High School, \$786,000; Parafield Gardens High School, \$618,000; Heathfield High School, \$678,000; Hamilton Secondary College, \$633,000; Grant High School, \$723,000; Christies Beach High School, \$665,000; Peterborough High School, \$613,000; Kadina Memorial High School, \$791,000; Charles Campbell Secondary School, \$656,000; and Windsor Gardens Vocational College that I mentioned before—totalling \$6.8 million.

Ten trade school clusters in public high schools have now been established. Lead schools operate in every education region in the state, providing facilities and support for students at other schools in their region to enter into contracts of training. The lead schools are: in Eyre and Upper Spencer Gulf, the Edward John Eyre High School and Peterborough High School; in Barossa/Lower North and Yorke Peninsula, it is Kadina Memorial High School; in Northern Adelaide it is Parafield Gardens High School and Craigmore High School; in East/North-East Adelaide it is Windsor Gardens Vocational College and Charles Campbell Secondary School; in Hills Murraylands it is Heathfield High School and Murray Bridge High School; in the Riverland it is Glossop High School; in Western Adelaide it is Le Fevre High School; in Inner South Adelaide it is

Hamilton Secondary College and Urrbrae; in Southern Adelaide it is Christies Beach High School; and in the Limestone Coast, the Grant High School.

Another very important aspect of this has been the South Australian innovation of apprenticeship brokers to work to match student interests with employer needs. These apprenticeship brokers make sure that the contracts of training are fair and reasonable for everyone. High school students participating in the trade school enrol at their local school while they access specialist programs in the industry areas where skills are in demand. So their studies are tailored to the skills that the employers need, which maximises their chance of getting a job. After a student completes their schooling, employers can expect motivated, trained and work-ready employees who already understand their business. We have already seen 2,000 of these apprenticeships start in our schools.

In a recent letter to the government, Business SA has advised that over the two years to June 2010 the proportion of school-based apprenticeships signed up through Business SA has almost doubled in the metropolitan area and more than doubled in country South Australia. So what we are seeing is that for 2008-09 just over 65 per cent of commencements were at certificate III level, 75 per cent of apprenticeship starts remain active, and funding of \$4.7 million a year has been committed to support the continued operation of Trade Schools for the Future so that we can continue this excellent work.

**Mr SIBBONS:** I refer to Budget Paper 4, Volume 3, page 9.19. What progress has been made by the government in implementing the industry skills program and how does this relate to other initiatives that support the delivery of vocational education and training in schools?

**The Hon. J.W. WEATHERILL:** We budgeted \$20.2 million over a four-year period for this program. The industry skills program is aimed at supporting schools to develop themed pathways for students that will lead to qualifications where there are recognised skills shortages. These have been developed in consultation with ETSA, Business SA and the CITB. They cover the following areas: allied health, automotive, business services, community services, construction, electro-technology, engineering manufacturing technologies, primary industries, plumbing, civil construction and digital media.

By providing students participating in an industry pathway program with an extended period of time in a workplace, students develop workplace skills necessary for their career, and employers can ensure that students appreciate the industrial context in which the business operates. Regional partnerships between schools and local employers are under development by the 17 industry council managers, who are employed to work closely with the high schools in the implementation of this program. I can now advise that at present a total of 45 schools have begun to implement industry pathway programs, putting us well ahead of our target of 18 for 2010.

A related program is the Advanced Technology Industry School Pathways. Through a national partnership agreement with the Australian government, via the Defence Materiel Organisation, more than \$5 million has been committed over five years to increase the numbers of young people engaging in science, maths and technology so that they can take up opportunities in our burgeoning defence-related industries. Henley High, Aberfoyle and Valley View are all established as the lead schools to drive this particular advanced technology program, with each school working with a cluster of five schools.

As you would have seen, we have announced the creation of Le Fevre High School as a maritime school to build on this. The new high school will be a flagship for specialist studies in industry pathways for relevant careers in the maritime and defence industries. Key aspects have been electronics, boat building, nanotechnology and a specialist marine elective. Recruitment of a project coordinator is underway, and this position will facilitate discussions between school and industry partners.

Through its investment in the industry schools program the maritime high school, trade schools and other partnerships with the commonwealth, we are now creating many more pathways for young people to gain the skills they need for the jobs that we know are out there.

**Mr GARDNER:** I refer to Budget Paper 6, Part 2, page 116, Co-located schools—amalgamations. Following on from his answer to the member for Unley's previous question, I understand that 68 schools are currently co-located and they will be encouraged to agree to amalgamate by taking part in the \$27 million worth of new works available for schools that agree to merge; so that is about \$400,000 per school.

If schools do not agree in that consultation process then the minister is signalling that he intends to use that section of the act which operates in cases where agreement is not needed—I think they were the words that the minister used previously. Just to clarify for my constituents' benefit, can you confirm then that, regardless of how the community responds in that consultation process, Stradbroke primary and junior primary schools and Athelstone primary and junior primary schools will be forced to amalgamate this term?

**The Hon. J.W. WEATHERILL:** The first thing is that I do not want to pre-empt those discussions. We will in the first instance be seeking to reach agreements with those schools, but we are committed to the savings task. I have also said that we will conduct ourselves consistently with the provisions of the act; so I do not want to pre-empt any of the processes that are obliged to be carried out under that act.

**Mr GARDNER:** On the same budget reference, obviously these schools are concerned about this consequent to the budget. I understand the minister has been invited to attend the next meeting of the Stradbroke Primary School governing council to discuss this measure. He might like to indicate whether or not he is planning on going to that meeting. My particular question is: what is the time frame that we talking about? Do you have an end date by which these schools must agree to amalgamate or be forcibly amalgamated? If the savings measure is set in stone, then what is the start date for all of the 68 schools to become 34?

**The Hon. J.W. WEATHERILL:** The budget is clear in that it anticipates that the savings measures are sought to be achieved by the commencement of the 2013 school year. I am trying to visit as many schools as I can. I am not aware of an invitation to attend that particular school but, certainly, my aim is to visit as many schools as I possibly can.

**Ms SANDERSON:** Given the importance of birth to year 7 schooling, what will you do to help the Sturt Street Primary School to continue to provide this service, as it is bursting at the seams, in particular, the Maxwell Gardens that are located on DECS land next to the school and that are currently being used by external people?

**The Hon. J.W. WEATHERILL:** So, whose side are you on? Are you on the side of the nuns or the—

**Ms SANDERSON:** We need more land to expand a school that is already over capacity that provides for birth to year 7.

**The Hon. J.W. WEATHERILL:** You want to kick the nuns out. Is that what you are saying?

**Ms SANDERSON:** We need more space. How will you—

**Ms BEDFORD:** And the homeless men.

**Ms SANDERSON:** What about the sheds next door then? We need the space. We need relocation.

**The Hon. J.W. WEATHERILL:** This is obviously a complex issue. For the benefit of the member for Adelaide, historically, I think, the use of that particular piece of space that is now being used by the Adelaide Day Centre was used by them at a time when the Sturt Street school was closed. I am advised that arrangements were then attempted to be negotiated for a lease for that site and that they were never finalised, but that, nevertheless, the Adelaide Day Centre has continued to use the site.

More recently, there has been a hardening of attitudes in respect of the access that the school may have to that site. I understand that there are concerns on the part of the Adelaide Day Centre about the school students mixing with some of the adult homeless men and that that might create some concerns.

What is the case is that the Sturt Street Primary School does have demands for increased space. I know that they have sought to encourage a nearby neighbour who owns a building to sell that block of land, and I think we are prepared to support that ambition, but presently that particular site is not available for sale.

It is true that the school is anxious to ensure that it has as much open space as possible and also give the children an opportunity to engage in some gardening. There is no doubt that there is a dispute between the two particular uses. I am still hopeful that that can be resolved. A meeting will occur next week between the Adelaide Day Centre and the school community to attempt to mediate this issue, and I am very hopeful that they will come to a satisfactory outcome.

**Ms BEDFORD:** Budget Paper 4, Volume 3, page 9.6, a subject that I know will be close to your heart, minister. How is the government tracking in meeting its COAG targets to close the gap for indigenous student retention and attainment rates at DECS schools?

**The Hon. J.W. WEATHERILL:** I thank the honourable member for her question and note her passionate advocacy on behalf of Aboriginal South Australians. While there is a long way to go, I am pleased that not only have our retention rates improved across the board, but retention rates for Aboriginal students have also improved. The years 8 to 12 apparent retention rate has increased to 54.9 per cent in 2009, from 36.7 per cent in 2005, and the year 10 to 12 apparent retention rate has increased to 62.3 per cent, up from 43.9 per cent in 2005. We have the highest number of Aboriginal enrolments that we have had in 10 years.

There is a number of ways in which we are working to improve indigenous retention rates across the state through the Aboriginal secondary education and employment action plan, Keeping Them on Track, an initiative which I launched at Henley High School earlier this year, which provides guidelines for teachers, parents and guardians about how to support Aboriginal students to engage with their SACE and transition from school into successful future pathways.

Aboriginal students have also been able to participate in the Enter for Success initiative, which means that year 7 students are able to access entry into any DECS secondary school that they wish, irrespective of zoning requirements. This year 96 year 8 Aboriginal students are utilising this scheme. The Aboriginal Programs Assistance Scheme provides funding to improve literacy and numeracy outcomes, attendance, retention and SACE completion while increasing the level of parental engagement with education.

The South Australian Aboriginal Sports Training Academy also targets students in their senior years, and is an educational program that integrates sports, leadership development, cultural integrity, health and recreation within a mainstream curriculum framework. The academy has expanded from two schools in 2005 to nine schools in 2010, and now has 164 students enrolled. We expect 320 students will be enrolled in the academy by 2014. SAASTA students have higher than average attendance rates when compared with other Indigenous students and higher than average stage 2 completion rates. Between 2006 and 2009 nine students achieved their Certificate II in Sports Coaching and Outdoor Recreation, 22 completed their SACE, 380 achieved nationally accredited certificates, eight were accepted into university and, most important of all, one was recruited into an AFL team. I do not need to remind members—

**Ms BEDFORD:** Only one?

**The Hon. J.W. WEATHERILL:** Yes, but, importantly, it was Port Power, and I think all that money was worth it for just that one result! The academy was a social inclusion response to Aboriginal retention rates and was initially funded for four years. However, it has proven to be so successful that the department is determined to continue funding the academy on an ongoing basis, which we see rolled out in this budget.

**Mr PICCOLO:** I refer to Budget Paper 6, Budget Measures, page 111, in relation to school buses. This is a matter of interest to my electorate, and I have had discussions with the minister about it. What is the state government doing to create certainty in the school bus industry, and how will the recent announcement of \$114.5 million on school bus services benefit regional South Australian school students?

**The Hon. J.W. WEATHERILL:** I thank the honourable member for his question, and thank him for the delegation he led to my office concerning this issue. Fundamentally, funding was what was holding up certainty for operators, and the state government is investing \$114.5 million in school bus services over the next four years. This is the biggest single investment in school bus services in 25 years and, obviously, will create the certainty that is necessary. We will purchase new buses with seatbelts, air conditioning and improved emission standards as well as other safety features; \$23.8 million will be spent on new DECS buses, \$19.2 million of which is additional funding; and \$90.7 million in funding is available for private operators to supply seatbelts and air-conditioned bus services.

About 16,000 schoolchildren travel on DECS and contractor services each school day, and 509 free school bus services—mostly in rural areas—are operated on a 50:50 mix basis, with 226 services operated by DECS and 283 services managed by 112 bus-contracting companies. In 2000 the government replaced all open-ended contracts with fixed term contracts, which were established on a five year basis, with option for another five year extension. As these contracts are coming to an end the government has begun meeting with the Bus and Coach Association and has developed a two-stage process of procurement, seeking expressions of interest in bus runs and

requests for proposals from operators. Depending on the level of interest, the government will then consider direct negotiations with the contractor or an open tender process.

To help bus contractors across South Australia the government is conducting regional information sessions and inviting bus contractors to discuss the future of the industry with DECS officers and what the expressions of interest and requests for proposals mean for them. We have also been offering staff of some MPs the opportunity to attend regional tours to gain information on the state government investment and what this means for the industry.

Bus contractors wanted a set of arrangements that provided certainty for them, and we are now offering seven-year, with an optional four plus four, contracts—that is, 15-year contractual arrangements. Successful bus contractors will be given six months to buy a new bus that meets the upgraded standards, and we are establishing a panel of suppliers to source our new buses. Contractors will also have the option of buying from the panel, which should assist them with economic pricing.

**Mr SIBBONS:** I refer to Budget Paper 4, Volume 3, page 9.7, relating to the Digital Education Revolution (DER). Will the minister advise the committee of the benefits of the Digital Education Revolution and indicate what having these extra computers in schools will mean for the education of school children?

**The Hon. J.W. WEATHERILL:** The federal government is investing \$2.4 billion to support information and communication technology in our schools. The DER program is a major technology and infrastructure investment and will provide every year 9 to 12 student with a computer, support the rollout of high speed broadband to Australian schools, train teachers in how to best use computers in the classroom, and upgrade school infrastructure to support the extra computers.

DECS is working with schools to help prepare for the one computer for every year 9 to 12 student, and the government has conducted a series of workshops about the implementation of the program. DECS staff have visited all 162 DECS schools receiving DER computers to provide guidance, audits and policy advice. When the DER program was announced some schools wanted to order their own computers in the belief that it might be more cost effective than DECS ordering but, with DECS' large buying power and the number of DER computers DECS is buying, we are saving money and getting computers at almost half the normal retail value. The leftover funds are going to schools to fund more ICT purchases.

The government has negotiated a new agreement with Microsoft on a per student basis rather than a per computer basis, meaning that government schools will not need to find additional money to pay for the additional licences. The DER computers in schools program has set two targets: an interim target of one computer for every two students by 31 March 2011, and a final target of one to one by 31 December 2011.

The program in South Australian government schools is progressing well. As at 30 September, 99.2 per cent of schools were on target for one computer to every two years 9 to 12 students and have been ordered, 94.3 per cent to meet the interim target have been installed, 69.8 per cent to meet the one computer for every years 9 to 12 student have been ordered, and 43.5 per cent to meet the one to one target have been installed, so we are well on target.

Audits have been carried out at all 162 schools to find out what type of upgrade is needed to support these additional computers, and a major infrastructure project is underway involving 159 schools. Obviously, classroom learning will become far more engaging: teachers will be able to take their students on a journey well beyond what is written in the textbooks and will go beyond the walls of the classroom via the internet and use research and skills to find answers and interact with the on-line community about what they are learning inside the classroom. The possibilities for this are really only limited by the imagination of our educators now. It is a very exciting phase in our education system.

**Mr PISONI:** I refer to Budget Paper 6, page 117, ICT Learning Technologies—efficiencies. The proposed efficiency will cut nearly \$9 million for the learning technologies program over four years. That is a lot of money to cut from an area that principals and teachers see as vital and an increasingly dominant element of education, particularly professional development. Carrying on from your answer to the member for Mitchell's question, how many learning technologies projects supporting teachers through after-hours ICT training support will cease due to these cuts, and how many that are operating in that area on the DECS payroll are targeted for voluntary separation packages?



**The Hon. J.W. WEATHERILL:** These are largely savings focused on head office savings. A number of the learning initiatives were established for a period of three years, which will conclude in 2010. These initiatives have led to both the establishment of a repository of digital learning resources and the professional development of teachers, so they have achieved important benefits about the effective use of ICT teaching and learning.

While the initiatives have achieved successful outcomes, and they are due to conclude, the ongoing growth of educational improvement and teacher development associated with these initiatives will benefit significantly from the number of high quality digital learning resources now available to schools and the teachers who have developed skills through the initiatives over the past three years.

The department is currently developing a transition plan and the new business plan for 2011-14 that will build on these e-learning initiatives. It is also worth bearing in mind the additional \$12 million that is being put into schools on an annual basis. So this saving is \$8.8 million over four years, but \$12 million on an annual basis is going into schools to support ICT within schools, and that is what principals and teachers have been telling us is the more vital need, that front-line support, given that our schools now have interactive whiteboards, computers, increasingly an ICT environment within schools. So those are the measures that are contained within the budget and they eclipse this program, which has achieved important benefits that will be ongoing.

The second part of your question was the number of FTEs affected by this particular proposal—

**Mr PISONI:** Yes, and will they be offered voluntary separation packages?

**The Hon. J.W. WEATHERILL:** We will take the two elements of that question on notice.

**Mr PISONI:** I refer to Budget Paper 2, Budget Speech, page 4: 'To this end the budget continues the government's program of public sector reform.' I notice also page 116 of Budget Paper 6, Executive employees—reduce. The budget speech also refers to cuts to ministerial offices, but I notice, minister, that in your office you have one extra full-time equivalent staff member than the previous minister, with 13. The previous minister had 12 and you have a budget increase of \$108,000. Also, the previous minister would have had a number of advisers who did not continue. Are you able to advise how many of those advisers received separation packages or the 16-week ministerial advisory payout that they receive when they lose their positions, and if any of them are working for other ministers or the public sector now?

I am also interested to explore the appointment as policy executive director of Ben Temperly, who began as a ministerial adviser to the former minister, Jane Lomax-Smith, then went on to be her chief of staff and now appears to be at executive level on the payroll of the Department of Education and Children's Services. When did that occur, and what was the process of selection?

**The Hon. J.W. WEATHERILL:** There are a lot of questions in there, but in respect of the circumstances of the termination of those staff of the former minister, we will take that question on notice. One of the staff members of the former minister is Mr Temperly, whom you refer to in your more specific question. The simple answer to that is that he won the particular position to which you refer on merit, through a process of selection.

**Mr PISONI:** Was that an advertised position?

**The Hon. J.W. WEATHERILL:** Yes, it was an advertised position.

**Mr PISONI:** When did that occur?

**The Hon. J.W. WEATHERILL:** We will bring back the answer to that question.

**Mr PISONI:** I have a question now that relates to the allocation of funding per student. Every budget a figure is represented in the budget speech, and usually in a post press release, announcing the amount of money allocated in the education budget per student. This year that allocation was at \$13,547. Last time it took 12 months to get this information back from estimates; I hope it will not take as long this time: I would like a breakdown of the allocation, based on that figure, for all categories on the index of education disadvantage. In other words, how much is allocated per student attending category 1 schools right through to category 7 schools?

**The Hon. J.W. WEATHERILL:** I am happy to take that question on notice and bring back an answer. I suspect that it is difficult to calculate, as I do not think that records are kept in precisely those terms. However, we will seek to bring back an answer that meets your question.

**Mr PISONI:** I refer to Budget Paper 6, page 120, Surplus teacher management. In the context of your statement that you want to give principals more autonomy—and we are very pleased that the government is finally taking it on, after criticising the Liberal Party for that policy—we are very keen for clarification about the budget savings that were announced in Budget Paper 6 that will save significant money by what appears to be forcing teachers who do not have a school into schools and leaving the management of those teachers to principals. How many are there to obtain that figure? How many teachers does it represent, and how many schools will be forced to take teachers they otherwise would not choose to under that cost-saving measure?

I refer to surplus teacher management arrangements, where you are budgeted to save \$9.7 million over three years. It states, 'With the planned implication of teacher selection of teachers by schools, there will cease to be a pool of surplus teachers being managed centrally for placement of schools.' The question is: what happens to those teachers schools do not want, and will schools be managed to manage them? How many do you have at the moment you cannot place?

**The Hon. J.W. WEATHERILL:** There are a couple of different formulations of that question, but I will go with the last one. Obviously, a very significant proportion of the 700 extra staff needed, as a consequence of the extra investment in our schools, are teachers. So, that will provide opportunities for teachers who are presently in the surplus teacher pool and who are not in funded positions. There is an opportunity there for those teachers to try to win those positions.

Secondly, there is the question of the further reduction in the pool that can be achieved through changes we are proposing with the availability of TVSPs; a number of them may choose to take TVSPs. Those are the mechanisms whereby we expect the surplus teacher pool to be reduced and so achieve the relevant savings. The initiative is to achieve the savings over three years from 2012 and, to the extent that there are performance-related issues for those teachers, those issues will be dealt with in the context of the school with management by their relevant teacher leader or principal.

**Mr PISONI:** You mentioned the voluntary separation packages. In Budget Paper 3, page 2.6, Full-time Equivalent Impacts of New Initiatives, you have a figure of 350 in the savings initiatives. Where will they be coming from?

**The Hon. J.W. WEATHERILL:** And the number you are referring to?

**Mr PISONI:** There is a negative figure here of 350, under the line 'Education and Children's Services'.

**The Hon. J.W. WEATHERILL:** That is the calculated effect across all the savings initiatives. It needs to be borne in mind that that is not a net figure. So, that figure would have to have applied to it in the order of 700 additional staff associated with the new investments in funding that come through the budget. It represents the net figure of new savings initiatives and new operating initiatives that are announced in the budget. So, it is that component of the budget that does not reflect the additional investment occurring through the \$265 million over four years that flows from the Industrial Relations Commission decision.

**Mr PISONI:** I just want to explore that a little further. The same page refers to 66 additional expenditure initiatives, which gives us a net loss of 284 full-time—

**The Hon. J.W. WEATHERILL:** I am sorry; I should have been clearer. The gross figure for savings initiatives is 350. The new initiatives gives you an additional 66 staff, and then the net figure is 284, as you have said.

**Mr PISONI:** So, where are the 700 teachers coming from?

**The Hon. J.W. WEATHERILL:** That is in addition.

**Mr PISONI:** But that is not in the budget.

**The Hon. J.W. WEATHERILL:** It is in the budget. This part of the budget really is concerned with the full-time effects of the new initiatives, that is, the new operating initiatives and the new savings initiatives. The budget effect of the Industrial Relations Commission decision was dealt with through a cabinet process that occurred prior to the budget. It is reflected in the budget, but it is not announced in the budget. This page really deals with those things that were announced in the budget.

**Mr PISONI:** Again, I refer to the budget speech. In relation to the Public Service long service leave changes, what is the Department of Education and Children's Services' contribution to those savings announced in the budget?

**The Hon. J.W. WEATHERILL:** I will have to take that on notice; I do not have that information with me.

**Ms BEDFORD:** I refer to Budget Paper 6, page 115. Can the minister explain the impact of the decision to cease funding the Basic Skills Test grants?

**The Hon. J.W. WEATHERILL:** As the member indicated, the initiative in relation to funding for Basic Skills Test grants in this budget will save \$8.1 million over four years. It has been superseded by a range of other very significant funding arrangements, both through the state and federal governments. The projects that have been put in place are more proactive than the BST was. The BST provided one-off funding to individual students who needed assistance, but this support often was not available for up to one year.

The programs that have been put in place now are about identifying those schools where students may struggle and providing them with support to bring their students up to speed early. At the beginning of this year, the Literacy Secretariat began giving educators support to provide challenging literacy programs for students at whatever stage of learning they may be. The secretariat provides teachers with a range of resources. Through the Literacy and Numeracy National Partnership, 55 schools around the state are being supported by a literacy and numeracy coach. Much of this work is done one to one, with the coaches also working with small groups of educators to find ways in which to maximise outcomes for students.

The Communities Making a Difference national partnership has helped to fund 155 primary principals to participate in the Principals Literacy Leaders program. I met principals undertaking this program as I visited schools across the state, and they have provided overwhelmingly positive feedback about this project, indicating the confidence it has given them to act as educational leaders in their schools, many after years outside the classroom in leadership roles. It has meant that they are better able to direct their staff in literacy education within their schools.

The Primary Maths and Science Strategy, which was backed by \$51 million invested by the commonwealth, provides additional support for primary schools, with specialist training in maths and science for every primary school teacher between this year and 2012. The minimum weekly teaching time, which we have spoken about earlier, furthers our election commitment to increase the number of higher level maths and science teachers.

Critically, a new teaching resource called 'Teaching for Effective Learning' is a resource that assists teachers and principals to enhance the quality of teaching to improve student learning outcomes. It is not about what we teach: the ultimate measure is how children are learning, and that is the focus of this. It is regarded as national best practice.

Aboriginal students receive additional support through the Aboriginal Program Assistance Scheme, which will provide funding to schools for a range of supports for those particular students, including the Indigenous Tutorial Assistance Scheme. About 4,100 applications for assistance through this scheme have been funded. There are many more programs that are much more proactive and effective in grappling with the numeracy and literacy issues that are presented by our students.

**Mr SIBBONS:** I refer to Budget Paper 4, Volume 3, page 9.6, the Learning Together Program. How are parents engaging in early childhood development through the Learning Together Program?

**The Hon. J.W. WEATHERILL:** This is a very important initiative. South Australia has long been regarded as a leader in the field of early childhood development. One area in which we have been held in particularly high regard is the way in which we have been engaging parents to better support their children in their learning.

One program that does this particularly well is Learning Together, a DECS program for families with children aged from birth to 3 with a strong focus on literacy. For a great many families, Learning Together provides an important focus on literacy for children and parents alike, and it has been a pathway for many young adults to re-engage with the education system. In fact, in 2009-10, 55 parents have been undertaking SACE study through the Learning Together Program, and this represents another way in which we are actually dealing with the question of adult re-entry. Incidentally, these are precisely the same types of adults who have had their schooling interrupted

by their failure to continue with SACE, even over the age of 21. These are the reasons why adult re-entry was established.

Learning Together provides programs which were established, first, in Millicent and Port Pirie in 12 Outreach locations, with 79 programs run each week. As of June this year, 640 families and 840 children enrolled in attending these programs, which represents an increase in attendance of 47 per cent in 2008-09. During 2009-10 a resource called Together was developed in conjunction with families participating in the program. Together emphasises the benefits of parents forming a close bond with their children. The first of 16,000 copies of Together, which presents key messages for supporting early learning in a family setting, have been distributed throughout all Learning Together programs, Learning Together at Home programs, children's centres and our Children, Youth and Women's Health Service and other interested organisations. Learning Together is an important strategy provided by DECS to encourage parents to engage more fully in their children's learning and development.

**Mr PICCOLO:** I refer to Budget Paper 4, Volume 3, page 9.9, children's centres under Investments—new projects. Can the minister advise the committee what the government is doing as part of the 2010-11 budget to provide better support for children and families in the early years?

**The Hon. J.W. WEATHERILL:** I thank the honourable member for his question; his electorate is a beneficiary of one of these new centres. We all know about the importance of the early years the development of our children, and the critical thing here is the way in which health, safety, a family's health and the environment all work together to effect a child's development. Experiences in these early years have a profound effect on a young person's future capacity to contribute to society. This is not just a welfare agenda; this is a productivity agenda for the future prosperity of the state. That is why we are supporting this so strongly. The centrepiece of this support is our innovative children's centres for early childhood development and parenting.

This budget allocates \$26.5 million over four years for an extra 10 children's centres in and around Adelaide, including the LCI Kindergarten in Hewett, Gawler. These centres, located with schools, will offer families a range of services and programs that reflect community needs. One of the key things for these to be successful is the ability to reach out to the community and get parents to engage with them. It is not a question of hard-to-reach parents: it is hard-to-reach services. We have to make sure our services are proactive in the way in which they engage with those parents who need our assistance.

Mr Chairman, you may be interested that Ardtornish Primary School in St Agnes will also have a children's centre. The member for Adelaide would be aware that Sturt Street Primary School will also be a beneficiary of a new children's centre in this new set of investments. Indeed, in Seacombe Gardens, the Darlington Primary School will also be a beneficiary, which the member for Mitchell will have the opportunity to support in his own electorate. I thank those communities for the establishment and the work they are putting in to ensure that these new community children's centres are a success.

**Mr PISONI:** I refer to Budget Paper 6, page 120, Small school additional grants. The government has indicated budget cuts in this area of \$12.1 million over four years, with the cuts to start in this budget year. Adelaide Hills schools have had their funding cut in previous budgets, about three years ago. Can the minister advise what is the timetable for cutting the funding? I notice this is not happening over one budget. It appears as though some schools are losing their funding in one year and others the next, as the budget cuts tend to grow as we move along the time line, certainly from the 2010-11 year to the 2011-12 year; so it is obviously a two-stage approach. Which schools will be losing their funding this year, and will that affect their budgets for this year? Which schools will lose their funding the following year? Could you also advise whether they will end up with more or less funding than they have now, including their small schools grants, once the per student funding model is announced?

**The Hon. J.W. WEATHERILL:** Based on 2010 enrolments, small schools will receive out of this budget an extra \$1.57 million more in aggregate. This is because of the impact of the rollout of the student-centred funding model and the injection of funding for ICT staffing support. This amounts to an average increase of \$13,944 per small school, even taking into account the small schools grant reduction. I am advised that as a result of this more than half the schools will be better off, some significantly so, than they are at the moment, even taking into account the small schools grant reduction. That will not be known in precise terms until the student-centred funding model is rolled out over the coming months.

**Mr PISONI:** But won't all schools be getting an increase in funding? Is it fair to say that they are getting the same increase in funding that all other schools will be getting, but they will not be getting their additional \$30,000, and that is why it is marked as a saving in the budget?

**The Hon. J.W. WEATHERILL:** Well, you are running around trying to say that these schools are going to close. I do not know how they are going to close if they are getting more money. Also, take into account the fact that all these small schools benefit already from a funding model, which is skewed in their favour because they are a small school. So, they get the benefit of a funding formula that already advantages them and, with the new funding in the budget, on average those schools will have a \$13,944 increase. That must mean that more than half the schools will be better off, and some significantly so. Obviously, that will become clearer once the student-centred funding model is rolled out; but the predictions of doom and gloom by the opposition simply will not be borne out.

**Mr PISONI:** So, are you able to guarantee that those schools will be able to offer the same services under the new funding model that they are able to offer now?

**The Hon. J.W. WEATHERILL:** If they get more money then it stands to reason that they will be able to offer the same, or improved, services.

**Mr GARDNER:** I refer to Budget Paper 4, Volume 3, page 9.13, Literacy and Numeracy National Partnership. I am quoting from the budget paper, although there was one different figure I heard the minister use in a response, so I might get clarification on that at some point. The Performance Commentary describes the Literacy and Numeracy National Partnership as:

...involves a whole school focus on literacy or numeracy improvement through the placement of 14 literacy partnership coaches and 14 numeracy partnership coaches in 31 identified schools—

I think the minister used a number of 55 in a previous response, so maybe you could clarify which one of those is correct—

in the Limestone Coast, Northern Adelaide, Southern Adelaide, Barossa and York and Mid North regions.

It goes on:

Partnership coaches support school leaders to plan and implement whole school literacy or numeracy improvement and work intensively in class with teachers to embed research based teaching and learning practices that are responsive to student achievement data.

I am wondering which 31 schools will receive these coaches—or 55 schools, if that other number is correct—and also if you could expand on exactly what these 14 literacy partnership coaches and 14 numeracy partnership coaches will actually be doing. Are they going to have a one-on-one role with students? Are they going to be in the classrooms with teachers, or are they providing strategic advice to principals? If you could expand on what their actual role will be, that would be very helpful. I am happy if you want to get back to me with the list of schools.

**The Hon. J.W. WEATHERILL:** I seek to clarify those numbers. It may well have been that I either mispronounced or you misheard 51.5 as opposed to 55.

**Mr GARDNER:** That is possible.

**The Hon. J.W. WEATHERILL:** I know that the number has been variously described as \$51—or \$51.5—million additional funding for initiatives concerning literacy. Just to clarify, the coaches are there for the coaching of teachers. Teachers have, obviously, the primary responsibility for dealing with the teaching of students in terms of their literacy needs. What is being lifted here is the standard and quality of teaching in two ways. One is the principal as literacy leader, involving the ability for them to have a very detailed conversation with their teachers about standards, about how students are going and the sorts of strategies they can use to assist students to learn.

This is undergoing a fundamental rethink with our Literacy Secretariat. This was the initiative that we launched some weeks back, where we are now making, I suppose, more prescriptive leadership to assist schools and teachers to understand what works in terms of literacy. So, we have reviewed all the literature, we have made judgements about it and we have produced it in a form which is accessible for principals and teachers.

What is really happening now is a much deeper accountability, if you like, for literacy standards. We are giving principals and teachers the tools necessary to ensure that they get the results. So, we are measuring a lot more carefully, we are giving principals the ability to have

conversations with their teachers about these things, about what works, and certain teachers are being coached by other teachers who can assist them with their experience and skills in this area.

So, that is the essence of the strategy. We are working with those schools and teachers that need our assistance in that regard, but I will take the other elements of the question on notice and come back to you.

**Mr GARDNER:** So you will get back to us with a list of the schools that will benefit?

**The Hon. J.W. WEATHERILL:** Yes.

**Mr GARDNER:** On the same reference, these literacy and numeracy national partnerships replaced the previous federal program Even Start, a tuition vouchers program, when the current federal government was elected. However, that program provided tuition vouchers to all students who did not meet the national benchmarks in literacy and numeracy in the national tests, not just those in the 31 partnership coached schools. Again, the minister can take this on notice, but how many students in South Australia did not meet the national benchmarks in their literacy and numeracy tests in 2009 and would therefore have been eligible for the previous Even Start program?

**The Hon. J.W. WEATHERILL:** I will provide a response detailing that, but it needs to be borne in mind that the idea of identifying, some time after the event, what a student needs and then trying to remediate the situation is much less beneficial than putting in place the measures that ensure quality literacy teaching in the first place. We know, from all the literature, that it is the quality of teaching and the quality of leadership that makes the most significant difference to a child's learning so that is what we are investing in, the teaching methods that we know work for literacy and ensuring that teachers have those skills. Then there is a very detailed focus on measuring these things, not just in a once-a-year test and waiting for a result, but on an ongoing basis, an ongoing monitoring of the performance of students so that those students can be focused on by their teachers.

I am not in a position to provide a critique of a Howard government program which has ceased to be in place. I am more than happy to look at the reasons the commonwealth chose not to pursue that particular approach, but it does seem to me that this approach is based on what we understand to be best practice in lifting literacy standards.

**Mr GARDNER:** I do not necessarily disagree with the assertions the minister has made about the approach; it may be one way or the other. However, as far as the literacy and numeracy national partnerships and these literacy and numeracy coaches go, they will obviously only be able to affect students who study in the schools in which these coaches operate. So, could the minister also advise how these 31 schools were selected for this program, and whether that was an open process? Basically, what was the process?

**The Hon. J.W. WEATHERILL:** The first thing to clarify is that the things we are doing for literacy and numeracy are not confined simply to a small number of schools, or to the schools that have been discussed. They are comprehensive across the whole system; in particular, the literacy secretariat and the materials and measures that are used for those purposes certainly extend beyond the schools to which you referred. However, I will provide a more detailed answer to the questions.

The answer will also include a description of all the things that occur at the moment concerning literacy and the remediation of students who may, perhaps, be falling behind, and not be simply limited to the new measures that are contained within this budget. For instance, we have a negotiated education plan for students who have learning difficulties, which might include literacy. That is part of our ongoing method of dealing with students who may not be reaching the benchmark standards we might want to see. They are being built upon by this budget and the initiatives we have been discussing, but the initiatives contained within this budget are not the only things this government is doing in relation to literacy and numeracy. We will come back with a more comprehensive answer.

**Ms BEDFORD:** I refer to Budget Paper 4, Portfolio Statement 3, page 9.6. In what ways is the government supporting disadvantaged schools and students, including through national partnerships with the commonwealth?

**The Hon. J.W. WEATHERILL:** There are a number of measures the government is taking to provide support for schools and teachers that have responsibility for educating students from disadvantaged backgrounds. Some of these are undertaken by the state and some are in partnership with the commonwealth. At the most fundamental level it is the school funding model,

which is weighted to give disadvantaged schools more funding, and with the introduction of the student funding model for next year school principals will have greater flexibility about how they are to actually support the educational needs of their students. That will differ between schools and students.

The government also provides School Card for families in need of financial assistance and helps low income families pay school fees. Almost a third of public school students qualify for School Card because of the family's financial circumstances. It is widely accepted also that, of the school-based factors affecting learning, teaching is critical. In this regard we provide a range of incentives to attract teachers to rural, remote and low SES schools, for example, the Sea Change program provides incentives for experienced maths and science teachers to teach in remote and rural areas and low SES metropolitan areas.

I have also announced that we are committed to arrange a major capital works program focused on the northern and western suburbs; \$323 million is being invested over 30 years through our PPP partnerships, and that will service many of the most disadvantaged communities. There is also support for Aboriginal students through the Indigenous Tutorial Assistance Scheme, to which I referred earlier, and the Indigenous homework centres, 11 of which are run out of DECS sites and one run out of an Aboriginal organisation.

There are also a number of measures supporting students and families from disadvantaged backgrounds that are accessed through early childhood initiatives, including access for Aboriginal children and children under the guardianship of the minister to kindergarten from age three instead of four, and the Learning Together program that supports vulnerable families and children and provides that access for parents to re-engage. A key factor in the next 10 children's centres has been the relative socioeconomic disadvantage, and the rollout of universal access has provided 15 hours a week of preschool, which has targeted in the first instance the most disadvantaged communities.

In the non-government sector 50 per cent of our funding has been targeted to those students with special needs. Of course all these individual initiatives are being delivered in the broader context of our commitment to school retention. In recent years there has been a massive shift in how we have looked at the education system. It is not just the later years to provide an opportunity for some people to go to university, but to provide a full set of opportunities for all our students to complete their education.

The 15-year high of 79.5 per cent school retention is quite an achievement. They have obviously been supported by the revamped SACE and trade schools, the ICANs for disengaged youth, youth mentoring programs and the youth compact. All these measures are making the final years of schooling more relevant to those young people who come from these disadvantaged communities and are keeping them at school. Fundamentally, we believe in the power of public education to transform disadvantage. This is one of the great social projects—public education—and it is the mechanism by which we can transform the lives of young people, not only giving them pathways to work but to open them to a world of possibilities that they might not otherwise be aware of, given their circumstances.

**Ms SANDERSON:** Where will the students leaving Prospect Primary School and Nailsworth Primary School this year be zoned to start high school next year?

**The Hon. J.W. WEATHERILL:** I answered that question earlier. The current arrangements will not change until the review that I have foreshadowed is undertaken.

**Ms SANDERSON:** When is Ross Smith shutting?

**The Hon. J.W. WEATHERILL:** I have already answered that question. If your question is about the changing arrangements for the Adelaide High School—

**Ms SANDERSON:** Will Gepps Cross super school be open in time? They are zoned to Ross Smith currently and Ross Smith School is closing.

**The Hon. J.W. WEATHERILL:** I answered your question about Adelaide High School.

**Ms SANDERSON:** This is not to do with Adelaide High School.

**The Hon. J.W. WEATHERILL:** Well, perhaps you could explain what you are getting at.

**Ms SANDERSON:** Which school are they zoned to go to next year? They have never been zoned to Adelaide High School.

**The Hon. J.W. WEATHERILL:** What are we talking about now?

**Ms SANDERSON:** We are talking about Prospect Primary School and Nailsworth Primary School.

**The Hon. J.W. WEATHERILL:** They will be zoned for the school they are currently zoned for. Those arrangements will not change until they are announced to be changed. There is no change in those arrangements, and when they change—

**Ms SANDERSON:** Ross Smith is closing, though.

**Mr PICCOLO:** Point of order. Which budget line is she referring to?

**Ms SANDERSON:** Budget Paper 6, page 114.

**The Hon. J.W. WEATHERILL:** The simple answer is that when that school closes they will be zoned to go to the new school. In the meantime, they go to the present school. It is as simple as that.

**Mr GARDNER:** You are not afraid of saying they are going to the super school?

**The CHAIR:** Order! Any other questions?

**Ms SANDERSON:** When will the super school be opening? Will they go to one school for ten days and then move to another school? They will buy uniforms and books and then the subjects will change. Where will they go?

**The Hon. J.W. WEATHERILL:** All of these arrangements are being worked out with the school communities and there will be orderly arrangements when one school ceases and the new school is opened. All the parents at the relevant school have been aware of this for some time. One small thing needs to be borne in mind here: the school communities voted for the amalgamation of these schools, so they supported the establishment of these schools, and there has been communication about how those arrangements will be put in place.

I must say that, of the schools that I have visited under Education Works, the excitement about the new schools and the new facilities is overwhelming and the students and teachers obviously cannot wait to get into those new facilities. That is certainly the experience that I have had in relation to those schools. In fact, in relation to the Ross Smith Secondary School, there was 80 per cent support for the closure of that school, so it was broadly supported by the school community.

Mr Chair, I have an answer to the member for Unley's question about the executive director of policy. That position was advertised on 13 February 2010. It was advertised in *The Advertiser*, *The Australian*, and on seek.com.au.

*[Sitting suspended from 12:58 to 13:45]*

**The Hon. J.W. WEATHERILL:** In respect of some of the previous questions, we have been able to ascertain one answer in the meantime. In terms of the Premier's Reading Challenge, in the period 2009-10, the expenditure was \$316,000, which amounted to two full-time equivalents and covered the costs of certificates, medals, communications and some travel budget.

**The CHAIR:** We will now move to Early Childhood Development.

#### **Departmental Advisers:**

Mr G. DeGennaro, Acting Chief Executive, Department of Education and Children's Services.

Ms J. Andrews, Deputy Chief Executive, Department of Education and Children's Services.

Ms J. Riedstra, Acting Deputy Chief Executive, Department of Education and Children's Services.

Ms T. Winter, Executive Director, Early Childhood Development, Department of Education and Children's Services.

Mr C. Bernardi, Director, Finance and Investing, Department of Education and Children's Services.



Ms K. Jordan, Acting Director, Early Childhood Development Strategy, Department of Education and Children's Services.

**The CHAIR:** Minister, do you have an opening statement?

**The Hon. J.W. WEATHERILL:** I do. South Australia has established itself as a leader in early childhood development, and this budget builds on that reputation by honouring our new commitments to support education in early childhood development. We know how crucial the early years of a child's life are, and we are investing in programs that support families to give children the best possible start. These are amongst the most important dollars we spend in government.

The government wants parents to be partners in their child's learning right from the early years, when the foundations are laid for their future. So, our strategies focus not just on young people but also on families and the support they need in the early years. The 2010-11 budget delivers on our commitment to expand our network of children's centres which provide preschool child care, health and parenting services at the one location.

The budget provides \$698,000 towards a \$15.6 million capital program to establish an additional 10 children's centres, with a further \$10.9 million over four years for operating costs. South Australia is continuing to play a prominent role at the national level as the federal government pursues its early childhood reform agenda.

Extra preschool hours have commenced in more than 130 preschools across the state as part of the Universal Access program. This will give children a minimum 15 hours a week preschool, up from 11 hours, and the staged rollout of this program continues. We are also working with the federal government on increasing the quality of early childhood services. These reforms are about getting parents the security of knowing that their children are receiving high-quality child care.

I have also been extremely impressed with the dedication of staff who are providing the best possible start to the life of the young members of our community, and I look forward to working with them as we expand the services and policies which promote early childhood development.

**Mr PISONI:** I refer to Budget Paper 4, Volume 3, page 9.23, Sub-program 3.1: Performance Indicators, Number of services in Early Childhood Education and Care. We saw the announcement of the closure of the Panorama, Marlestone and O'Halloran Hill TAFEs, which will see the loss of 100 childcare places. The minister for further education stated that child care is not a core TAFE business. Many students and staff, of course, will now need to use the private sector, or will your department take over the responsibility for child care for that number of students in the area?

**The Hon. J.W. WEATHERILL:** That is a matter best directed to the minister for further education, as it is a decision that has been taken within that portfolio. I will provide an answer to the question to the best of my understanding, but I may have to supplement it in due course.

My understanding is that some of the centres run by the TAFE system will continue to be run; as to others, discussions will occur about ensuring that the childcare needs of the people who use those childcare centres are taken up by other childcare centres. My recollection of the advice from the minister is that very few of the places are taken up by the children of students at those various institutions and that they are used as just general child care. However, I will provide a fuller answer for the member.

**Mr PISONI:** I refer to the same budget line. In your recent outline of a new relationship with schools and preschools, based on your Policy Direction Overview, Discussion Paper 1, you intend to locate a childcare centre and preschool on the site of the ground floor of 31 Flinders Street, which is the head office of the Department of Education and Children's Services, in addition, I imagine, to those children's centres set out in Budget Paper 5, page 32. Can the minister advise the time scale for the feasibility study, the estimated timetable as to when it will be open, and, most importantly, the proportion of places to be allocated to DECS employees compared with the general public?

**The Hon. J.W. WEATHERILL:** Before we get too far ahead of ourselves, the commitment was for a feasibility study, and we have yet to complete that. Of course, before we made the announcement, we looked at just some basic pre-feasibility issues, I suppose, about the practicality of it, and it was considered that it is possible. However, the feasibility will be the next step. I cannot really provide more detail about those other matters until that feasibility study is completed because the feasibility will directly bear on a number of those issues.

However, what I can say, and what we have said in the discussion paper, is that the purpose is not to provide a childcare centre for the staff of DECS: it is to provide a broader offering for inner city workers, including a proportion of those who might otherwise be disadvantaged or are finding it difficult to find childcare places—so those inner city workers who are looking for child care and want a high quality childcare offering within the inner city. The member might have noticed that there has been some recent publicity about the shortage of childcare places in the inner city, and no doubt the feasibility study will explore that possibility.

**Mr PISONI:** I refer to Budget Paper 4, Volume 3, page 9.6, Targets. Minister, in June, you announced in Perth to the nation's education ministers that you would be adopting a data sharing system to identify children in need and to better target servicing, and that you were planning to seek a national rollout, and you put out a media release on 10 June this year. Can the minister identify the budget line in the program and, if not, the funding that is allocated for that program for this year and in the forward estimates, and what is the funding level and to what extent South Australia's new system of data linkage tracking on individual children will be adopted in a national approach?

**The Hon. J.W. WEATHERILL:** This is, of course, in partnership with the commonwealth. A large proportion of the funding will be coming from the commonwealth, and we are the state that is taking the lead, together with the Northern Territory. There is no specific funding line contained within this year's budget concerning that matter. The resources the state government is providing comes generally from the resources that are voted to this particular portfolio area within government.

**Mr PISONI:** I refer to Budget Paper 6, page 117, Family day care centres—reduce management costs. As far as I am aware, the state government provides no state dollars from Treasury for this service and, as far as I can gather, these costs are from admin support provided. What are the specifics of these cuts and what elements of DECS' management will end and how many staff are going?

**The Hon. J.W. WEATHERILL:** From the start of 2012, the DECS-sponsored schemes will be formally regulated for the first time by an independent South Australian regulatory agency under national applied laws. The changes to the Family Day Care (FDC) central management announced in the budget are in preparation for the transition to this new regulatory environment. Under these changes, which will commence in July 2011, management of that program will remain within DECS as sponsor of the program. There will be no reduction in staff or resources for the regional schemes. These services will be more effectively supported at that local level and linked to other DECS regional education and care services. So the reduction in central office positions will effect streamlined administration management, human resources and finance support to the FDC schemes.

Once established, the Australian Children's Education and Care Quality Authority and the new state regulatory agency will provide clear guidelines on FDC scheme operations and legal requirements under the legislation. They will also provide support and assistance to FDC scheme staff to ensure the provision of high quality home-based child care. Essentially, the state bureaucracy will be replaced by the commonwealth bureaucracy in this area. Responsibility for the investigation of complaints about individual care providers will return to the regional scheme managers and team leaders, as will be required under the National Quality Framework. Local schemes will continue to support prospective and approved FDC care providers' access to the registered training and development provided by a range of RTOs. The number of FTEs that will cease at 1 July 2011 is 13.5—6.4 in central management positions, 3.6 in central standards and investigation positions and 3.5 training unit positions within the central RTO.

**Mr PISONI:** Will the respite program for families with children with moderate to severe disabilities of up to 250 hours per child per year continue to be administered by DECS under these changes or will this function become the responsibility of individual family day care schemes or alternatively the commonwealth?

**The Hon. J.W. WEATHERILL:** I will have to take that question on notice.

**Ms BEDFORD:** I refer to Budget Paper 4, Volume 3, page 9.6: what strategies are being put in place to support Aboriginal children and their families?

**The Hon. J.W. WEATHERILL:** The South Australian government is supporting the needs of Aboriginal children and their families in a number of ways. A significant achievement for South Australia during the last year has been the improved attendance at preschool by Aboriginal children. The preschool attendance rate for four-year-olds in term 4 was 86 per cent, which

represented a 6 per cent increase in the proportion of Aboriginal children attending preschool from the previous year. It is only 2 per cent below the attendance rate for other four-year-olds. I am sure this also reflects the fact that we are offering preschool at age 3 as well. This is a result of our commitment not only of staff but initiatives like Learning Together, universal access, and early access to preschool which have been important.

In partnership with the Australian government, South Australia will be expanding the services available to Aboriginal children and their families. As part of the Indigenous Early Childhood Development National Partnership, we are establishing Aboriginal children and family centres across the state. They are effectively the commonwealth version of children's centres. They will offer integrated learning, child care and health. They will be located in four remote, regional and metropolitan locations at Ceduna, Whyalla, Christies Beach and Pukatja (otherwise known as Ernabella) on the APY lands.

The exact sites will be determined soon once the final stages of consultation have been completed in the coming weeks. These centres will provide early childhood development programs and services for Aboriginal children from birth to 5 and their families. In respect of the planning of these centres, 36 community information sessions were held between November 2009 and March 2010. Over 250 people attended; 39 per cent of the attendees were Aboriginal. A community development coordinator has been appointed to each location. Three of the four community development coordinators are Aboriginal.

Enabling groups have been established at each location for local planning of the centre, and what we have learned about these children's centres is that it is critical to get the coordinator on board first, and that is the way in which these centres will become a success rather than building something and expecting people to come to it. We are very confident that these centres will become very important parts of our integrated early childhood development system for young Aboriginal families.

**Mr SIBBONS:** I refer to Budget Paper 4, Volume 3, page 9.6, preschool access. What is the government doing to increase the availability of preschool to South Australian children?

**The Hon. J.W. WEATHERILL:** Many children in South Australia are now experiencing the early years as preschool. In partnership with the commonwealth government we intend to make our preschools even better by working to ensure that by 2013 all South Australian children will have access to 15 hours of preschool, up from the existing 11, before they start school.

The National Partnership Agreement on Early Childhood Education is about making preschool more available in more places for longer periods of time so that it is more accessible for families. From the start of the current school year, 98 preschools across the state will receive funding to deliver 15 hours of preschool. That has benefited children—over 3,000—who now have access to extra hours of preschool. This is a wonderful benefit for children as it allows them to have extra time to socialise with other children and lay the foundations for learning in the period leading up to school.

From the start of term 3 this year we have extended the program even further to an extra 36 preschools, which means that 146 preschools, non-government schools and childcare providers are currently offering increased preschool access across the state. This rollout, together with the first rollout, will result in approximately 27 per cent of children accessing the program, and it includes 75 per cent of all four-year-old Aboriginal children. During 2010-11, we also intend to extend this program to other areas of need, as well as further extending the numbers of non-government and childcare providers who are offering extended preschool.

**Mr PICCOLO:** I refer to Budget Paper 4, Volume 3, page 9.22. Can the minister advise the committee of the most recent developments in implementing the Early Years Learning Framework in South Australia?

**The Hon. J.W. WEATHERILL:** The development of the national Early Years Learning Framework is part of a raft of reforms, through COAG, which are directed at dramatically improving the quality of our early years services. I am proud to say that South Australia has been a strong leader and supporter of these reforms. The Early Years Learning Framework focuses on the learning and development of children from birth to 5 and their transitions, especially from early childhood services to school.

Due to South Australia's national leadership in early years curriculum, many of the educational concepts in the Early Years Learning Framework were taken from South Australia's SACS framework. The Early Years Learning Framework has replaced the first two phases of

SACSA and is presently being implemented with children aged birth to 5. This is being supported through the efforts of DECS regional and central office staff working collaboratively with early childhood services.

Based on early reports, teachers in preschools, childcare centres and family day care are enthusiastic about implementing the new framework. South Australia has written the National Educator Guide, a document to support teachers to work within the framework, and South Australia has developed a guide for implementation. It is currently awaiting some approvals from the commonwealth department prior to its national distribution.

The Educator Guide has strong links to our Reflect Respect Relate assessment tool for learning in the early years, using observation scales, which have been developed by DECS and was informed by the work of the educationist Ferre Laevers. To support teachers nationally in the implementation of the framework, the commonwealth department has funded DECS to update and reprint Reflect Respect Relate, and once again this will assist all preschool sites across Australia.

So, in these two respects—the national curriculum and the national observation scales that assists how one can assess the quality of learning going on within a particular environment—the South Australian tools that we developed here are now being used nationally. That demonstrates, I think, the role that we have been playing at a national level.

**Mr PISONI:** I refer to Volume 3: Capital Investment Statement, Allied Health Services in Children's Centres. This is the expansion on the children's centres that were promised by 2010 in 2006. We saw a promise of 10 centres by 2010 at a cost of \$13 million. In 2007, we saw a promise of 20 centres by 2010 at a cost of \$16.3 million. Then in 2008, the promise had changed to—these are budget papers that I am referring to—20 centres at a cost of \$26.5 million.

Now we are being promised in the budget a further 10 centres. The actual announcement was \$14 million, but it appears in these budget papers as \$15.6 million. I also note that the expected completion date has now been shifted from June 2010, for the original 20 children's centres, to the December quarter of 2010, with \$8.3 million of the \$27 million still to be spent.

Are you able to advise whether the December date is the final date, that the \$27.511 million is the final figure, and how many centres are completed from that budget announcement of 20 centres in 2008 to date?

**The Hon. J.W. WEATHERILL:** I thank the honourable member for his question. Of the 20 centres that were due for completion in June, 13 are operating and there are a number that we are expecting to be completed before the end of the year. One of them will not be completed because it has now become part of the Education Works program in Gawler, and will be completed as part of that Gawler project, but that was something that was agreed to with the community.

The current anticipated date for the completion of capital works for five centres, beyond the 13 already completed, is: October for Parafield Gardens, Kirton Point, Trinity Gardens and Murray Bridge; and November for O'Sullivan's Beach. As I said before, Gawler is progressing with Education Works, with time lines to be advised following project approval.

In addition to the 20, four children's centres will be completed as part of the Education Works proposals: John Hartley (which I was at just yesterday, and that looks like it is almost complete), to be completed in October or November; Blair Athol, which is to be completed in December 2010; Woodville Gardens in December 2010; and Mark Oliphant in March 2011. They are estimated dates. It will depend, obviously, on weather and any other issues that occur on-site that can have an effect on construction issues.

**Mr PISONI:** Just on the services that those childcare centres will be providing, it has been claimed that a paediatric occupational therapist who used to work at the Parks Children's Centre was advised by department bureaucrats that for all existing and new children's centres—not the ones that had the services of an occupational therapist budgeted for, but new ones—there would be no occupational therapists available for families who have conditions and disabilities and who experience physical and intellectual development delays, as well as the need for diagnosis.

I am advised that occupational therapists have a key role in ensuring that these children are able to develop and keep up with their age level. Will the minister advise whether funding for allied services such as occupational health and safety in South Australia's childcare centres is in the 2010-11 budget and beyond?

**The Hon. J.W. WEATHERILL:** The point about the children's centres is that they provide a location where a whole range of health programs—funded not necessarily by this department but

by the health department—can be delivered by SA Health. SA Health will deliver a range of allied health services, including early childhood and parenting services, in all children's centres, including health promotion programs, dealing with dental health, nutrition, physical exercise and healthy lifestyles for infants, children and parents, as well as the provision of health promotional materials and parenting literature.

On-site services are also provided by SA Health in children's centres, including dental clinics providing dental services at Cowandilla, Il Nido and Murray Bridge. Child and family health clinics are on site at CaFE Enfield, Parks, Il Nido, Cowandilla and the children and families integration services on-site at Elizabeth Grove and Parks. Aboriginal health services provide visiting services to Aboriginal children and families at Kurna Plains and Port Augusta, and health promotion officers provide additional support to Aboriginal families at Kurna Plains and Port Augusta. The Incredible Years parenting programs will be provided by SA Health to deal with supporting children's mental health and well being at CaFE Enfield, Parks, Elizabeth Grove, Kurna Plains, Il Nido, Gawler and Cowandilla.

Additionally, referral pathways to local child and family health services, school dental clinics, child and adolescent mental health, primary health services and community-based allied health services such as occupational therapy, physiotherapy, speech pathology and nutrition have been established for all children's centres. In addition to allied health services provided regionally, DECS funds, under an arrangement with SA Health, an allied health program in children's centres consisting of six full-time equivalent positions that service eight centres as follows:

- at Gawler 0.3 occupational therapy, 0.7 speech therapy, 0.5 which provides a range of services from a speech therapist, dietitian, young children and families worker, allied health therapy assistant, early childhood consultant, and child youth and women's health service and fatherhood worker;
- Elizabeth Grove 0.4 occupational therapy and 0.6 speech therapy;
- Hackham West and O'Sullivan Beach children's centres 1.0 occupational therapy and 1.0 speech pathology;
- Parks, Ocean View and Cowandilla 1.0 occupational therapy; and
- Port Augusta Children's Centre 0.5 speech pathology.

DECS is also funding an occupational therapy pilot project which is being implemented at CaFE Enfield and Kurna Plains to support professional development in areas of play, coordination and motor development, sensory processing and alertness. There are also the partnerships with local government and other non-government organisations that provide substantial support, which is in the nature of allied health support.

**Mr PISONI:** I refer to Budget Paper 6, page 116, continuous intake to cease. Up until next year, a child who turned five in term 2, for example, would be eligible to go to school in term 3. They would do prep in terms 3 and 4 and they would then do four terms of prep the following year before moving into year 1. Correct me if I am wrong, but my understanding is that the effect of these changes is that, if a child turns five before May, they will be able to start at the beginning of the year (at four years and seven or eight months old), but if they turn five after May they may not be able to go to school until the following year, to give them four terms at preschool. That has the effect of reducing a significant number of preschool students from five terms to four terms. Have those numbers that will now be requiring child centres been calculated in your budget numbers for childcare places based on the fact that a number of children will not be able to start school until they are five years and seven months old?

**The Hon. J.W. WEATHERILL:** The overall effect is that it will give some families an extra period of time in reception. At the moment some children only receive three terms in reception and this change will give some of them four terms in reception. Some others get six terms and others five, so there will be a beneficial effect in removing that inequity. The effect of this reform is four terms in reception and four terms in preschool. There is an estimate of something in the order of 600 families that would eventually be affected by this proposal. Given the disposition of children's centres across the state, it is unlikely to have a particularly large effect, given that the 600 are spread across the state, yet children's centres represent only a proportion of what is offered in terms of child care across the state. There will be a negligible effect.

**Mr PISONI:** On from that, one of the reasons given in the budget paper was that it will bring South Australia into line with other states. I do not have a problem with that, but I notice that,

if a child starts at five years seven months, by the time they are in year 7 they will be pushing 14 years. We know that other states—Queensland and Western Australia—are preparing to introduce year 7 into high school. I do not see any provision to do that in the budget. I know it was looked at in Western Australia by the previous Labor government and was costed and thought to be too expensive, but it is now being taken up by the new Liberal government in Western Australia because of the national curriculum.

Queensland has also taken it up because of the national curriculum, and its argument also is that it is bringing its early learning into line with the rest of the nation, which will mean that its students will be older at year levels. Why is it that at this stage it appears that South Australia will be the only state not making preparations or at least investigating the options of moving year 7. I refer to comments the minister made in *The Advertiser* about a month or so ago about year 7 moving into high school. We are the only state not prepared to look at that in preparation for older students at lower year levels and the national curriculum.

**The Hon. J.W. WEATHERILL:** It is a good question. However, it is not true that we are not looking at it—we are obviously considering the issue. The move to the national curriculum has meant that we will have to give it consideration. There are a lot of different factors that bear on this question. There are different viewpoints educationally about whether year 7 should belong in high school or in primary school. There is an alternative view, a middle view as it were, that says that those students are best involved in a middle school. Now, of course, a middle school concept requires a birth, or reception at least, to year 12 concept if one was to manage it within our present arrangements. That of course exists in a number of schools now. There are a number of schools that actually do have reception to 12 and birth to 12 and have taken this step of middle schools, as have a number of private schools in South Australia.

There is a debate about whether some of these young people in year 7 are too mature to be in primary school. There is corresponding debate to say that they are too immature to be at high school. I think the truth is that different students have different levels of development at that chronological age. What I see in the school system is a lot of pastoral care in primary school, and perhaps less of it in high school. I think the answer may lie in the way in which pastoral care is applied to those young people in the important transition years before primary and secondary school.

So I certainly am doing some thinking about it. The financial effects in South Australia are different from those in other states, where the expanding schools provide an imperative and a slightly easier financial equation because they are having to expand their schools in any event, so the adjustment is not as financially onerous. Nevertheless, it is a topic that we are going to have to debate, and I think that the national curriculum will force us to give further attention to that. Indeed, I think that this change that you have referred to will also be another factor to be taken into account.

**Mr PISONI:** So, just picking up on that point about the schools' growth in other states compared to South Australia, I think we all concede that there are fewer children in South Australian government schools now than there were 10 years ago. I think we have seen a larger number of students in non-government schools than there were 10 years ago. My understanding is that for quite some time now the department has been planning to rewrite the Education Act, which would include early childhood centres, and it would also include childcare centres in the private sector. One of the concerns that has been raised with me, by private operators of childcare centres, is the regulations. Is it your intention for the publicly run childcare centres to have the same set of regulations as the privately run childcare centres; in other words, operating under the same rules?

**The Hon. J.W. WEATHERILL:** Just let me correct something that you alluded to in your question. The numbers of children in our schooling system grew last year; they did not shrink. The declining numbers have for the first time in a number of years turned around.

**Mr PISONI:** Do you mean to say in the overall school system?

**The Hon. J.W. WEATHERILL:** In the South Australian public school system, numbers actually grew.

**Mr PISONI:** What are they now compared to 10 years ago?

**The Hon. J.W. WEATHERILL:** They are still lower, I think, than 10 years ago, but they reflect a growth. The point here is not the question of any differential between where children are going, as between public and private schools: it is more about the growth of population, and the

enrolment trends in other states provide a much easier equation because they are already having to build new schools and so the burden of adjustment is a completely different equation from the one that exists here. That was the point that I was making there.

In relation to the second part of your question, the national standards are, as the name suggests, determined nationally, and the commonwealth government has responsibility for those, and they will apply to our childcare centres in the same way as they would to private sector childcare centres. For the first time they will also apply to kindergartens and other institutions that are run by the South Australian state government.

**Mr PISONI:** To return to that point about growth in other states compared to South Australia: the state government's Strategic Plan has said that by 2030—I think that was the revised date—there will be two million people living in South Australia, and 70 per cent of those people will be living within the established urban boundaries. What work has the department done on anticipating the need for government schools? I have sat on the Public Works Committee and seen Playford Alive and other urban development projects where there has been provision for non-government schools, but I have not yet seen provision for new schools.

I have seen provision for amalgamated schools, and schools that are being built under the super school program, but I have not seen schools planned to be built by the education department for new students, students who are not already in the system or the number of students growing in the system. How much planning has been done for building new government schools in South Australia as part of the State Strategic Plan?

**The Hon. J.W. WEATHERILL:** We respond to the need for new schools having regard to population growth. The only point I was making was that the rate of population growth in south-east Queensland, for instance, is dramatically higher than it is here, and that places very big burdens on the building of new schools. So, the equation of how you accommodate changes from year 7 into high school, etc., becomes easier when you are already undertaking large capital upgrades.

There is no doubt that, as we look at the way in which the population is projected to grow across South Australia, particularly in the metropolitan area, we will need to plan for new schools. Those new schools will provide an opportunity for us to configure them in a way that grapples with this question of where year 7 sits. As I said before, if you have schools that span from reception to year 12, you can accommodate that issue through the creation of middle schools.

In relation to Playford Alive, a public school in the area, the Mark Oliphant School, provides for the expansion of that education offering within the Playford area. So, there is a public school that is planned for that new urban development, and it is being built, and I think it is projected to be completed in March next year.

**Mr PISONI:** What about Buckland Park? Do you have anything planned for Buckland Park?

**The Hon. J.W. WEATHERILL:** That is obviously a future planning issue. Once we are clear on the nature of that expansion and its educational needs, no doubt there will be an education response.

**Mr PISONI:** I refer to Portfolio Statement 3, page 9.22, the Angle Park childcare centre, where Angle Park (the Parks) was listed as a childcare centre that had already been built. Was it part of the 20 childcare centres that were being built under the current budget arrangements? What will be the future of that childcare centre with the revised use of the Parks Community Centre, which was going to be closed, but the government has obviously backflipped and now said it will be looking at options for that centre? What impact will the options the government is looking at have on the childcare centre?

**The Hon. J.W. WEATHERILL:** There will continue to be a service provided in the Parks, and the disposition of that centre has been a matter which, as you have noticed, has been referred to Monsignor David Cappelletti. Obviously, there exists nearby a children's centre that is also planned for the new school, which is proximate to the Parks area.

**The CHAIR:** If the minister has finished answering the question, I declare the examination of the proposed payments closed. I thank the minister and his advisers.

**DEPARTMENT OF TREASURY AND FINANCE, \$75,500,000****ADMINISTERED ITEMS FOR THE DEPARTMENT OF TREASURY AND FINANCE,  
\$1,703,759,000****DEPARTMENT FOR TRANSPORT, ENERGY AND INFRASTRUCTURE, \$687,904,000****ADMINISTERED ITEMS FOR THE DEPARTMENT FOR TRANSPORT, ENERGY AND  
INFRASTRUCTURE, \$13,412,000****Membership:**

Mr van Holst Pellekaan substituted for Mr Gardner.

Mr Griffiths substituted for Mr Pisoni.

Mr Whetstone substituted for Ms Sanderson.

**Witness:**

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

**Departmental Advisers:**

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

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

**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 the proposed payments to facilitate changeover of departmental advisers. I ask the minister and the lead speaker of the opposition to indicate whether they have agreed on a timetable for today's proceedings and, if so, to provide me with a copy. Do you have a rough agreement on proceedings?

**The Hon. P.F. CONLON:** We have agreed a timetable on the basis that we put it, they complained and then we agreed.

**The CHAIR:** Changes to committee membership will be notified as they occur. Members should ensure the chair is provided with a completed request to be discharged form. If the minister undertakes to supply information at a later date, it must be submitted to the committee secretary by no later than Friday 19 November 2010. This year the *Hansard* supplement, which contains all estimates committee responses, will be finalised on Friday 3 December 2010.

I propose to allow the minister and the lead speaker for the opposition to make brief opening statements should they wish to do so. There will be a flexible approach to giving the call for asking questions based on about three questions per member, alternating each side. Supplementary questions will be the exception rather than the rule. A member who is not part of the committee may, at the discretion of the chair, ask a question. Questions must be based on lines of expenditure in the budget papers and must be identifiable or referenced.

Members unable to complete their questions during the proceedings may submit them as questions on notice for inclusion in the assembly *Notice Paper*. There is no formal facility for the tabling of documents before the committee; however, documents can be supplied to the chair for distribution to the committee. The incorporation of material in *Hansard* is permitted on the same basis as applies in the house; that is, it is purely statistical in nature and limited to one page in length. All questions are to be directed to the minister, not the minister's advisers. The minister may refer questions to advisers for a response. I also advise that for the purposes of the committee, television coverage will be allowed for filming from both the northern and southern galleries.

I declare the proposed payments open for examination and refer members to the Portfolio Statements, Volume 1, Part 3 and Volume 3, Part 7. Minister, do you wish to make a brief statement? Could you also introduce your advisers?

**The Hon. P.F. CONLON:** I do not need to make a statement.

**The CHAIR:** Member for Goyder, do you have an opening statement or are you happy to go straight to questions?



**Mr GRIFFITHS:** No, I do not have an opening statement other than to say that I seek leave to have the omnibus questions inserted in *Hansard* without my reading them.

Leave granted.

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 above \$10,000 in 2009-10 for all departments and agencies reporting to the minister—listing the name of the consultant, contractor or service supplier, cost, work undertaken and method of appointment?

3. For each department or agency reporting to the minister how many surplus employees will there be at 30 June 2010, 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 2009-10 for all departments and agencies reporting to the minister, what underspending on projects and programs was not approved by cabinet for carryover expenditure in 2010-11? How much was approved by cabinet?

5. Between 30 June 2009 and 30 June 2010, 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?

6. For the year 2009-10, 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 Treasurer's Instruction No. 15?

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

8. For each department or agency reporting to the minister, how many Targeted Voluntary Separation Packages (TVSPs) will be offered for the financial years 2010-11, 2011-12, 2012-13 and 2013-14?

**Mr GRIFFITHS:** I refer to Budget Paper 3, page 5.5, and I will ask a general question in the first instance. How much of the land available for development within the 30-Year Plan for Greater Adelaide and the growth boundary is actually owned by the Land Management Corporation, and how much is owned privately?

**The Hon. P.F. CONLON:** I am not sure I understand the question. How much identified in the 30-year plan?

**Mr GRIFFITHS:** Yes.

**The Hon. P.F. CONLON:** Not being the planning minister, I do not have that in front of me. The LMC currently owns about 30 per cent of the available residential developable land in Adelaide, but I am not quite sure what you mean and whether you are referring to any of those transport corridors or just the land in general.

**Mr GRIFFITHS:** The land that is proposed to be part of the scope of the 30-year plan.

**The Hon. P.F. CONLON:** The LMC owns about 30 per cent of the available land within Greater Adelaide for residential developments.

**Mr GRIFFITHS:** I refer to the Budget Paper 3, Budget Statement, page 5.5, the Port Adelaide Waterfront Redevelopment. Because I have received the Auditor-General's Report, I suppose it gives me an opportunity to identify an issue there, which links it back to this report, because it refers to the impacts on contributions through the Treasury in future years from LMC operations. However, the Auditor-General's Report notes that the LMC may be required to pay up to \$37.323 million in remediation costs for the Port Adelaide project. Can the minister confirm the likely cost as part of that within the 2010-11 budget?

**The Hon. P.F. CONLON:** You are talking about the Port Adelaide land release, Newport Quays?

**Mr GRIFFITHS:** Yes, the Port Adelaide Waterfront Redevelopment project.

**The Hon. P.F. CONLON:** And you have identified what obligation—37?

**Mr GRIFFITHS:** The Auditor-General's Report notes that across the term of that project there is a potential liability of some \$37 million in remediation costs.

**The Hon. P.F. CONLON:** That is for the project, though, not for the—

**Mr GRIFFITHS:** Well, in remediation costs.

**The Hon. P.F. CONLON:** Yes, there have always been remediation costs in the project.

**Mr GRIFFITHS:** Yes, but I am asking what is the expected remediation cost for this 2010-11 financial year?

**The Hon. P.F. CONLON:** For 2010-11 it is about \$1.2 million.

**Mr GRIFFITHS:** Are you able to provide an estimate across the forward estimate years?

**The Hon. P.F. CONLON:** Well, it will be purely an estimate. We will have a look and give you the best estimate when we come back, but it will depend on how much land is taken up over the period, and that is not at all certain at present. We will come back and probably give you the outer and inner, but that would be about the best we could do.

**Mr GRIFFITHS:** I appreciate that, minister. I refer to Budget Paper 5, page 48, Capital Investment Statement. At the top of the page it refers to an existing project of the LMC: the Industrial Commercial Premises Scheme. Can the minister advise what buildings this affects, what is the cost of maintenance on them, and who occupies those buildings?

**The Hon. P.F. CONLON:** In general, the scheme is administered for the benefit of industry development agencies, such as DTED (or whatever that has been called in the past). Our maintenance obligations at the moment are on BAE Systems and Optus at Technology Park, the Carl Zeiss building (which I think is at Noarlunga), and the ION building—all of those buildings and revenues. We have a maintenance obligation, but the people holding the leases pay revenues on them; so, revenues would be in excess of the maintenance obligation. I am not quite sure we can give you the exact figure off the top of our heads. There is a net profit, I am told, of about \$2.3 million across the buildings, revenue over expenditure.

**Mr GRIFFITHS:** Minister, I did not quite hear the name of the third property you identified.

**The Hon. P.F. CONLON:** Carl Zeiss.

**The CHAIR:** They make lenses.

**Mr GRIFFITHS:** I thank the chair for his support.

**The Hon. P.F. CONLON:** What do they make?

**The CHAIR:** Lenses and binoculars, glass lenses, things like that.

**The Hon. P.F. CONLON:** Excellent. I knew that.

**The CHAIR:** They are very good.

**The Hon. P.F. CONLON:** We do not do the industry development decision. The LMC is the agent for the government agency that does industry assistance. We merely provide the expertise in providing the buildings, but these are not an obligation, they are a revenue-maker.

**Mr GRIFFITHS:** I go to Budget Paper 3, page 5.5. The LMC's land release program for the 2010-11 financial year, as I understand it, includes land at Blakeview, Penfield, Evanston and Hackham. Could you give an update on the progress that has been made and how many allotments are intended to come online in those developments?

**The Hon. P.F. CONLON:** With Penfield, there is going to be a recommendation to me next week from the LMC about a preferred bid. Blakeview will be on the market in November, Evanston in January and Hackham likely in about March or April, although there are still some infrastructure issues to resolve at Hackham. The number of allotments will be, and these are rounded figures, 1,900 at Penfield, 4,600 at Blakeview, about 1,500 at Evanston and about 800 at Hackham.

**Mr GRIFFITHS:** As a supplementary to that answer, the Hackham infrastructure issues that have to be sorted out, is that a cost that the LMC bears or will the developer bear that?

**The Hon. P.F. CONLON:** The complication is that Hackham has a number of different landholders in it. We are trying to do a consolidated development, and so trying to reach an agreement—as the local member would know, he has been through a lot of these—on the most equitable sharing of infrastructure. There will be some cost to the LMC for infrastructure, but I

probably will not be able to give you details of that until we land some agreement between the various landholders.

**Mr GRIFFITHS:** Same reference point, and I suppose it relates to the value of the holding by the LMC and the work that goes into it, but I am interested if there is a rate of return expectation that Treasury puts upon the LMC each financial year? I note that the returns to Treasury vary and I think the forward estimates identify something between \$45 million and \$65 million, or thereabouts. Do you, as the responsible minister, put pressure on to ensure that it is as much as possible?

**The Hon. P.F. CONLON:** No. There would be overall parameters set about what risks are taken and what returns are relevant. The LMC does very different things in different places for different reasons. If we were to be doing something like Playford Alive, there is a whole load of social infrastructure that needs to be delivered on a cross-government agency, and we would not expect that they would make the same return as they would on a purely commercial venture. This is publicly available, in any event. What I might do is get you the details of that framework, dividend payout ratios and such like, in some sort of intelligible form. The return on a project will be the return on a particular project. As I said, if we were just selling land to developers to build houses we would take a certain return; but, if we had to do something like make sure that there were some social services in there, we would do something differently. The dividend payout ratio is 90 per cent, but we will explain what that means later.

**Mr GRIFFITHS:** I am interested in the 90 per cent figure; that would be attractive to many people.

**The Hon. P.F. CONLON:** Treasury drives a hard bargain, let me tell you. However, it would be best if I got you the information in a way that makes sense; just rudely saying '90 per cent' does not make a lot of sense. A target return on assets is 10 per cent, which is probably more realistic; that is real world sort of stuff.

**Mr GRIFFITHS:** On the same reference point, but relating to the proposed Woodville Village, how much of the land involved in the scope of that project is officially owned by the LMC?

**The Hon. P.F. CONLON:** Are you talking about the St Clair area?

**Mr GRIFFITHS:** The master plan for the Woodville Village, so yes.

**The Hon. P.F. CONLON:** But not including Cheltenham which, of course, was out there earlier.

**Mr GRIFFITHS:** No.

**The Hon. P.F. CONLON:** The land we purchased there was 4.7 hectares, but within the master planning area there is a strip of land that fronts Woodville Road which is owned by a lot of different parties. I do not know how much that is, but we can find out if it is important or you want us to. There are a lot of different parties on that strip on Woodville Road who hold that land privately.

**Mr GRIFFITHS:** There is very much a mixed opinion about the development as well, so I am interested. If it is possible to provide that information I would appreciate it. Minister, are you able to provide an update to the committee on the transit-oriented development proposal for Woodville?

**The Hon. P.F. CONLON:** The first step in the master planning process is to secure land near the rail line. Apparently I will get a recommendation. Community consultation has been done and the council has accepted a plan. A proposal will probably be put to me some time early next year about how we would develop it; we would probably seek a private sector partner or developer (we may not want to be in it at all). The real value of the project will be realised with the full electrification of services. I think the Outer Harbor line will probably have some electric services after Gawler and Noarlunga, from memory. There is still plenty of time to think about it.

**Mr GRIFFITHS:** I now refer to Budget Paper 6 and the measures statement on page 29 about the Tonsley Park precinct and the investment of \$800,000 that the LMC is making this financial year to (I think the word is) 'continue' the planning process for development into a sustainable technologies precinct. Is it anticipated that that \$800,000 will be the full commitment made by the LMC?

**The Hon. P.F. CONLON:** You are referring to the old Mitsubishi site?

**Mr GRIFFITHS:** Yes.

**The Hon. P.F. CONLON:** If the master plan proceeds quickly there would be further expenditure before the end of the financial year, but it depends on how quickly the master plan proceeds. So the \$800,000 is to be spent for master planning, and if that proceeded quickly we would spend more. There is more to be spent, and if it proceeds quickly it will be spent in this financial year but if it proceeds more slowly it might flow into the next financial year. So, there would be more.

**Mr GRIFFITHS:** But the \$800,000 is the limit of the planning commitment to it; anything above that would be for on-site development opportunities?

**The Hon. P.F. CONLON:** No, I understand that the \$800,000 is not the limit on the master planning costs. There is a whole range of things—design, security and holding costs—that will have to be addressed.

**Mr VAN HOLST PELLEKAAN:** If you push forward with the work you will spend more than that. Presumably that means that it will be brought forward and that no extra money is required?

**The Hon. P.F. CONLON:** It is probably cheaper if you do it quickly, in my experience, but it is bringing forward a cost obligation that you will have at some point in any event.

**Mr VAN HOLST PELLEKAAN:** But no extra money?

**The Hon. P.F. CONLON:** We are doing it in conjunction with DTED.

**Mr GRIFFITHS:** The minister previously referred to the Playford Alive project: can he give the committee an update? I know it is a long process—15 years, I think, will go into it—but it would be beneficial for us all to have a perspective of what is occurring there.

**The Hon. P.F. CONLON:** In September 2007 the Land Management Corporation sold 52 hectares located off Petherton Road at Andrews Farm to Devine Homes, which will create 1,000 new housing lots. In 2008-09 it delivered 113 housing lots in the 20 acres at Andrews Farm development, which has sold out, and in July 2010 the Land Management Corporation released 121 hectares of land at Penfield, as discussed earlier, which has attracted strong interest. I will be getting a recommendation on that in the next week or so, and it involves 1,900 housing lots and a local activity centre to provide services. They are probably the headlines on what has happened there so far.

**Mr GRIFFITHS:** When you talk about a recommendation, it is a recommendation relating to what?

**The Hon. P.F. CONLON:** You go to the market, these guys assess it, make a recommendation to me and, as you will find one day if you are a minister, usually you get the blame for whatever decision is made but you have not had much say in it. They make a recommendation through the Land Management Corporation board, and it is a very brave minister who does not go with the recommendation of the people who have done the market work.

**Mr GRIFFITHS:** A recommendation on whom to sell it through, which developers put the best proposal forward?

**The Hon. P.F. CONLON:** Yes, on accepting the best bid or bids. If you are the minister you never know what the process has been until it lands with you. You try to keep it very much at arm's length in case people think you are doing something shifty, which of course we would never do.

**Mr GRIFFITHS:** I refer to Budget Paper 3, page 5.5. Will the minister provide an update on the project commissioned by the LMC on the Bowden urban village cultural and industrial research project, including details of who is conducting the research and the cost involved?

**The Hon. P.F. CONLON:** I think the honourable member is referring to a cultural survey of the area currently being undertaken as part of the overall master planning process and release of land. The guys are trying to remember who is doing that cultural survey, but it is a well regarded Adelaide firm and should be finished in four to six weeks. That looks at the cultural heritage of the area so that you take it into account when you design the best project you can.

**Mr GRIFFITHS:** It probably refers to the fact that a consultant has been engaged to undertake this work. I note that consultancies vary from year to year, and I understand that that is a bit project driven. However, in 2008-09 there were 106 consultancies at a value a fraction over \$1.5 million, but in 2009-10 there were 53 consultancies at \$2.24 million. Will the minister provide an explanation of the increased expenditure?

**The Hon. P.F. CONLON:** The program is not a smooth program; it is lumpy. We do different things in different years. The fact that there are fewer consultancies for more money—it depends on the size of the consultancy, of course, but there was a fairly big one that adds to that total in the Bowden urban village early planning stages. Hassell/Parsons Brinckerhoff, I think—it is a big project, there is a lot of planning and a lot of investment in it and you have to pay that group more. You will find that the work that the Land Management Corporation does is very much in the private sector with developers, and you will see that they will be a major employer of consultants from time to time.

**The CHAIR:** We will move to the Office of Major Projects and Infrastructure.

**Departmental Advisers:**

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

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

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

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

Mr B. Cagialis, Chief Finance Officer, Department for Transport, Energy and Infrastructure.

Mr C. Oerman, Executive Director, Corporate Services, Department for Transport, Energy and Infrastructure.

**Mr GRIFFITHS:** It is probably no surprise, but my first series of questions is about Adelaide Oval, and I refer to Budget Paper 3, page 1.15, and Budget Paper 6, page 38. I note that the first dot point on page 1.15 states that the target is for completion in 2013-14 of the Adelaide Oval rebuild. The Mid-Year Budget Review from 2009-10 provided \$190 million through to the end of the 2012-13 financial year, and I note this budget provides \$85 million to 2013-14, bringing the total to \$275 million. It is an easy question to ask: where indeed is the rest of money?

**The Hon. P.F. CONLON:** This is really a Treasury question, how they hold moneys for a development. I would imagine it comes out of contingencies for the project. It is not allocated in a particular year because we have to land a whole load of things from here on. The progress of the project so far is that we are treating it as a project that is rolling out. The 2014 deadline identified is a very ambitious one, and I think it is good to have ambitious targets. It keeps everyone focused.

We rolled out an initial \$4.5 million some time ago to the Stadium Management Authority for design work. We have rolled out a further \$5 million, allocated to us first before it is expended, of course, for continuing design work. Because of the 2014 target, we would hope to have an early contractor arrangement or get a contractor in as early as possible in the design work so that we can land the timetable but also because we are of the view that the earlier the contractor is in the better we will be able to manage the risks associated with construction costs.

The allocation from future years will not be determined until such time as those decisions are made. What I can say to you is that, from memory, the allocations that have been made so far are those I have told you about: \$5 million, with a further \$5 million, if necessary in design, early next year. Some key things that have to be solved in that time, and there is a vote of SACA members in December and final agreements between the various sports.

I can guarantee this: as soon as we go back to cabinet to allocate funds for the actual construction project, we will let you and the public know. The finances are there: an extra 10 is coming to us—the five I have spoken about and the five in December for continuing the design work. That is the only actual allocation from the funds as yet. As those key decisions are made along the way—and we are very confident they will be made the right way—we will make further decisions about allocation.

As to where it appears, that is rather more a Treasury question than ours, but I am very happy to get the information for you. The money is held available, and it probably is in contingency, I guess, at the moment, and it will be allocated out of contingency as we understand what funds are going to be paid.

I might put on the record that while a lot of people are running around believing that \$450 million is not enough for construction, it is not necessarily our view. We have talked to a lot of

people about constructing stadia, and it may well be that it is more than enough, in which case we will keep what is left over. I don't know if the sports know that yet.

**Mr GRIFFITHS:** Minister, in part of your answer you referred to the design early next year.

**The Hon. P.F. CONLON:** Some design has been done already, and you would have seen some of the work that the Stadium Management Authority has released. I think, from memory, they have expended about \$4½ million of an initial \$5 million allocated.

**Mr GRIFFITHS:** That was from the previous financial year.

**The Hon. P.F. CONLON:** They have spent the balance of that now. What has happened since then is that—

**Mr GRIFFITHS:** Just to be clear, that was the allocation in the 2009-10 financial year, that initial \$5 million.

**The Hon. P.F. CONLON:** The allocation was made before I was the minister responsible for it, but that was what paid for the work you have seen to date on concept design. What has happened since then is some further detailed design is needed. From memory, you would expect a construction budget to spend something like 8 or 9 per cent of its money on design work, but we do not spend all of it if we do not have to.

What has occurred since then is that cabinet has agreed to allocate \$5 million now to the department for us to hold and spend on further design work, with a further \$5 million available from December for further design work. At some point, between now and early next year, there will be a SACA vote and decisions taken, and we would be seeking the earliest possible involvement, from our perspective at present, of a contractor to control the risk of costs, in which case I would go back to cabinet and seek an allocation of funds.

There are still a few decisions to be made about the actual model for procurement. It is an unusual model we are dealing with where we are building an asset essentially for someone else. It is not an ordinary, straightforward government procurement; we are working with a couple of sporting bodies to bring it about. We will finalise a few things in the next few months about the actual body that does that procurement.

Rod Hook, the head of infrastructure, is working with the chief executives of the two sports about the rollout at present, and that may well turn out to be the procurement team in the long run. Those are the things we are sorting out at present. It is an unusual government job, and it has a lot of different parties that are all keenly interested in getting it done, and we are working out the best way to work with them.

**Mr GRIFFITHS:** If I can work back a little, then. If we know that it has to be completed by June 2014—

**The Hon. P.F. CONLON:** Well, it does not have to be; that is just our target. We would like footy to be played there in 2014.

**Mr GRIFFITHS:** Therefore, March, at the latest, it has to be completed by.

**The Hon. P.F. CONLON:** Make no mistake, it is a pretty ambitious timetable. Rod makes the point that we want cricket in 2013-14 because, obviously, they play in the off season, but they do not need both stands completed; they do not need the same capacity. The reason it is 2014 is that the nature of sporting stadia is that you do not skip a month, you skip a year. It is no use getting it finished halfway through the footy season. With these jobs, our very strong view is that the longer we take, the greater the risk of escalation in costs. So, we want to do it as quickly as possible.

**Mr GRIFFITHS:** What is the minister's expectation of a contractor who is given this job in terms of the time from taking possession of the site through to completion? Does the history of what DTEI has managed to coordinate in the past indicate what number of months is involved in the construction work?

**The Hon. P.F. CONLON:** Not having been builders of stadia, our experience in construction is that we would not have set a timetable like that if we did not think we could land it. I do not know whether it is your question, but Rod points out that, to meet that time line, we would expect to have contracts starting in March. It may not be the same person who does everything; we do not know, we have a whole process to go through yet. However, we would expect that some work would be starting in March next year to meet those timetables—that would be our aim—as soon as cricket has finished its season.

**Mr HOOK:** March 2012.

**The Hon. P.F. CONLON:** March 2012; sorry.

**Mr VAN HOLST PELLEKAAN:** Just to clarify that, you have, understandably, an ambitious time line with regard to finishing it. It falls within this current budget period, but nearly half of the money that is expected to be spent has not actually been sourced yet.

**The Hon. P.F. CONLON:** Well, no; it is sourced by us. The issue about where it appears in the out years is an issue for Treasury to choose how it displays the funds. I do not know whether anyone here knows—

**The Hon. K.O. FOLEY:** I do.

**The Hon. P.F. CONLON:** Kevin does. I would suspect the remaining funds are held in contingency, and I suspect that there is some accounting standard that Treasury is working to when it makes that decision. I personally have never quite understood the accounting standards that Treasury works to, and I do not always agree with them, but that is the way it would be. There is no secret about it. I am very happy to have that answer brought back to you, and you can have it very soon. It is a pity the Treasurer is not able to answer that question, because he would know what it is.

**Mr VAN HOLST PELLEKAAN:** That would be great.

**The Hon. P.F. CONLON:** But it is not a question of it not being there; Treasury would not let us get away with that.

**Mr VAN HOLST PELLEKAAN:** But the source has not been identified yet?

**The Hon. P.F. CONLON:** We are funding it. We have a commitment of \$450 million plus \$85 million, and how it is described in the budget then becomes a decision for Treasury. There is always a sum of money in contingency for various things, and I assume that is where it is.

As I have said, I do not think we had in the budget \$10 million for this year, but we asked for it and had it allocated. It shows that these things often stand in a column unallocated because there is not a complete certainty about the timing, but that does not stop my going to cabinet and saying that we need \$10 million to keep the design going and having it allocated. It is now allocated, and I assume the midyear review of the next budget will reflect that. It may well be that the next budget does reflect allocations over time because we have proceeded to that point, but that is the way it will be. As Jim points out, I can assure you that it is allowed for in the budget overall; I would be in big trouble if it was not.

**Mr GRIFFITHS:** I suppose it would be nice if we could get the gentleman we cannot name who walked through the chamber before to give a nod or a shake of the head on whatever you said about contingencies.

**The Hon. P.F. CONLON:** I would be very happy to bet that it is in contingency, but there may be some other obscure Treasury answer.

**Mr GRIFFITHS:** Therefore, I ask the minister to put on the record regarding the \$85 million additional that has been provided to this: what is the purpose of that?

**The Hon. P.F. CONLON:** What is the purpose of it? As to the \$85 million additional, we thought two things: one, we think it is a reasonable budget to get the construction completed and, two, it represents the outer limit of the taxpayers' contribution. Make no mistake—and I am blue in the face saying this—the total sum of the 85 and the 450 is the total contribution from the taxpayer. We would hope to land construction under 450 and then we will have an argument with cricket and footy that they think they should get what is left over and we think we should get it, but we might have that discussion with them later. That is the full extent of the contribution; if more money needs to be found, then it will not be found by the taxpayer. That is the long and the short of it.

**Mr GRIFFITHS:** But is it also recognition of a built asset already that SACA owns?

**The Hon. P.F. CONLON:** The \$85 million additional happens to be equal to the \$85 million that is going to be contributed to SACA. Now, that is in recognition (or compensation, if you like) for their assets including surrendering up the lease, which they have entirely at present. So the \$85 million is compensation, if you like, for SACA's existing asset. That was a number landed on with SACA long before I took over responsibility, so I cannot really break down the detail of that for you. I can get somebody to do it. But \$85 million is the contribution to SACA and compensation for the surrender of their assets.

There are questions about covering interest payments and suchlike. You have to work backwards from the start. The \$85 million is intended to be compensation (or a grant, if you want to call it that) to SACA for the surrender of assets. Surrender of assets does not occur unless the project goes to completion. There are no assets to surrender. Contributions are made along the way, the first being \$30 million which was their debt to Westpac, that was to occur at a certain time, could not be finalised by that time, so the agreement was to pick up the interest payments to Westpac until the \$30 million was converted to a loan from us as the next stage.

The end result is that we intend the project to succeed, so it is intended that that would not be a loan; it would end up being a grant of \$85 million in compensation for the surrender of the assets. The handling of it in those stages was decided upon by SAFA, or recommended as I understand it by SAFA, as a way to protect the state's interest should the project fall over. That is, it is intended to be a grant but you do not give it as a grant first up because it might be hard to claw back the grant if the initial 30 falls over. As the Bedouins say, it was a question of tying up your camel, so to speak, on behalf of the taxpayer.

**Mr GRIFFITHS:** If I could just clarify a point there, and it relates to the area we are talking about now. Given that the status of the \$30 million has changed somewhat and potentially could change again depending on—

**The Hon. P.F. CONLON:** It was intended its status would change as you proceeded to completion. It was intended that ultimately SACA would get \$85 million compensation for their assets. There needed to be staged payments of that but, since the \$85 million was conditional upon the entering into of a construction contract or something like that, then there had to be a way of making sure the taxpayer was protected in case the thing fell over. I am not suggesting it is the best way: what I am telling you is that my understanding is that this is the way SAFA recommended the taxpayer should be protected as the stages proceeded.

**Mr GRIFFITHS:** For benefit of the record, is the \$30 million that has been provided, by whatever form, incurring an interest liability that SACA is meeting?

**The Hon. P.F. CONLON:** No; it gets a little complicated, and we probably should have a SAFA guy here to explain it. Firstly, the 30 was going to become a loan from us instead of Westpac, as I understand it, at a certain date. That was delayed, and they were paying interest to Westpac. We covered their interest payments to Westpac, and that comes out of the overall \$535 million, which I think we indicated before.

Can I say for the fullness of the record that the reason there was some question about that is that, when the full sum was 450, it was intended that any interest payments we had to cover would be in addition to the 450, but when we made the commitment of 535, we made it very clear that that was the absolute commitment from the taxpayer, so it had to come out of the 535, not additional to it. I am sure that, while I see that the member for Davenport was critical of them taking it out of the 535, if it had been 535 plus the interest payments he would have been all over me like a rash saying, 'You said it was only 535.' When we said it was only 535, it was treated differently from the original had we had kept it at 450.

Once it becomes a loan from us they do not pay interest. The interest is capitalised, again because it is intended to become a grant. If it does not become a grant, they then pay the interest, but that would be if the project falls over. At present they are not paying an interest payment each month as they would to a bank, but that interest payment has been capitalised. Once you get through all of this kind of stuff on interest payments, at the end of the day where we want to get to in a successful project is that they are paid \$85 million. That is what they get paid, so those interest payments are capitalised into that sum. Why SAFA does things that way, I am only a humble lawyer not an accountant.

**Mr GRIFFITHS:** Therefore, if the project does fall over and the \$30 million becomes the grant and the interest has been capitalised, does the interest have to be repaid?

**The Hon. P.F. CONLON:** Yes. SACA will pay government interest on similar commercial terms to which they would have paid Westpac in its original \$85 million loan. We work on the premise that we want it to be a grant because we want it to succeed. So all of these steps along the way have been around arriving at a successful conclusion where they get paid \$85 million as a grant in compensation for the surrendered assets. Then we can all go to the footy, mate.

**Mr GRIFFITHS:** Given the public statements made when the project was first announced (I think in the first week in December 2009) about the efforts being made to attract dollars from the federal government, what are the efforts that have been made?



**The Hon. P.F. CONLON:** I have had further discussions with the federal government since the installation of the Gillard minority government. I am not at liberty to talk about those at present; that is something in action. The formal position on FIFA is that the federal government will not make the decision about funding FIFA facilities until that is made.

I had talks with Kate Ellis before the election and with Anthony Albanese, who is the infrastructure minister since then. I will probably have talks with minister Arbib at some point soon. I think he has probably had his hands full with the Commonwealth Games. As the new minister for sport he copped the Commonwealth Games, so he has probably had that on his mind. I will talk to him when he has got Delhi out of the way successfully, one hopes.

**Mr GRIFFITHS:** Will the FIFA bid be announced in December?

**The Hon. P.F. CONLON:** I understand that FIFA is announced in December.

**Mr GRIFFITHS:** Is there an expectation from you that the federal government will confirm?

**The Hon. P.F. CONLON:** What I am not going to do is have those discussions, frankly, cannibalised out in the public until they are at a successful conclusion, or some other conclusion. What you see at the moment has not been in the nature of a formal bid. We have been talking about parameters around what the commonwealth will do. I think it would be unfair to my colleagues to talk about that because it is not in the nature of a crystallised decision. Am I talking to them about it? I think I would be derelict if I were not talking to them about it. But I am not derelict, no matter what you might think.

**Mr GRIFFITHS:** We are only here to ask questions about the budget, not make personal reflections.

**The Hon. P.F. CONLON:** Things have changed in this room.

**Mr GRIFFITHS:** I refer again to the Adelaide Oval. I suppose it depends upon—

**The Hon. P.F. CONLON:** Have you noticed that we are not asking any questions, how nice we are, so feel free to use all your time.

**Mr GRIFFITHS:** Yes. We will see what happens later in the evening as a result of that.

**The Hon. P.F. CONLON:** Much later in the evening, regrettably.

**Mr GRIFFITHS:** I would presume that an important issue for the people who are members of SACA and the SANFL, when they come to determine their position on it—especially the SACA vote—is, indeed, what the cost will be to them as members. Is it the SMA's responsibility, or what authority's responsibility is it, to actually set the fees that will be in place for membership?

**The Hon. P.F. CONLON:** That is purely for the sports. The one thing we have sought not to do in this is to run the sports. The sports should run the sports. What has occurred so far, and I think the AFL contributed to this, was some pretty conservative base research into what revenues would be made out of a move to Adelaide Oval. I can say that football across the board was very impressed, even with the conservative figures, at the increase in revenues that football would make at Adelaide Oval over AAMI.

A number of things would have to be done by sport from there that are not done by us, involving matters such as the amount of the increased revenues that go to the clubs, and to which clubs, and I think that, when those clubs are clear about that, they will know what they need to do about their own membership pricing. But that is purely their decision; it is not for us. What I can say is that there is a very impressive amount of extra money going to the sport out of a move to Adelaide Oval, but human beings, being what they are, probably have some argument within football about who gets what share of that. When they land that, I am sure they will be in a better position to talk about things like cost to their members, but I cannot see how it would not be of benefit to their members.

Frankly, one of the great benefits to the state is the fact that we have this football venue being developed at the same time as the Convention Centre, the casino and the hotel precinct. The precinct has a capacity to earn revenues that have only been slightly explored. You make money out of convention centres and hotels. The expansion of the Convention Centre may allow other people to get into the precinct to provide the sort of amenities that you see in places like Southbank. We think that it is a much better venue, potentially, than Southbank, and it will be a great meeting place in the middle of the city.

We do not see any downside out of it for any of the footy club members. There may well be a capacity to make revenues beyond footy to the stadium, and that is something that they are exploring in this process.

**Mr GRIFFITHS:** The final question I have in this area is about car parking and the solution to meet all the requirements that are in place there. What is the cost of actually constructing adequate car parking, and is that included in that \$535 million cost?

**The Hon. P.F. CONLON:** No. We make it very clear that there is a need by one club, the Adelaide Football Club, for undercover car parking for members because of, as I understand it, the current membership rights. That is not paid for out of the project. I point out that undercover car parking in the CBD does make revenue; some people build them to make revenue. So, we believe there is a way of landing that. I think a successful FIFA bid, for example, will probably also require increased car parking. We think there are some good things about that car park, in terms of relieving pressure upon parking in the Parklands, for example, and having some undercover parking, probably underneath the tennis centre.

You have to remember that you will have all the development on this side of the river—the Convention Centre, hotel and casino—and a footbridge connecting across that space. Car parking there would be very much CBD car parking. The other benefit of the footbridge, of course, is that a tremendous amount of car parking already exists on this side of the river.

Whilst it is not part of our funding, we do not think it would be an insurmountable problem to find the money for a car park. It depends on what people want to do. It is not our project so we are not going to cost it for you; we are not building it. However, I estimate that it would be somewhere about \$50 million to build undercover parking there (that is on the basis of 50,000 a car park space). However we are not costing it, so when it comes in wrong do not say that we got it wrong. It is not our project; we are not going to be out there costing it.

**Mr GRIFFITHS:** My understanding is that SACA and the SANFL have said that they will not borrow money for the project. Is it a private opportunity—

**The Hon. P.F. CONLON:** Things unfold over time. The SANFL does not want to borrow money and take on a debt for South Australian football, and SACA does not want to take on a further debt. Of course, there is a stadium that will make revenues and a car park that will make revenues; it may be identified over time that there are revenues in addition to football that are created out of the opportunity which can be borrowed against, and what vehicle borrows against those revenues. For example, there are plainly revenues that will be made out of an undercover car park; as for what they are, you would need a business case.

You can create a vehicle to borrow against those revenues, but what vehicle that is is not a matter of great urgency for us to settle at this point. What that is will be decided amongst the parties over time. It could well be that there is some private sector operator who wants to make the car park available for footy on footy days. I am not saying that that is what it would be, but there are plenty of options around that. Anyone in business will tell you that where there are revenues there is the capacity to borrow, and where there are new revenues there is the capacity to borrow against those new revenues that were not part of the football deal, if you understand what I mean.

**Mr GRIFFITHS:** I do understand what you mean. I move to Budget Paper 5, Capital Investment Statement, page 46, the Riverbank Precinct Development. The estimated total cost is a very specific \$394.208 million—

**The Hon. P.F. CONLON:** The Convention Centre?

**Mr GRIFFITHS:** It is a bit more inclusive than that. It includes improvement to the promenade and—

**The Hon. P.F. CONLON:** What is referred to there as the Riverbank precinct is the contribution to the built form of the Convention Centre and a contribution to, if you like, the precinct around the Convention Centre.

**Mr GRIFFITHS:** Are you able to break down the costs for the various components?

**The Hon. P.F. CONLON:** Even if I could I probably would not. We will go out on a construction bid on the built form, and we do not want to say how much. In our experience if you put out a number on the built form then you will not get a bid below that number. We would prefer to keep some competitive tension in it.

They will have a contribution to that and to the precinct, but we have had discussions with the Intercontinental Hotel and it is very interested in opening itself up to the river—an opportunity it has not had up to this point—especially if there are all these people at the football. So it has an interest in what the precinct looks like, as well as its built form. Similarly, if the casino is spending \$250 million (which is what it has flagged to the Stock Exchange) it will have an interest in how the precinct delivers its built form as well.

The \$394 million is for the built form of the Convention Centre and its contribution towards part of the precinct. The Convention Centre will not be expected to pay for the entirety of what you might call the public domain around there, but it will contribute to some of the built form, which will include a footbridge. One of the reasons the footbridge is not in the football project is that there are far more interests than football regarding where the footbridge starts and finishes.

However, in total there will be north of \$1.1 billion going into the precinct; if all the private sector people do what they say they are going to do, there will be something like \$1.1 billion going into the precinct.

**Mr GRIFFITHS:** That is the Riverbank precinct and not the Adelaide Oval development?

**The Hon. P.F. CONLON:** No, it includes Adelaide Oval that side and the people I spoke about on this side. That is a big swag of money for built form and precinct in a piece of water that stretches about 500 metres. It is a tremendous opportunity. I was at the American Chamber of Commerce lunch, which was very well attended, and Douglas Gautier from the Festival Centre drew the raffle prize at the end and they asked him what was the most important thing about the future of the city and he said that it was the Riverbank precinct, which will bring the arts and the city alive. It is a great project: it would be nice if everyone got on board.

**Mr GRIFFITHS:** For the record, I have to put our perspective into it. It was certainly our vision to open it up for the people too.

**The Hon. P.F. CONLON:** I will not question that. We have talked about this precinct for years and its being closed off. We now have a very substantial funding commitment to make it happen, and we do not want it to slip through our grasp. We really want this to happen.

**Mr GRIFFITHS:** Part of the answer the minister gave was about the footbridge and the Convention Centre contributing towards it. There has also been publicity in regard to the SkyCity Casino's potential contribution towards it.

**The Hon. P.F. CONLON:** There was speculation in the media that it would pay for the footbridge. We have said that we would expect a contribution from SkyCity and its development towards the precinct. What that lands at we will see over time, but there are plenty of ways to contribute to the precinct. I can tell you that the casino has been talking to the Festival Centre about whether the car parking or other aspects of the Festival Centre could be used or shared by the casino. There is a whole load of stuff to be done there. We want to ensure we have the world's best design on the precinct, but there is nothing fixed about what the casino might contribute, but it has flagged an understanding that there are costs beyond the built form that it feels it should contribute to. It might be a car park for all we know.

**Mr GRIFFITHS:** I refer to Budget Paper 5, Capital Investment Statement, page 24, relating to the aquatic centre at Marion. I understand that the 2009-10 budget identified an \$80 million cost, but in 2010-11 it appears that the contribution has increased to \$90.3 million.

**The Hon. P.F. CONLON:** This has been explained already. I think I signed a letter on it to the Public Works Committee. The 2009-10 budget had \$85 million in it, but the Office of Infrastructure went back and said that that was fine but that it needed a 5 per cent contingency. I think \$5.1 million is reflected in that. This is all on the public record with the Public Works Committee.

**Mr GRIFFITHS:** So the additional cost is a contingency sum, is it?

**The Hon. P.F. CONLON:** There is a \$5.1 million contingency added to the \$85 million. There would be further costs around fit-out. Our interest is to create a FINA standard pool, but there is also a capacity for revenue making in there and private operators might be doing fit-outs. There are still a few things to be resolved with regard to fit-out down there. I point out that, in talking about the aquatic centre, the overall funding includes a GP Plus centre and car parking for both.

I have to place on the record that, whenever the opposition questions funding for the aquatic centre, this is a promise we inherited from the previous Liberal government that would be

paid for entirely by the private sector. It was a complete nonsense that the private sector would pay this sort of money to get a facility to make a small amount of money each year. Over time we have found money from the federal government, contributions from the council and more money from us. At the end of the day, by the time you added it up, there was no point its being a PPP. We came a long way from a PPP that would pay for itself, I can tell you.

**Mr GRIFFITHS:** If I can just clarify then, when is it expected to be finished—all aspects of it?

**The Hon. P.F. CONLON:** The FINA standard pool, from memory, about March—the first event is in April—but there will be facilities there quite properly that are more of the nature of leisure facilities, gyms and suchlike. We would be looking, I think, for a private operator to have an interest in running those facilities. What we have been trying to do is make sure that we do not do too much fit-out so that it does not suit a potential private operator for that leisure part of it. I am not saying that everything will be finished, because there is no intention of that. In the other parts of it we want to make sure that we do not waste money on a fit-out that a private operator would not want to use. In terms of the public interest and the FINA standard pool, we want that done in March to host the aged limited nationals in the second half of April.

**Mr GRIFFITHS:** Just to confirm this then: so the fit-out costs that you are talking about, to whatever level that is—

**The Hon. P.F. CONLON:** There will be fit-out costs for what we need, and then there will be fit-out costs for the potential revenue-making leisure-type activities, and what we are trying to land is a balance between what we need to do for the swimming competitions, but not waste money on fit-out that a private operator might want to change.

**Mr GRIFFITHS:** I understand.

**The Hon. P.F. CONLON:** That number is not finalised yet, so—

**Mr GRIFFITHS:** That was my question: is the fit-out cost included in the \$90.3 million that is advertised now as being for the construction and contingencies?

**The Hon. P.F. CONLON:** No, that was construction and contingencies. I do not think the fit-out was ever—that was a purely construct contract. I remember now; it was purely a construct contract, so the fit-out was never in there. I have to say, now we are looking at it, that I think there is a potential to add some fit-out to the existing contract because it makes sense, but that would be nothing to do with the original construct contract.

**Mr GRIFFITHS:** Changing the subject then: if I can go to Budget Paper 5, the Capital Investment Statement, page 21, the light rail extension to the Entertainment Centre. Again, noting that cost increase from \$163 million in the 2009-10 budget to \$174.5 in the 2010-11 budget.

**The Hon. P.F. CONLON:** That is not all down to the Entertainment Centre.

**Mr GRIFFITHS:** But are you able to provide a breakdown of the costs of the project?

**The Hon. P.F. CONLON:** We should be able to tell you the cost of the extension. It was below \$100 million; about \$95 million is the cost of the extension. There are additional costs, because of the upgrade of the Glengowrie tram depot. We have to do that because we have more trams, and more trams coming—I think \$23.4 million, or something like that, is the cost of the Glengowrie tram upgrade. But there are funds there associated with trams in that \$160-170 million that are not all about—the final cost of the extension is about \$95 million. Other funds include upgrading Glengowrie and additional tram purchases. We are actually out to tender now for 66 electric railcars.

**Mr GRIFFITHS:** That will be a question later on this evening.

**The Hon. P.F. CONLON:** When you look at that number, it is not simply about the extension.

**Mr GRIFFITHS:** But funds came from a variety of areas for the project there. I know I was rather intrigued that Tony Sherbon from health talked about—

**The Hon. P.F. CONLON:** No, no. I think there was a bit of misunderstanding. That was about access for the new hospital; that was not about the extension. The hospital foresaw a need to get some access on North Terrace and we agreed to build for them at this time ahead of the hospital being built there. So it is not about the tram extension, it is about access to the new central

RAH. It was not a contribution from health. Health gets all the money; I reckon it would be good if they sent us some over, but it does not happen.

**Mr GRIFFITHS:** I am sure you do not want the overruns that health also incurs.

**The Hon. P.F. CONLON:** I wish they didn't have them, because they take all the money every year.

**Mr GRIFFITHS:** It is a fact of an ageing population. I again refer to Budget Paper 5, page 22, the O-Bahn, and it is an interesting project. The announcement in the federal budget in May 2009 was \$61 million. It appears in the budget papers as though \$15 million has been expended already.

**The Hon. P.F. CONLON:** We do have to pay for design work when we do things. We cannot do it for free.

**Mr GRIFFITHS:** But design work at 25 per cent of the project cost?

**The Hon. P.F. CONLON:** Where do you say it is \$15 million? Where do you get that we have spent \$15 million?

**Mr GRIFFITHS:** If I am wrong, tell me, but my recollection is that the budget papers I read reflected \$15 million being expended.

**The Hon. P.F. CONLON:** There was only 61 in it, and 3.53 has been spent so far. I am not sure where you get the 15 from. It is not an easy design proposal. I see where you get 15: the original budget for 2009-10 was 15, but that included an earlier start to works, so that will be carried over.

**Mr GRIFFITHS:** So, what is the status of the project?

**The Hon. P.F. CONLON:** It is still to be spent: 3.53 has been spent, and the rest will be carried over to be spent as the project rolls out. It will be before Public Works before the end of the year. As you would be well aware from some of your friends in the eastern suburbs, a large number of people have had an interest in it, and it is through sensitive areas, including botanic gardens and parklands with lots of traffic management. The feds have been quite happy with the timetable, and it is best not to have a huge fight about it. We have declined at the moment to do too much until after the council elections anyway.

**Mr GRIFFITHS:** My understanding is that Norwood, Payneham and St Peter's council resolved not to support the project.

**The Hon. P.F. CONLON:** Yes, but I have to say that that was a bit peculiar because I had not asked them for anything. It is a bit unusual; it is like getting a knockback before you have asked someone out. I am not sure what it is they are not supporting. I could understand with a bloke like me why you would give me a pre-emptive knockback, but I do prefer people to wait for me to ask something before they say no.

**Mr GRIFFITHS:** I am interested because I have attempted to have some briefings on this, and Mr Hook advised me that he had to brief cabinet on the first. I have waited patiently for this.

**The Hon. P.F. CONLON:** That is the case, and cabinet has not seen the final design proposal. It will be there before the end of the year. It is a project where, and in talking to the commonwealth it has understood and agreed, it is important to try not to have too many fights about doing something which is, at the end of the day, a very good addition to the network, and it will be there for a very long time.

**Mr GRIFFITHS:** On the details of that, it says that about up to 96 significant trees could be affected than 400 other trees or shrubs. How is that process being managed?

**The Hon. P.F. CONLON:** It depends on what you do. If you have a scorched earth policy, you can do lots of things but, at the end of the day, there will be something going to Public Works before the end of the year with selected options. We do have to do the courtesy of talking to new councils in November about what we intend to do. There are lots of private sector parties affected by transport management. I did not know that I would have to have a meeting with a caravan park operator about it, but there are a lot of parties who feel affected by it.

There will be a finalised proposal before the end of the year, and we can talk to everyone about it. As I said, cabinet has not had anything yet, and the rules are that I have to tell them and

see whether they will let me do it before there is any point talking to anyone else. It is very hard to please cabinet, mate. They put me through the wringer every time I go there.

**Mr GRIFFITHS:** I refer to Budget Paper 5, page 24, Capital Investment Statement, and the announcement about South Road made this morning, as I understand it, and there was some media about it. The state government is planning the next stage of the north-south corridor between Regency Road and Gallipoli Underpass. When is this project expected to commence?

**The Hon. P.F. CONLON:** Well, it is not funded as yet. The extent of our funding and the commonwealth funding is being used on the superway first. The next unfunded project is Darlington. We did get from the commonwealth some years ago \$70 million for planning on the subject. That announcement was associated with the rollout of a tender for planning of that section. I have to say that it is a tough job. It is very difficult, particularly the Port Road/Grange Road and rail corridor. However, this is about the planning. As funding is secured for the rest of it, we will announce timetables. The next one will be the Darlington job, which is ahead of the Southern Expressway duplication. There is no quick way of doing South Road, anyway.

**Mr GRIFFITHS:** How much of the nearly \$70 million of the planning study money has been expended so far?

**The Hon. P.F. CONLON:** I will have to check; I cannot remember off the top of my head.

**Mr GRIFFITHS:** In relation to that funding, how much of it is intended to be used for the construction of the South Road tunnel under Port Road and Grange Road? Have you done any scoping on that?

**The Hon. P.F. CONLON:** No; it is too early to say what the final design will be. You have to remember that the history of this thing is that it started out as two discrete projects at the two worst intersections and was totally funded by the state government; so we were limited in what we could do. Through discussions with the then Liberal government and then the election of the Labor government, we were able to secure the commonwealth as a funding partner with, from memory, up to \$500 million being added to it. So, we went away from the notion of doing two discrete intersections to spending the \$70 million on planning how we would do the entire north/south corridor.

The solution that is chosen there may not be the one we first thought of when we were doing two discrete locations. In particular, it may well be that some of the work around the rail revitalisation runs ahead of it; we may do something to the railway line over South Road out of that, and that would give you a different solution later on that intersection. So, the planning will tell us what it will be.

**Mr GRIFFITHS:** My understanding, minister, is that this part of South Road was announced in the 2005-06 budget but that it subsequently dropped out and that it included a bit over \$5 million for the planning and land acquisition. Has any land been acquired as part of the project?

**The Hon. P.F. CONLON:** Yes, there has been landowner-approach land acquired, and that has probably gone on for a long time down there. However, I do not think we have gone out and sought to acquire land ourselves for the project, but people who live along the corridor or near it who believe they will be affected have approached us about land acquisition, which we have done, including South Road down to Regency Road, and that is apart from the land acquisition process that now goes on for the elevated road, which obviously has a planned timetable.

**Mr GRIFFITHS:** As a parent who lives down the end of South Road and who has travelled along it many times, I can understand that it would be a nightmare to try to fix it; there would be a lot of work involved in that. Can the minister advise whether a study is to be undertaken for an underpass on South Road under Sturt Road and is that intended to be completed within the next year?

**The Hon. P.F. CONLON:** That is the Darlington work. We have done a lot of planning work on that section. Of course, incorporated into Darlington now is an interchange with a duplicated Southern Expressway. There is also some unfunded planning work around extending rail beyond Tonsley Park. I should not tell you this, but I think I have something signed for cabinet, and we would hope to have something to go out publicly. I think there have been some confidential briefings with councils that were involved in it, and there will be something coming out in October on that Darlington area. However, it is bigger than simply an interchange. It is the whole treatment: the connection with the Southern Expressway, the potential extension of a rail line past Tonsley, and some potential residential developments around extended rail corridors and those sorts of

things. It is a very big planning study, which was the benefit of getting all the money to do planning—you can do it a lot better than just intersection by intersection.

**Mr GRIFFITHS:** And the timing for that is? When will that planning be completed?

**The Hon. P.F. CONLON:** Public consultation in October, we would hope. I find it a little hard to believe that it is 7 October, but by the end of October we would hope to have some public consultation. I will point out that the construction is subject to funding. This is out in what will be the next tranche of federal funding, which they will not make decisions about. We believe this is a project in national building, too (the old Auslink or whatever it is now). Jim is on Infrastructure Australia and he knows how the commonwealth think about these things. We believe it is a project to which they will be attracted but there will not be a funding decision from them until it fits into their ordinary time frames for the next tranche of funding for Building Australia, or whatever it is called.

**Mr GRIFFITHS:** That was going to be my question. It was my presumption that it did have to go through Infrastructure Australia, and I was wondering about the timing of that.

**The Hon. P.F. CONLON:** It is essentially Building Australia but more like the old Auslink. They take a similar approach to judging a project.

**Mr GRIFFITHS:** So that money is committed three or four years in advance?

**The Hon. P.F. CONLON:** Yes. We have a pipeline of projects now in with the commonwealth and we are going very well with commonwealth funding. I do not know about anything else with the federal Labor government but I like them. They are good to me.

**Mr GRIFFITHS:** Talking about the same area, the possible extension of the rail line from Tonsley: how well supported is that? Are there any preliminary thoughts that people have had as to how serious they are about doing that?

**The Hon. P.F. CONLON:** The train line down to the hospital and on to the university makes great sense. It is very attractive. It is not cheap, but it is a very attractive proposition. We believe it fits into the bigger picture approach the commonwealth is now taking. Remember that they used to do Auslink, which was very much about freight routes and national corridors, whereas now they think more about transport in cities, how you relieve a number of problems like congestion and how you design more sustainable cities; so we think that incorporating extended tram lines and some development around trams will be attractive to the commonwealth. I think it is a fantastic idea. I know the hospital will be absolutely delighted to get the train there.

**Mr GRIFFITHS:** Minister, can I ask you, therefore—

**The Hon. P.F. CONLON:** It is not cheap, though, mate.

**Mr GRIFFITHS:** No.

**The Hon. P.F. CONLON:** Trains over roads and roads under roads.

**Mr GRIFFITHS:** I was in China in August.

**The Hon. P.F. CONLON:** Now they know how to spend money on infrastructure.

**Mr GRIFFITHS:** Yes—and how to build it.

*An honourable member interjecting:*

**Mr GRIFFITHS:** That's right—rather amazing, I must admit; very impressive.

**Mr Piccolo:** They don't have opposition there.

**The Hon. P.F. CONLON:** That is right. If we could do away with the opposition, we could free our shoulders a bit, you know?

**Mr GRIFFITHS:** True. The northern connector project: are you able to provide any update on that?

**The Hon. P.F. CONLON:** Yes. We are not finalised on the proposal, but the commonwealth understands what we are seeking to do with the initial proposal. In fact, when the minister was down last we flew him in a helicopter over it to show him it, and people complained about that.

**Mr GRIFFITHS:** Was that the week before the election?

**The Hon. P.F. CONLON:** Yes. When you have a federal minister visiting you, you take the opportunity to throw bread upon the water.

**Mr GRIFFITHS:** And open a project that was not quite finished yet.

**The Hon. P.F. CONLON:** The project we opened was. You shouldn't complain. I do not know what is wrong. It is a lovely bit of road. You have to accentuate the positives. We would all be much happier if we took a positive frame of mind about these things. It is a beautiful piece of road, I have to say. Have you been up? It is a great drive. Come on, tell me honestly; is that a great road or what?

**Mr GRIFFITHS:** Coming from Yorke Peninsula as I do, and travelling that road for probably three years, people have been very patient and they do appreciate it now. Yes, there is no doubt about that. But the link—

**The Hon. P.F. CONLON:** The current structure is designed around capacity to 2016, so you would not be seeking to start to do it until 2016. In fact, I think you will find, as we have planned, quite pleasantly that it is probably cheaper than we initially thought, which we are pretty pleased about and which might help with the commonwealth as well. We think that it is a job that speaks for itself. It has a great BCR, and that is what they look at. When you have got the new bridges to the river, the deep sea port, the road coming down from the north, and you put it inside there and make a virtual non-stop corridor through to the deep sea port, it makes a huge amount of sense.

**Mr GRIFFITHS:** I note that there is still some work occurring on the northern side of the overpass, which is to link the Port Wakefield Road into the expressway.

**The Hon. P.F. CONLON:** There are some minor works on the Gawler end as well. The last surface coat on the Port Wakefield end was deliberately left until after the long weekend.

**Mr GRIFFITHS:** Yes, it was 60 km/h last night when I came down through that area.

**The Hon. P.F. CONLON:** To be fair to the people who have done this, it is still well ahead of target, ahead of the original date, which was December. They lost 90 days with rain this year, which is not something that we have experienced in any other time that I have been a minister, I have to say; it had not rained for that long.

**The CHAIR:** We move now to ICT, Land Services and Building Management.

#### **Departmental Advisers:**

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

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

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

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

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

Mr B. Cagialis, Chief Finance Officer, Department for Transport, Energy and Infrastructure.

Mr C. Oerman, Executive Director, Corporate Services, Department for Transport, Energy and Infrastructure.

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

**Mr GRIFFITHS:** I must admit that, looking at this, I presumed that Building the Education Revolution questions would also be answered in this section.

**The Hon. P.F. CONLON:** They are under the Office for Infrastructure, but if you want to ask them, I am fine. Judith Carr can help. If there is anything tough, we will refer it off later, but if you want to ask some now, that's fine. Rod Hook is the Co-ordinator General out of the Office for Infrastructure, but Judith is involved as one of the 'biggies'.



**Mr GRIFFITHS:** I suppose I look to the fact of 'building management' as being part of the subtitle for this question area.

**The Hon. P.F. CONLON:** Building management tends to be about leasing and the procurement of buildings for government, and maintenance. They are managing the procurement of the BER. I think Rod does the planning. It is the greatest planning system in the world. We should do everything that way. Just go see Rod.

**Mr GRIFFITHS:** How many BER projects have been or are to be coordinated in South Australia?

**The Hon. P.F. CONLON:** How many are coordinated? How many projects are there?

**Mr GRIFFITHS:** Have been built or are to be built.

**The Hon. P.F. CONLON:** It is 70, I think, from memory, is it not? There are 517 primary school sites, 40 secondary school sites in the public sector, and then there are Catholic and independent schools where we did the development consent but not the coordination of the construction. It is a lot.

**Mr GRIFFITHS:** Of that number, how many are still outstanding to be completed?

**The Hon. P.F. CONLON:** I will deal with the government jobs. There are 240 (33 per cent) projects that have been handed over to schools; 140 (20 per cent) are nearly at handover; and 360 (47 per cent) are still under construction. I do not think that anyone, no matter what they say, anywhere in Australia has done it more quickly or better than South Australia has.

**Mr GRIFFITHS:** I appreciate the fact, and I will put it on the record, that Mr Hook provided to the member for Unley and myself a briefing relatively early on in this process and told us about the value for money assessments that were undertaken to determine, indeed, how it would occur in South Australia. Given the publicity given to this around the nation in *The Australian*, we did not seem to be in it very often; no doubt, there have been a lot of challenges. Are there instances, though, where there have been time overruns that have incurred greater cost; and, if so, how is that additional cost being met?

**The Hon. P.F. CONLON:** I know that there are one or two. The program is supposed to run through to the end of March next year, and we would expect almost all projects to be ready for the start of school next year. I have to say that I think we will land that timetable better than anyone in Australia. It is pointed out to me that some have run over time, but they are fixed price so it does not affect the pricing.

The only surprise I have is that so few of them have actually run over time, because what we are talking about is something like 700 builds around all of South Australia, most of them having been built at the same time or requiring all the trades. It has actually been a very surprisingly good outcome. If this was not the BER, if it was any program, it would have been extraordinarily good. The fact that it is, by contrast to programs that have had difficulties, I think is quite amazing.

If you look back on this and focus on what are good outcomes at a good price for a school, there will be no-one in Australia who matches what has happened here. If you look back on it and you worry about what processes were used to get those very good outcomes, I am sure there will be some process-bound people somewhere who will tell you that we should not have done that. Frankly, I would prefer to take the criticism that the process was not everything that people would like, rather than that the outcomes were not good, and these have been terrific outcomes.

**Mr GRIFFITHS:** I will ask a supplementary question then. You referred to the tradies who work on these projects, and they have been everywhere, there is no doubt about that. Once they award the contract to a particular company to do the work, do you keep track of the time taken to make payment through to the tradies? I know that small to medium enterprises rely on cash flow, and there is a lot of money going out. Was there an effort within your department to ensure that the prime contractors had conditions attached to their contract to ensure that the payments were made to tradies quickly?

**The Hon. P.F. CONLON:** There are requirements on the head contract about on-time payments for subbies. The proof of it is that I have not had a complaint addressed to me about payments on these contracts; if there is one I would like to know. The head contract contains provisions about payments. People know who I am, and they have a great capacity to write me a letter if they do not like something, but I have not heard from anyone.

**Mr GRIFFITHS:** So the provisions of on-time requirements are that—

**The Hon. P.F. CONLON:** I am told that there were provisions for prepayment to help cash flow.

**Mr GRIFFITHS:** Prepayment?

**The Hon. P.F. CONLON:** It seems to have worked, because we have our buildings. I am told it is permitted under Treasurer's Instructions. As Rod has just pointed out, there are very few problems with it. You would expect things to turn up where they have: I think there were some issues regarding Aboriginal remains at Williamstown, and that will always run you into trouble; and I think there was some contaminated soil at Tintinara that no-one knew anything about until they got there. It turned out to be alright. From memory, it was from some early white ant treatment or something, and they may have been a little over-generous with the chemicals. You will always run into those sorts of things when you get this many sites.

**Mr GRIFFITHS:** True. My last question in this area comes from a contract management point of view, as DTEI is the prime contractor. What level of supervision was there to ensure the quality of the output, that there would not be any problems down the track, and that you were entirely happy with the quality of the project at the time of handover?

**The Hon. P.F. CONLON:** We have a team of inspectors that visit randomly, at least once to every site and multiple visits at some places. However, again, of the buildings handed over so far I have not had a single complaint addressed to me, but I have to say that there are a lot of very happy schools, which does not seem to make the news very often. We have had no complaints about the quality of the handover and we do have an inspection regime. As I said, it is like those Bedouins earlier: trust everyone, but tie up your camel. Rod has just pointed out that occasionally the inspections will find defects and require them to be corrected.

**Mr GRIFFITHS:** No doubt the principals also kept a close eye on what was happening.

**The Hon. P.F. CONLON:** Yes, believe me, the schools are right in the loop on these.

**Mr GRIFFITHS:** I will go to some ICT issues now so thank you very much, Mr Hook; I appreciate that.

**The Hon. P.F. CONLON:** For the record, so that it appears in the *Hansard*, can I also say that Judith is doing a marvellous job on this.

**Mr GRIFFITHS:** It is important to support staff, I agree. Is changing the renewal periods to having only three month or 12-month options incurring handling costs?

**The Hon. P.F. CONLON:** I think registration is run out of Services SA, and the question should properly be addressed to minister Gago. I can tell you that the saving was not allocated to me; it was allocated to her, so—

**Mr GRIFFITHS:** All the \$5.7 million from not having registration renewals any more—

**The Hon. P.F. CONLON:** That went to her too, so if you want to ask any questions about that you have to ask her.

**Mr GRIFFITHS:** I did not have a question prepared on that one. I refer to Budget Paper 1, Overview, page 10. Can the minister advise how many staff are currently employed to provide ICT services throughout government?

**The Hon. P.F. CONLON:** It is a very good question. It would depend on your classification, but there are 1,809.34 FTEs. If you took a stricter definition, that would probably be a smaller number, and if you included everybody who ever decided to invent a piece of rogue software it might be even more.

**Mr GRIFFITHS:** Is the minister able to provide the names of the companies that provide ICT services to the state government?

**The Hon. P.F. CONLON:** That is listed in the annual report which will be out in a few days. I have about 40 here—why don't I just send it to you?

**Mr GRIFFITHS:** If it is in the annual report, I am quite happy to accept that. I refer to Budget Paper 6, the Budget Measures Statement, page 87. Will the minister provide further details on how savings will be made from the introduction of a range of projects to reduce the cost of providing across government ICT services; in particular, the proposal to lower cost delivery models and support functions, such as consolidation of regional broadband services?

**The Hon. P.F. CONLON:** I can give you some examples or I can deal with that specific example, but all the ways you might save funds out of this, it might be a little hard for us to provide on the spot. We have made savings on a regular basis already out of the creation of a chief information officer, centralisation of procurement. There has been about \$25 million in IT savings so far, which is not the real amount. The savings are greater because the use of services has increased, while the cost of the unit has gone down. I will let Jim run through what we think is the answer to your question, but it is very broad ranging.

**Mr GRIFFITHS:** My specific question about this—from the opposition's perspective the three of us here are regional members—is about provision of services to our communities. Will there be any negative impacts on broadband availability?

**The Hon. P.F. CONLON:** No. In fact, when we get the national broadband rollout we can give you a whack more services. We will be improving all regional connections and services and lowering cost by consolidation. I met with Microsoft, which is a fair sized company—

**Mr GRIFFITHS:** Bill gates himself?

**The Hon. P.F. CONLON:** No, it was not Bill Gates but the Asia Pacific president, Emilio Umeoka, I think. We talked about what we have been doing in government about improving our ICT networks and services, the Ask Just Once portal and reducing the number of networks and reducing duplication. I said that progress sometimes seems to be slower than you would like in these things. I asked, 'Who is the benchmark for doing this as a government?' because I know most of us struggle. He said, 'Well, you know, I am going to a conference in Singapore and pretty much you are.' So, these guys have done all right in that regard. So there will be an improvement in regional services and that can be done while lowering costs and if Jim wants to, Jim can run through the process.

**Mr HALLION:** In relation to the consolidation of regional broadband, it is not about cutting services, as the minister said: we have gradually been installing significant back-haul capacities from regional centres; you will be familiar with a number of those. The first one was down through to Port Lincoln, and it is consolidating the use of those. So we are saving money but actually improving the level of service by bringing all the services, government and some community services, through those back-haul lines, and we save money, basically. So it is a cost reduction, not a reduction in service; quite the opposite.

**The Hon. P.F. CONLON:** I was once invited to meet Bill Gates in Indonesia but I did not go. I did not know really what to say to him.

**Mr GRIFFITHS:** Opportunity lost.

**The Hon. P.F. CONLON:** I don't know. He has a lot of money but I don't think he would give any to us, would he?.

**Mr GRIFFITHS:** Probably not. He is a very generous man for many worthwhile charities around the world, though. If I may then go to Budget Paper 4, Volume 1, sub-program 4.3: Support services (page 3.22). Can the minister advise what role the ICT support group have had in trying to resolve ongoing issues within Shared Services?

**The Hon. P.F. CONLON:** When you say 'ongoing issues', what are you referring to?

**Mr GRIFFITHS:** Significant delays in completing bank reconciliations, and unreconciled transactions.

**The Hon. P.F. CONLON:** I do not think those essentially go to ICT services. I think what you are referring to is the area we have been talking about in our department, which was identified in the Auditor-General's Report. I am not sure the issue was an ICT one: it was a process one, and our agency has been working with Shared Services to resolve that. You would remember that there were some issues about reconciliation some years ago in the department and we resolved those, and so I think we can help Shared Services resolve them. It is not an issue of software or anything like that.

**Mr GRIFFITHS:** Budget Paper 5, Capital Investment Statement, page 21: are you able to advise if the land services business reform project is on track to be completed by June 2012, as I understand it, and indeed what the cost of that project will be?

**The Hon. P.F. CONLON:** It is on track on the timetable. The budget provided \$17.1 million over four years and that has not been exceeded. Within the next month, I think we will have a recommendation on the preferred supplier of systems for the project. So it is on track. The only

possibility of it running over will be on the basis of system selection. I will get a recommendation from these guys; I will not know anything about the basis of system selection. There is, I guess, a possibility of their choosing a system which would require a longer implementation, but there may be options that can be chosen that will be implemented on time. It will be a value judgement, I assume.

**Mr GRIFFITHS:** I confirm that this is my last question. I refer to Budget Paper 4, Volume 3, page 7.14. Can the minister advise what work will be undertaken to improve the spatial improvement of the digital cadastral database, and what will the expected benefits be?

**The Hon. P.F. CONLON:** That was part of the project we were just talking about. The major project is under the program we just spoke about, the spatial enablement project to develop a modern spatial environment and tools, and a spatial improvement project, spatially improving the digital cadastral database in urban and major rural designated survey areas and, of course, the land administration system electronic replacement project to procure and customised a replacement land administration ICT system. So, that is incorporated in it, and that is part of the choice we will be making when it is recommended to us in a month or so. If you want me to tell you what it is, you have no chance. He is happy to tell you if you want to know.

**Mr O'CALLAGHAN:** We have two components to the system. Spatial enablement is the transfer of an old system that we inherited onto a new spatial environment. Spatial systems are very technology hungry and space hungry, so we have had to transfer it on to a new environment—that is the spatial enablement component.

We are also looking at what is called 'spatial improvement', which is where we match data that we have from a survey function in our land titles area and try to get the two match together to improve the digital data that we have. It depends on the scope of the systems we select and how far we actually want to go to implement those new systems as to the time frame that it is going to take and the cost.

**Mr GRIFFITHS:** As a supplementary question, are hardware upgrades required as part of this?

**Mr O'CALLAGHAN:** Part of the spatial enablement project has included looking at the physical capacity of the systems to handle the spatial upgrade because it is very resource hungry.

**The Hon. P.F. CONLON:** Is this some interest from your time as a chief executive in a council?

**Mr GRIFFITHS:** No, I have an interest in many areas.

**The Hon. P.F. CONLON:** I hope never to learn about this, but I am sure it is very important.

**The CHAIR:** There being no further questions for the Minister for Infrastructure, I declare the proposed payments for the Department of Treasury and Finance and administered items for the Department of Treasury and Finance adjourned to Estimates Committee A.

*[Sitting suspended from 16:28 to 16:46]*

#### **Membership:**

Mr Treloar substituted for Mr van Holst Pellekaan.

Mr Williams substituted for Mr Griffiths.

#### **Departmental Advisers:**

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

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

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

Ms R. de Laine, Acting Director, Energy Markets, Energy Division, Department for Transport, Energy and Infrastructure.

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

Mr B. Cagialis, Chief Finance Officer, Department for Transport, Energy and Infrastructure.

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

Mr C. Oerman, Executive Director, Corporate Services, Department for Transport, Energy and Infrastructure.

**The CHAIR:** I refer members to the Portfolio Statements, Volume 3, Part 7. Does the minister wish to make a brief statement?

**The Hon. P.F. CONLON:** I will not make an statement. We have not been asking questions on this side, so feel free not to use all of your time if you so wish; as I pointed out before, we will not be wasting any of it for you.

**Mr WILLIAMS:** Thank you, minister. I will take some scope. I refer to Budget Paper 4, Volume 3, page 7.31, sub-program 5.1: Energy Policy and Programs. All my questions, unless otherwise noted as I go through, will refer to that page in the budget. Minister, last year I asked why the feed-in tariff did not apply to mini wind turbines and your response was that it was because the feed-in tariff was aimed at domestic consumers. I note that the report of the review into the feed-in scheme has recommended that such mini wind turbines should, in fact, be included in the feed-in scheme. I also note that these turbines are used in domestic situations, although principally in non-urban areas. Does the government still believe that one form of technology should be favoured by the feed-in tariff over other renewable technologies?

**The Hon. P.F. CONLON:** In short, I do not think I have changed my view from last year.

**Mr WILLIAMS:** So you still do not think that the government will accept the recommendation?

**The Hon. P.F. CONLON:** I think there is an issue about the maturity of the technology. What we do know is that the photovoltaics work, and I would not want to encourage people to make an investment in something that turns out not to do what everyone hoped it would do. That is my personal viewpoint, and I do not think it has changed much from last year.

**Mr WILLIAMS:** Minister, have you come to that viewpoint because of the experience the government had with the small wind turbines that it put on a number of buildings around the city that were found to be absolute failures?

**The Hon. P.F. CONLON:** You say they were found to be absolute failures. I will have to let that pass. Here is the thing: it is open to governments to use technology and take a risk that I would not want to encourage people to do. Small-scale wind is not widely used technology. My own view is that I would not want people to take any risks on it, and the other thing is that the intrusion of wind generation (even small-scale) in a residential setting raises issues as well. I have not seen any great reason to change my position. At the end of the day, it is a position for the parliament but that is my view.

**Mr WILLIAMS:** Are you aware that the report on the feed-in tariff review recommends that we incorporate that technology?

**The Hon. P.F. CONLON:** I think they recommended a lot of things; we have done some and some we haven't. We do not give a review out to people to outsource government decision-making: we do it to have people look at a subject matter and give you some advice and a range of options. I have not seen anything to make me change my point of view; maybe a compelling argument will come up one day. I think I have summed it all up.

What you should recognise is that, with the changes we are making in terms of photovoltaics, the payback time is remarkably short. It is a very good investment for people and the scheme has been successful beyond the expectations anyone had. In fact, the take-up of it triggered the review of the scheme much earlier than we thought it would be, so I do not think we need to worry about the scheme not being a good one.

**Mr WILLIAMS:** Just on your comment that there were a number of recommendations and that you have taken up some and some you have not, I note that a media release came out following the release of that review announcing some recommendations that the government would

be taking up. Is the government intending to make a formal response to the review report indicating exactly which recommendations you are taking up and which ones you are not taking up?

**The Hon. P.F. CONLON:** We will be bringing a bill to parliament. I do not know if you can get much more formal than that.

**Mr WILLIAMS:** What is the time frame?

**The Hon. P.F. CONLON:** It will be before the end of the year, then everyone can have all of their viewpoints canvassed on the floor, and then you go upstairs into this august chamber and other people will have views as well.

**Mr WILLIAMS:** I am looking forward to it. Going back to the mini wind turbines, I know they were installed around the city, and I noticed that they have been dismantled and removed. What was the cost of that removal?

**The Hon. P.F. CONLON:** I did say that I would give you plenty of scope, but that is not an area of our responsibility. I think you might want to address that to the appropriate minister. I cannot answer questions that are not in our area of responsibility.

**Mr WILLIAMS:** So those wind turbines have nothing to do with your department, your agency?

**The Hon. P.F. CONLON:** It is not our budget line. We did not spend money on them; it was a different agency.

**Mr WILLIAMS:** But you were not used to provide advice?

**The Hon. P.F. CONLON:** I do not know if they were, but I am telling you that we are here to answer questions. I have invited you to have lots of scope in my areas of responsibility, but that does not mean you have scope to ask me to answer questions from someone else's area of responsibility. Something we used to do in opposition was to get two people answering questions on the same thing; it's an interesting tactic.

**Mr WILLIAMS:** I would not do that to you, minister.

**The Hon. P.F. CONLON:** No, you won't do it to me; I can guarantee it.

**Mr WILLIAMS:** Are you aware of the recent developments in the small-scale fuel cell technology, where generators specifically designed for domestic use have been produced? Are you prepared to treat that technology with the same favouritism as photovoltaic cells with regard to feed-in tariffs?

**The Hon. P.F. CONLON:** Again, my point of view has not changed. There are two issues. There is extremely mature, large-scale wind generation in South Australia. It is one of the world leaders in terms of percentage of installed capacity in wind. It is not like there is some failure in this state to bring on renewable energy through wind. I am not convinced that small-scale technology is as advanced as large-scale, and I am also not convinced that every neighbourhood in every suburb is going to accept having small-scale wind turbines.

**Mr WILLIAMS:** I am talking about fuel cell technology.

**The Hon. P.F. CONLON:** Fuel cell technology? You might have to explain to me what you mean; I am not quite sure. I do not think anyone could describe fuel cell technology as more advanced than small-scale wind; so I think the answer would have to be the same.

**The CHAIR:** It's natural gas.

**Mr WILLIAMS:** Yes; it is natural gas. The Chairman knows about it, minister; you might take some advice from him.

**The Hon. P.F. CONLON:** Mate, if you want to be a smart aleck and demonstrate people's lack of understanding I am very happy to do that with you. I am very happy to spend the afternoon; it might take the whole two hours. I'm sorry; please proceed.

**Mr WILLIAMS:** Again I refer to the report of the feed-in tariff. I know that it talks at length about the issue of retailers having no obligation to purchase electricity which is fed into the grid via small-scale PV generators. Why has your government, for well in excess of 12 months—in fact, since the beginning of the scheme—failed to take any action to ensure that owners of small-scale PV generators were paid for the electricity that they put into the grid by the retailers, who then on sell it?

**The Hon. P.F. CONLON:** Your question is: why are we not obligating? The bill that will come to the parliament will obligate the retailers to pay an amount established by ESCOSA.

**Mr WILLIAMS:** That is at least 2½ years after the fact that—

**The Hon. P.F. CONLON:** I remember this bill being in the parliament and I do not recall your question about this at the time.

**Mr WILLIAMS:** I have actually put two bills into the parliament to try to correct this.

**The Hon. P.F. CONLON:** No, when this bill came to the parliament the first time, and you say we should have had it in, I do not remember your question about it, member for MacKillop, so do not come in here and grandstand about something that you discovered later. We put a bill into the parliament and we put the first feed-in tariff in Australia into the parliament, it has been remarkably successful, and we wrote in a review period. You are saying to me: why didn't you think of something I didn't?

**Mr WILLIAMS:** No, that is not what I am saying at all.

**The Hon. P.F. CONLON:** Put it on *Hansard*: did you actually raise this when the bill came to parliament?

**Mr WILLIAMS:** I have actually introduced two private member's bills.

**The Hon. P.F. CONLON:** No, when the bill came to parliament, you slippery customer. When the bill came to parliament did you raise a question about it? Let me tell you this: why you did not and why we did not—

**The CHAIR:** Order, minister!

**The Hon. P.F. CONLON:** —is because at that time they were paying. They had a practice of paying and we did not know that they would discontinue that. There is nothing—

**Mr WILLIAMS:** I am absolutely aware of that, minister.

**The Hon. P.F. CONLON:** If you are absolutely aware of it, why are you asking slippery, tricky questions?

**Mr WILLIAMS:** I am just asking you why it has taken you 2½ years to react.

**The Hon. P.F. CONLON:** Because there was a period of time set aside for review. There is no doubt, despite your undermining of what has been a very successful project, that the feed-in tariff, regardless of that issue, did bring on a very high level of investment; in fact, the review was triggered early. So, frankly, you can sit there and be slippery and tricky if you want, but it was the first feed-in tariff in Australia, and it was successful beyond expectations in what it did. It brought so much photovoltaics on so quickly that it triggered a review early and we have decided, in that review, that it is appropriate for ESCOSA to determine a minimum amount. That is not what was in your bill because your bill, frankly, was silly.

**Mr WILLIAMS:** That is your opinion, minister, and to say that the review came on early, the review came on many months after the trigger was actually set. I think that was in May of last year; your review was initiated in October last year.

**The Hon. P.F. CONLON:** No, there was a time frame, or amount, and the amount was reached way ahead of schedule.

**Mr WILLIAMS:** That was in May of last year. Your review began at the end of October last year, but we can move on. Will any of the current participants in the feed-in scheme be disadvantaged by any proposed changes? I note in the report of the review that it states that discussion and recommendations around transitional arrangements have been provided in a separate report to government because of commercial sensitive information.

**The Hon. P.F. CONLON:** Sorry, I do not understand the question. You will have to ask me that again.

**Mr WILLIAMS:** I understand that there are a small number of significant PV installations in the state which may fall outside the new criteria, particularly with regard to their size or capacity. Will they be disadvantaged if your new legislation changes the maximum capacity?

**The Hon. P.F. CONLON:** No, the existing plants are grandfathered. This scheme is aimed as an incentive for residential users. It is not there to create an opportunity for people to make money out of the electricity users of the state. So, we will grandfather those people but they will not

be able to continue to mock up what are solar generators and pretend they are residential schemes.

**Mr WILLIAMS:** You have answered the question. I just wanted to know whether the existing ones would be grandfathered. The report was not clear on that. The press release that accompanied the release of the report indicated that the government seems to think that 6¢ per kilowatt hour is probably a reasonable purchase price for green energy produced from PV generators. Notwithstanding this, before the scheme came into existence, retailers were paying up to 20¢ per kilowatt hour. Do you still believe that 6¢ is about the mark?

**The Hon. P.F. CONLON:** I believe that ESCOSA will determine the appropriate minimum amount. Make no mistake—and I note that we have improved the feed-in tariff as well—in our view the amount that should be paid as a minimum should be clear, and should be set by ESCOSA; and it should be the value of that energy to the retailer. I have to say that the estimate of 6¢ is probably—

**Mr WILLIAMS:** That is what my bill sought to establish, minister; the one you said was silly.

**The Hon. P.F. CONLON:** No, from memory, that is not what it sought to establish.

**Mr WILLIAMS:** It did; in fact, it was going to have ESCOSA set the price.

**The Hon. P.F. CONLON:** ESCOSA will set the price for that. I do not know what could be fairer. Why would the retailer pay more than the value (to the retailer) of the energy when there is a feed-in tariff—

**Mr WILLIAMS:** That was my question: they were paying 20¢ before the scheme started.

**The Hon. P.F. CONLON:** Yes, but there wasn't a feed-in tariff.

**Mr WILLIAMS:** What criteria will you use to determine which generators are primarily aimed at generating a profit from the scheme (which is, I think, the terminology used in the report)?

**The Hon. P.F. CONLON:** We are looking at the drafting, and that will be part of the bill when we bring it in. I do point out that my understanding is that the scheme is the responsibility of the Minister for Sustainability and Climate Change, but I am quite happy to talk about it; I put the bill through the parliament for the Premier last time. However, it is a matter that will be determined in drafting; obviously size is an element, but that will be determined in the drafting of the bill.

**Mr WILLIAMS:** One of the other things I had trouble understanding is the suggestion that there be a cap on the scheme. I think there is a suggestion from government that there be a cap at about 60 megawatts of total installed capacity. What is the rationale for—

**The Hon. P.F. CONLON:** It is not unusual. The Victorian scheme, which followed on us, has a cap. It is a cap on the size of our population; it is much higher than the Victorian cap. The scheme is aimed at promoting renewable energy use, but it is my view that the scheme does require a cross-subsidy by other electricity users. That is where the feed-in tariff comes in. The cap reflects a belief that there should be a balance struck between encouragement for photovoltaics and a contribution from a cross-subsidy from other electricity users. I assume that is the logic that was used in other states that have a cap. I think our cap is the highest at 60 megawatts, compared to the population or number of electricity users.

**Mr WILLIAMS:** It is my understanding that Victoria has a cap of 100 megawatts and ours is set below that, on population. I am just wondering—

**The Hon. P.F. CONLON:** I think Victoria might have slightly more population.

**Mr WILLIAMS:** I am aware of that; I am trying to understand the rationale—

**The Hon. P.F. CONLON:** More than three times the population. So if you look at the cap against the number of electricity users, ours is a much higher cap than Victoria.

**Mr WILLIAMS:** I am still trying to work out the rationale. You have just stated, minister, that you believe there should be some cross-subsidisation to try to support the renewable sector, particularly the small-scale photovoltaics. Why the rationale of having a cap?

**The Hon. P.F. CONLON:** I do not know what you do not understand about what I said regarding a balance between the level of the cross-subsidy and the encouragement of photovoltaics. What is there not to understand?



**Mr WILLIAMS:** The only rationale you have given is to say that we will make ours a bit smaller than Victoria.

**The Hon. P.F. CONLON:** No. Do you listen at all?

**Mr WILLIAMS:** Absolutely.

**The Hon. P.F. CONLON:** On a per capita basis, our cap is much higher than Victoria. That means that we have set the balance towards more photovoltaics per head of population than Victoria has.

**Mr WILLIAMS:** Let me pose the question the other way then, minister—

**The Hon. P.F. CONLON:** You can pose the question when I finish answering this one—

**Mr WILLIAMS:** Why did you set it higher than Victoria's?

**The Hon. P.F. CONLON:** Maybe if you allowed me to finish answers you would understand them. We believe that there should be a balance between the level of cross-subsidy and the encouragement of photovoltaics, just as Victoria does, but we have set the balance more in favour of photovoltaics. Got it? Now, please, follow up with this question.

**Mr WILLIAMS:** There is no rationale in setting the cap. It says that a certain amount of photovoltaics is good and that anything more than that is bad, and there is no rationale to say why that is.

**The Hon. P.F. CONLON:** So, you will be supporting no cap—is that your position? Is that what you will be doing in the parliament?

**Mr WILLIAMS:** No, not at all, minister. That is not what I said at all.

**The Hon. P.F. CONLON:** So what is your point then? What is the take-up like in Darwin—they have a lot of sun up there, haven't they? How much have they taken up up there?

**Mr WILLIAMS:** What's the point? You are the one setting policy, minister, and I am trying to get some understanding of why you have set that policy, but you are not of a mind to divulge that.

**The CHAIR:** Order! This is starting to degenerate a little. Perhaps you may have another question.

**Mr WILLIAMS:** I do, thank you, Mr Chairman. I will change tack completely. I refer to the Premier's press release regarding the Green Grid back in July, which acknowledges that renewable electricity generated in South Australia is purchased by customers in other states. Who does the minister believe should be responsible for the necessary transmission upgrades to support an increase in renewable generation as described by the Green Grid report?

**The Hon. P.F. CONLON:** Before the Green Grid, some years ago we raised this question with the AEMC and the Ministerial Council on Energy that, if you are going to realise a large renewables target for the benefit of all Australia, then the rules around payment, for example, for transmission, had to change. That is a matter that is ongoing. Some proposed rule changes have been looked at. To be fair to the AEMC, it has not been easy to do because there have been a series of changes at the federal level about targets, how they work and the nature of schemes.

There was one proposal for SENE (scale efficient network extensions) and they believe it needs more work. It takes a long time to resolve these matters. It takes a complicated rule change and agreement between the states. My position at the Ministerial Council on Energy has been, even before the release of the Green Grid, that the rules should reflect the best value investment in transmission to deliver renewable energy to the market at the least cost, and if that involves building more of the transmission system in South Australia than is required at present by our needs, then that cost should be shared among those people whom the transmission is intended to benefit, and that is the delivery of renewables across the nation rather than simply in South Australia, which is a logical thing.

The issues around transmission are very complicated. I have been going there for 8½ years and transmission planning has been under review for that time and we are still waiting for them to conclude that. It is not a simple method of making major changes in the way transmission is paid for. Make no mistake: transmission costs to get a national energy target up should be shared by the nation and not paid for simply by South Australians. Apparently the latest version of the rule changes is scheduled for about May next year.

**Mr WILLIAMS:** I refer to the performance indicators on page 7.13 and note that we discussed this issue in last year's estimates and at least the year before. The minister seemed on those occasions to be unwilling to grasp the notion that renewable energy may well be generated in South Australia specifically for export to other states because we have a better wind resource than those other states.

**The Hon. P.F. CONLON:** I do not think you understand how electricity works.

**Mr WILLIAMS:** I do indeed.

**The Hon. P.F. CONLON:** You cannot generate it specifically for export. Electrons go where they flow. You cannot send them on their way with a road map and say, 'Go there.'

**Mr WILLIAMS:** I knew you would go there, minister, because that is where you went last time. Let me go on. The performance indicators, without revealing where the green energy is being sold—and I know that you will repeat what you have just said—in my mind are meaningless without having an understanding of where the renewable energy being generated is actually being purchased. I have sought this information over the years and made the point that the case that new transmission infrastructure should be paid for by those who use the renewable energy can only be prosecuted with such information. I note that the Premier, in his press release on 16 August—

**The Hon. P.F. CONLON:** Can you indicate to me how one identifies the green electron from the brown electron?

**Mr WILLIAMS:** If you bear with me for a moment, I will, minister.

**The Hon. P.F. CONLON:** If you can help me with that, I will help you.

**Mr GRIFFITHS:** I note that the Premier, in his press release of 16 August regarding the release of the Green Grid report, highlighted that South Australia has the potential to contribute 30 per cent of the nation's renewable energy. I also note that the Green Grid report at page 18 states:

There is an absence of workable interregional charging arrangements to ensure the states who benefit from the network investment share the cost.

We have just been talking about the rule change, just as I have been saying for a number of years, too, minister. Have you read the Green Grid report, and do you now understand the importance of knowing where the renewable energy generated in South Australia is purchased?

**The Hon. P.F. CONLON:** It is very easy to determine where renewable energy is purchased: it is where the retailer sells renewable energy. That does not necessarily mean its green electrons flow to that place. I have read the Green Grid report. We assisted and advised on putting it together, so we do know a little about it.

**Ms BEDFORD:** You are mentioned in the index, aren't you?

**The Hon. P.F. CONLON:** Probably. Sometimes when I spend time with the member for MacKillop I struggle to know if I am ever going to make an impression upon him. Maybe I am not; maybe I should not even bother trying. There is an existing system for movement of electricity between regions, which is extremely complicated, but that system does not identify individual electrons and where they came from: that is the nature of the national electricity market. What we do know is that, if we were to build a stronger backbone of grids specifically for bringing on more renewable energy, that energy could flow across the national grid more easily, but I do not think we will get to a point of identifying electrons—

**Mr WILLIAMS:** Nobody is suggesting that, minister. In fact the NEM is all about not identifying individual electrons: it is about identifying where costs should be apportioned.

**The Hon. P.F. CONLON:** There is an interconnect between South Australia and Victoria. That interconnect, historically, is operated to export energy from Victoria to South Australia, and there are rules around how one pays for those interconnections. If the flows change, the rules change. What we need, however, is a bigger rule change that deals with transmission systems on a bigger scale to allow the creation of a renewable energy industry that would meet a national target.

I am not uncomfortable with the rules around the interconnect as it is at present. It needs some reinforcement, and then there would be an assessment when it is reinforced of what the proper share of costs is for that interconnect: that does not make us uncomfortable. It apparently makes you uncomfortable; it does not make us uncomfortable. The next stage of building a large

grid largely within South Australia would, under current rules, fall to South Australians on the TUOS: if that is built for the ability to supply a large amount of the national target, then we say there should be a rule change that allows some sharing of that cost among the recipients now. If that is not enough for you, you had better explain to me your question.

**Mr WILLIAMS:** I accept that, if we are generating renewable energy in South Australia and that energy is being used to meet the targets for other jurisdictions, they should be paying for the transportation, for the infrastructure costs to allow that to get into the grid.

**The Hon. P.F. CONLON:** You do not understand. There has not been an additional cost of transmission as yet, so what is there to pay for?

**Mr WILLIAMS:** I am also aware of that, but the point I have been trying to make for years, minister, is that when we get to the point (as expressed by the Premier in his response to the Green Grid report) where South Australia's wind resources are going to be renewable energy to the other states, unless we understand the notion that it is who purchases the energy—not where the individual electrons are consumed but who purchases the energy—that drives the investment, that is why you can put the cost of that infrastructure to people in other jurisdictions.

**The Hon. P.F. CONLON:** There is at present an ability to make people pay for an interconnect; if it is upgraded, an assessment will be made about why that interconnect needs to be upgraded and an appropriate share of costs. That is something we can deal with. Your issue, which is not an issue at all, is that renewable energy is being purchased outside South Australia; therefore, South Australians should not have to pay the extra cost—but there is none. That is your problem: there is none. There has not been an upgrade of the transmission system—

**Mr WILLIAMS:** No, I am talking about—

**The Hon. P.F. CONLON:** No, Mitch, don't interrupt. If you ask dumb questions, you are going to get an answer to them. The reason we have not sought for them to pay the extra cost is because there is none. The entry of wind so far has been on the existing transmission system. Any additional cost of wind getting on the system is paid by the generator.

What it means is that South Australian businesses are making money selling green energy, and I do not have a problem with that; if you have, you have. This is what I am trying to explain to you: we have not allocated the extra cost to interstate users because there is none. You cannot allocate an extra cost that does not exist.

It is when you need to upgrade the transmission system to evacuate large amounts that an extra cost will exist, and that is why we have been to the MCE and the AEMC to say that, when that circumstance occurs, the rules should change to allow those people getting the benefit to pay for it. It is a bit rich for these people to buy renewable energy for businesses associated in South Australia when there is no extra cost and ask them to pay for it. Am I missing something? Frankly, I am puzzled by what you are trying to get at.

**Mr WILLIAMS:** I refer you to the press release put out by your Premier on 16 July.

**The Hon. P.F. CONLON:** That is the future, Mitch. You have talked about how for years you have said that these people should pay for the fact that they are buying green electricity. They are either paying for the electricity—

**Mr WILLIAMS:** No, minister.

**The Hon. P.F. CONLON:** Well, you just said it a few moments ago.

**Mr WILLIAMS:** No, I said how can we prosecute the case for a rule change to deliver the economic benefit the Premier is talking about with the release of the Green Grid if we deny that we should be determining who is purchasing the green power? Minister, for years you have been in denial about where the green power is being purchased. I agree with you: the people who purchase it should be the ones who pay any increased costs. On the one hand you are making a case—

**The Hon. P.F. CONLON:** I am glad you agree with me, because that is what happens at present: they pay the project cost, which is the only increased cost. Mitch, if you are going to—

**Mr WILLIAMS:** So, why is the Premier urging that we have a rule change?

**The Hon. P.F. CONLON:** If you ask a dumb question, don't interrupt. You can ask another dumb question in a second.

**Mr WILLIAMS:** Why, minister do you keep talking about a rule change?

**The Hon. P.F. CONLON:** Okay, let me explain this again. The entry of wind into South Australia under the current rules has been on the basis of the cost of the generator getting onto the existing transmission system. No South Australian has had to pay more for additions to the transmission system because they have not been necessary. Now, you have got that bit. So, the issue of about where this renewable energy is being sold to this date is inconsequential to the cost impost to South Australians. You can understand it this way: this has been the first generation of the entry of wind generation, and it has been on the basis, if you like, of finding where there is good wind near an existing grid and then business paying the connection cost.

When the people buy that electricity, they are, in fact, paying the extra cost, not anyone else. So, your concerns are completely unfounded. The extra cost is the cost of that business and, when it sells its electricity, the people who buy it are paying that extra cost—that is how they make money. That is the existing system.

The problem is this: the target for renewable energy has been increased dramatically. It is not possible to meet that target under the existing system of simply finding a nice bit of grid that is near some wind. So, the next stage that is identified, as you do not seem to understand, in the Green Grid and the report in the Premier's release is, if you want to realise this target, it will be time not for the generators to pay for getting on but for someone else to pay for a substantially stronger transmission system.

What we have said and have said for two years while you have been trying to work out where the electrons go is that, when that occurs, the rules will have to change so that the beneficiaries of the transmission system share the cost across Australia. The other option is one of the things that was talked about just before the last election and that is that the federal government throws a whole lot of free money into the transmission system.

But, Mitch, it is no use beating your gums about who is paying for the cost of green electricity at present because the people buying it are paying for the cost—there has been no extra cost. Under the way wind has gone on to this date there has been no extra cost. I think it is essential that you try to understand that and lose your confusion.

**Mr WILLIAMS:** I have never suggested that there has been an extra cost, minister. I have always talked about moving to the future. Maybe you can answer this question then: if you get your rule change and we have a substantial increase in wind generation in South Australia, as set out in the green grid proposal, how are you going to identify who will pay those additional costs to strengthen the grid?

**The Hon. P.F. CONLON:** The rule change will identify how the users pay for it. I have said before—

**Mr WILLIAMS:** How would you identify the user?

**The Hon. P.F. CONLON:** Mitch, I am not going to answer your questions—

**Mr WILLIAMS:** I know; that's the problem, minister.

**The Hon. P.F. CONLON:** Fine, mate; I'm done. If you are so discourteous as not to allow a person to answer a question, why should I bother with any of them? Ask one question and then shut up until I answer it, and then ask another one, okay. Is that a deal? Now please ask a question.

**Mr WILLIAMS:** The question is: under those new rules that you are proposing, and I understand you proposed them in at least 2008, how do you identify to whom the cost should fall?

**The Hon. P.F. CONLON:** What I started to explain to you is that it falls to the rule maker to devise a mechanism for doing that fairly. In general, the export of electricity is something that can be measured; it is currently measured on interconnections. There are some complications around it. For example, a big piece of transmission they suggested in the green grid, or another model that has been suggested by AEMO, may also have consequential benefits strictly internally, with generators getting on to meet local demands.

That is a complicated assessment that the rule maker will have to make, otherwise we would not have been waiting for two years. It is not a simple equation. If you looked at the rules on interconnects over the last eight years, how many times we had to go and look at how they work. Maybe, since you are so clever, you can explain settlement residue auctions to me; I look forward to that.

I would like to make the world simpler for you, but it is not. There is a need for a rule change that identifies the beneficiaries of the transmission investment. It has been simple to date, and it has been pointed out that TUOS will change for exports. But the upfront cost of the transmission and who recovers that is a fairly complicated matter.

If you build a big transmission grid on Eyre Peninsula, which is where you might want it to get a lot of wind, you will find that with the growth in the mining industry that people may want to put generators there as well and sell electricity to the mining industry. That would be an entirely internal benefit from the transmission system, so the rules will have to address those matters and find a way of doing it. Vince, would you like to explain the current SENE proposal and why they have taken it back to have another look?

**Mr DUFFY:** The current scale efficient network extensions proposal is for enabling coordination of major projects on, say, Eyre Peninsula where a number of these projects would come together and enable them to build an efficient scale transmission connection asset rather than building a number of small ones so that consumers over the long term get the benefit of having a lower cost structure. So those connection charges, consistent with the same arrangements as currently, would be funded by the project proponent. The wind farm generator would pay for the connection costs, it is just that they would be at a scale efficient level rather than having an inefficient scale connection cost. So that does not change from the current, although that is just a proposed rule.

Under the interstate TUOS rule that is being proposed, Victoria would be treated as a customer of South Australia and you would see a redistribution of the transmission charges that are regulated by the AER with the export part paid for by the Victorian customers, and similarly New South Wales would be treated as a customer of Victoria; Tasmania would be treated as a customer of Victoria; New South Wales would have Queensland as a customer and Victoria as a customer. That is the sort of proposal put forward in the interstate TUOS.

**The Hon. P.F. CONLON:** It is not simple.

**Mr WILLIAMS:** I am well aware that it is not simple, minister. Is it proposed that the rule change would be specific to renewable energy because it seems that we are moving into a—

**The Hon. P.F. CONLON:** You can't do that. Unless you were to build a grid that was exclusively for renewable energy, which would be crazy, there is no way of knowing which electron is which. I come back to this point. You build a stronger grid that will be conventional generation going on for a number of reasons. You cannot build a rule change in a grid that dispatches electrons from any number of sources and then apply one rule. I would be interested to find out how you could apply one rule for green energy and another rule for electrons that are brown or black. You cannot do that. You have to have a rule that deals with the movement of electricity in the system.

**Mr WILLIAMS:** It seems then that the proposal of the Green Grid for South Australia to be supplying renewable energy to meet the commitments of other jurisdictions to meet their targets cannot work.

**The Hon. P.F. CONLON:** I do not know how you draw that conclusion. The Green Grid proposal will allow the creation of far more wind generation in South Australia to meet a national target, but the Green Grid proposal will not be a new national grid that is pure green. It will be used by people here to connect their generators. Almost certainly it would mean a capacity around somewhere like Whyalla or on the Eyre Peninsula to build a generator to supply the mining industry and the iron ore, perhaps magnetite, exports. That is what you would want.

How you can draw a conclusion that, because the Green Grid will allow other people on it, it will fail as a Green Grid is beyond me. Frankly, it would be a terrific addition to the backbone of the national grid, and a number of proposals will come out. The Green Grid, we believe, is very well researched but there will be those who will look at this and ask: how do we maximise return on the new grid to reach a renewable target and how do we maximise the return in strengthening the grid in encouraging appropriate generation investment?

This is why the rule is complicated. The grid also has to encourage proper investment, as the rules are supposed to at present, for conventional generation. Because that is the case, to say that the green grid proposal cannot work is simply fallacious.

**Mr WILLIAMS:** I will change tack: does the government have data informing it of how much renewable electricity is purchased by South Australian consumers, or is that held exclusively by the retailers?

**The Hon. P.F. CONLON:** I assume that we can gain access to that data. It is something that would be relevant to ESCOSA; I cannot imagine why we wouldn't be able to. Some information might be available. I cannot imagine why we would not be able to. As pointed out, you can infer it from the MRET obligation, that is, the obligation on the retailer to supply a certain percentage. It is not information that is essential to anything we do.

The thing you have to understand about a national table on renewable energy is that it imposes obligations on retailers. We know what the size of the national market is, we know what the size of that obligation is, we know what the size of the generators are, and we know where they have to meet those targets. So, you can infer where they are selling it from where their obligation exists, I would have thought.

You have to understand that the way the market works and does not differentiate electrons is if somebody buys this amount of green energy and then sells it. What they sell is not necessarily green energy, but they cannot sell more green energy than what they buy. Electrons are not capable of being disposed of in that way. We could, at huge cost, set up a green grid and a black grid, but I do not think anyone would recommend that.

**Mr WILLIAMS:** It is not simple, minister, but I am not too sure that it is quite as complicated as you are making it sound, to be quite honest. I refer again to the performance indicators, on page 7.31. It refers to South Australia's residential energy efficiency index, and there is a footnote to say that the methodology for calculating and measuring these performance indicators has changed. How do we measure the residential energy efficiency index?

**The Hon. P.F. CONLON:** It is terajoules per household.

**Mr WILLIAMS:** Terajoules per household—it's as simple as that?

**The Hon. P.F. CONLON:** It's an improvement over time. It is not an exact science, and it cannot be because of the differences.

**Mr WILLIAMS:** That is why I asked the question.

**The Hon. P.F. CONLON:** It is a clear indication. The issue is how much money you want to spend trying to get more accurate data than that, and I think it would be very hard. Apparently, we moved from ABARE data to ETSA data because it is more robust. Can I say, one of the things that will be possible in the future with smart grid technology will be a far easier and clearer indication of where electricity is actually being used in real time and where it is not being used. One of the things that you cannot do at the moment is determine where people are off.

**Mr WILLIAMS:** Do you have any information as to where we sit relative to other cities around Australia?

**The Hon. P.F. CONLON:** It is not easy to compare apples with apples, either, because of the nature of peak demands and things like that. We are very peaky in demand, the most peaky in the western world.

**Mr WILLIAMS:** I know that we compare those things.

**The Hon. P.F. CONLON:** The best measure is our improvement against our own standards, because it is very hard to measure energy efficiency. You go to a city where there is no gas and it is cold in winter, they are not going to look very efficient.

**Mr WILLIAMS:** I presume that energy efficiency index includes gas and electricity?

**The Hon. P.F. CONLON:** Possibly, yes.

**Mr WILLIAMS:** I refer to the desal plant and the obligation to use renewable energy. Again, you have just talked about the peaky-ness of our electricity use in South Australia. Obviously, the desal plant is going to be a peaky-type consumer of electricity because it is not going to be a constant. Is it the intention to mandate that retailers must meet the new national mandatory renewable energy target of 20 per cent by 2020, excluding the energy used by the desal plant, or will it be that that will include the energy used by the desal plant?

**The Hon. P.F. CONLON:** I am not sure why it would be additional. The national renewable energy target is a percentage of total consumption, and desal is part of total consumption.

**Mr WILLIAMS:** So, it will be within that total consumption?

**The Hon. P.F. CONLON:** I would assume so. I cannot see why it would not be. We are not responsible for the desal plant per se, so I can only talk to you about how the national electricity

market works. I am not privy to writing the contract for the energy, but what I would say is that the renewable energy target is a percentage of total consumption.

**Mr WILLIAMS:** So, your agency was not involved in the negotiations over the agreement to buy renewable energy?

**The Hon. P.F. CONLON:** We would have provided some advice to them on it. Vince provided some advice on buying renewables.

**Mr WILLIAMS:** I am pleased to hear that.

**The Hon. P.F. CONLON:** You have to understand that with renewables there is an interstate committee that deals with it. The other states were on the deals with the accreditation of green power. So, you cannot sell green power that you have not bought; it has to be green power; and things like that, so it is all hunky dory.

**Mr WILLIAMS:** Given that you invited me at the start to be wide-ranging.

**The Hon. P.F. CONLON:** As I said, I would prefer you to stick to things that I am responsible for.

**Mr WILLIAMS:** Yes, but you may be able to answer the question—you may wish not to—about the desal plant. I understand that part of the agreement is that during periods of low electricity consumption SA Water will be obliged to buy green power accredited renewable energy certificates.

**The Hon. P.F. CONLON:** There is no use asking me about that. You are way out of my area. No-one here would know anything about that.

**Mr WILLIAMS:** There was a recent report concerning energy retailers using unlicensed and unqualified insulation installers to try to meet their targets under REES. Have you taken any action to ensure that REES does not cause the type of problems that the federal home insulation scheme did?

**The Hon. P.F. CONLON:** We have not had those problems in South Australia for a number of reasons, principally because we do licence the installers. It is not for me to pursue unlicensed installers; it is for OCBA and the Minister for Consumer Affairs to do that. Those matters are referred to her when we discover them, and OCBA will deal with that. If you are suggesting that REES is going to cause difficulties like the insulation scheme did in other states, that is completely wrong and we should not scare people.

**Mr WILLIAMS:** On the same scheme, it was reported recently that, I think, AGL has applied for an increase in fees to cover the cost of the REES. Does the government have a position on that? I understand that from time to time when retailers and other players in the industry make a—

**The Hon. P.F. CONLON:** Here is the thing: we think energy efficiency is important, and those with the least capacity to make investments to achieve energy efficiency are lower income people. We saw great success in funding it out of the taxpayer, but just as you seem to want more out of the electricity user for photovoltaics, this is a cost subsidy by the electricity industry of energy efficiency because it is a net good thing. Now, if you do not agree with that then we simply do not agree, but that is what it is.

**Mr WILLIAMS:** I did not say that I did not agree with it, minister; I was wondering whether you had an opinion and whether you were making a submission to—

**The Hon. P.F. CONLON:** Unlike the feed-in tariff, which is driven out of the Premier's office, this was driven out of the energy office, so you would expect that I agree with it. I think these are very good schemes, and—

**Mr WILLIAMS:** No, I am asking whether you agree with AGL's submission to increase prices to cover it.

**The Hon. P.F. CONLON:** ESCOSA will determine what the cost of doing this is, but I think we did contemplate that it would be a business cost. Whether it is a significant business cost is another matter. We would expect the regulator to go up and down all sides of it to make sure that AGL is not seeking to recover things that it should not. Make no mistake, and as I said, the scheme is based on its being a cost of business and it is recovered from the regulator. AGL has the regulated tariffs but the other retailers do not, so they will be recovering it as a cost of business.

**Mr WILLIAMS:** Changing the line of questioning, what modelling and/or advice did the government receive regarding the impact of the decision to close down the solar hot water rebate scheme? Was any modelling done on the impact of closing down the scheme?

**The Hon. P.F. CONLON:** I am not sure, off the top of my head; it is all in the budget process. I am quite happy to get some information on that and bring it back to you.

**Mr WILLIAMS:** Minister, do you know how many solar hot water systems have been subsidised under the scheme to date?

**The Hon. P.F. CONLON:** Lots; it has been around for a long time. There have been an enormous number of other schemes that have started up in recent times as well, so I do not think there is any shortage of them. I do not have the total here but it is on the website. There were 2,400 rebates granted in 2009-10. The numbers per annum bounce up and down depending on other subsidies too; the federal subsidy changed and went down, and there has been an effect of the gas industry giving a \$500 gas rebate. The numbers bounce around, but there has been an awful lot of people who have had the benefit of the rebate over a long period of time.

**Mr WILLIAMS:** Minister, I thank you and your advisers. I thought we would take only half the time.

**The Hon. P.F. CONLON:** Yes, but you are too argumentative.

**Mr WHETSTONE:** In relation to the renewable energy targets, it was reported by the ABC on 29 September that South Australia missed out on an opportunity to secure a solar plant through TRUenergy. It was reported that nine months of negotiations ended without an outcome. The owner of that company was offended, hopped on his plane and flew to Victoria. On 21 September the Victorian government announced \$100 million funding for a solar farm at Mildura, with a capacity of 180 megawatts—enough to power 60,000 homes—and helped TRUenergy avoid emitting 11 million tonnes of carbon over the 20-year life of that plant.

The Victorian funding came from a large-scale solar funding project scheme. The plant does, however, need federal funding under the solar flagships program, which would create 200 jobs, 20 jobs in ongoing maintenance, and will take five years to construct. Similar projects in Western Australia with Verve Energy are commencing in 2011. Is there a reason why the South Australian government dismissed the opportunity of a lifetime?

**The Hon. P.F. CONLON:** I am not sure it is the opportunity of a lifetime. I am not sure we dismissed the opportunity. There were a number of proponents, since the commonwealth had some free money for solar projects, who came to us and wanted us to put in large sums of taxpayers' money as well. We have in South Australia something like 48 per cent of the installed wind capacity. We have more grid-connected solar panels per capita than anyone else and most of the investment in geothermal. We are not lacking in success in the renewable energy sector.

The people who came sought funding for it—free money from the taxpayer. None of the 48 per cent of wind farmers we talked about got any free money, so a judgment was made not out of energy: we do not have a budget for anything, as Mitch pointed out earlier. There is not much in the budget line from us: it would have had to come from somewhere else. My understanding is that we had dealings with the sustainability people, but it was a judgment that the success in South Australia has not relied on taxpayer handouts.

No disrespect to my Victorian colleagues: they have not had as much success in getting up renewables as South Australia has had. They get this project and they will still have far less of their capacity sourced from renewables than we have. It is a judgment call. My view is that it would be pretty unfair to people who get on commercially in wind farms to give free money to another technology merely because they cannot get up otherwise. We have stuck, as much as possible, with the market finding the best way to put renewables on at the best cost. That is what we have and it has been very successful.

While I understand that proponents are disappointed that we do not have \$100 million to give them, as Victoria has, we can certainly point to a great deal of success without any taxpayer handout. At the end of the day it is not our money but the taxpayers' money, and we have had great success without taxpayer handouts.

**The CHAIR:** We will move on to the next section, which is public transport.



**Membership:**

Mr van Holst Pellekaan substituted for Mr Williams.

Mr Griffiths substituted for Mr Treloar.

**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 P. Doggett, Chief Operating Officer, Rail Commissioner, Department for Transport, Energy and Infrastructure.

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

Mr P. Sparapani, Acting Executive Manager, Rail Commissioner, Department for Transport, Energy and Infrastructure.

Mr C. Oerman, Executive Director, Corporate Services, Department for Transport, Energy and Infrastructure.

Mr B. Cagialis, Chief Finance Officer, Department for Transport, Energy and Infrastructure.

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

Mr M. Williams, Director, Sustainable Transport, Department for Transport, Energy and Infrastructure.

**Mr GRIFFITHS:** I refer to Budget Paper 4, Volume 3, page 7.28, and pose a question to you about the number of buses that we operate—844, I believe, is the number. How many of those buses are 25 years of age or older?

**The Hon. P.F. CONLON:** Very few. From memory, the only ones that we have kept in service have been used for bus substitutes for the railway, because we are doing the railway and have to close it. We have purchased enough buses, including new buses, for our bus services, but the only 25-year-old-plus ones that we have kept in service were to do the substitute services for the rail work so that we did not have to take buses away from current services. We thought that was the wisest course. They were thoroughly checked and all that sort of thing.

**Mr GRIFFITHS:** I note the frown on the face of the member for Light as though his constituents are using the older ones.

**The Hon. P.F. CONLON:** I have the number. We certified 65 for substitute services for the closure of the Belair, Outer Harbor and Gawler lines, otherwise we would have to buy 65 extra buses that we do not use, and it would be an awful waste of money.

**Mr GRIFFITHS:** Therefore, how long does the certification stay in place once you allow them to be over 25 and still operable?

**The Hon. P.F. CONLON:** That is a very good question: no-one here knows the answer to it.

**Mr GRIFFITHS:** This will be a press release!

**The Hon. P.F. CONLON:** You can go to 30 under the existing system, so it would have been for an additional five years, we believe; if there is anything wrong with that, we will get back to you. They will not be used beyond the need for substitute services, and the last of those would be in about 2015.

**Mr GRIFFITHS:** For the record, on the basis that they are older in age and therefore prone to some problems, are they checked on a more regular basis than the younger vehicles in the fleet?

**The Hon. P.F. CONLON:** I know that they are thoroughly checked before they are given the extended accreditation, and they are then inspected once a year to make sure they are mechanically sound, comfortable and in good order. As I say, otherwise we would buy a whole load of extra buses and then put them in a shed in three or five years' time.

**Mr GRIFFITHS:** I understand the circumstances, minister. I am also looking at the forward planning you might do. Given the confirmation quite often about infrastructure investment that is occurring for public transport, are you looking at buses that are in the 20 to 25-year age bracket that may be required or, as part of the new purchases you have in place, are they intended to cover all eventualities through new buses coming online, or is there going to be a continuing need to use those buses older than 25?

**The Hon. P.F. CONLON:** The only thing buses with an extended life will be used for is substitute services. There is no intention for them to be in service for any other reason. Jim points out that we have a continuing four-year program for 20 extra buses per year that are a net addition with extra kilometres going into service. They will be used for additional services as they are purchased. Every year that goes by, there will be 20 more buses and additional kilometres in a bus service, and we will only use the older buses for the substitute services.

**Mr GRIFFITHS:** I note that page 7.29 talks about the millions of kilometres travelled as part of the public transport. The target for 2009-10 was 47.1, but the estimated result was 47.6. Were those 500,000 extra kilometres part of new routes that were added?

**The Hon. P.F. CONLON:** If I understand correctly, what has occurred is that the 20 new buses, before being added to extra services, were brought into service on existing services to run a double division, as they call it—a double service. For example, in areas where there is very high demand, if the bus is full then another bus is immediately behind it. So, it has not been a new service per se, but it made use of delivery of the buses to bolster the existing services.

**Mr GRIFFITHS:** That has been as a result of additional funding the department has provided to the contractors.

**The Hon. P.F. CONLON:** I think we had to pay for it, yes.

**Mr GRIFFITHS:** It might be a silly question, but I wanted to know whether there was anywhere in the contract for an instance like that or whether indeed any new service that comes online that results in additional kilometres is therefore charged out to you as part of a growth factor within the contract.

**The Hon. P.F. CONLON:** As Jim points out, we have capital and operating funds set aside for new services. If you run more kilometres, you have to pay someone for them. They are very uncharitable, those businesses!

**Mr GRIFFITHS:** I again refer to page 7.27, although this question is about regional transport area operators. Is the minister able to confirm, in the 2010-11 financial year and across the forward estimates, what the dollar allocation is for those services?

**The Hon. P.F. CONLON:** That might be hard. These things do not all come on at the same time, and that might be a hard number to get; I will see what we can do. I assume that some of them we might have to relet during that period. If a contract is up, we do not know necessarily what people will need. It has been pointed out by Jim that five contracts expire at the end of this year, and we will re-tender those. So, it would be hard for us to tell you the outcome of the tenders at this point.

**Mr GRIFFITHS:** Can the minister confirm the five contracts that are expiring this year?

**The Hon. P.F. CONLON:** The Riverland; Tatiara; Southern Yorke Peninsula; Murray Mallee, which is a special medical service; and Mount Gambier provincial bus services. Some of them are pretty easy, because we pay only for concessions. In Mount Gambier, it is a full-blown service, so it will be hard to tell you what it costs; hopefully, less than we think.

**Mr GRIFFITHS:** Having a vested interest in the Southern Yorke Peninsula service and part of the—

**The Hon. P.F. CONLON:** If things get too tough on the other ones, we will cut that one!

**Mr GRIFFITHS:** No; I was part of the team that helped—

**The Hon. P.F. CONLON:** No, just kidding!

**Mr GRIFFITHS:** In the last two months, I have had some quite lengthy conversations with bus operators operating in the near metro area, and they are somewhat—

**The Hon. P.F. CONLON:** You are fortunate; I have had them for years!

**Mr GRIFFITHS:** The conversations have come out of a real concern that public funds are not being expended in the appropriate way, and they have quoted examples of where an outer metropolitan service area provider is, in fact, transporting children to private schools, for which I understand the schools are paying a fee but for which they are also being ticketed and, therefore, the subsidy is being provided. The question that has been posed to me is whether this issue has been brought to the minister's attention or to the attention of the Passenger Transport Division.

**The Hon. P.F. CONLON:** I am told that it has been brought to Rod's attention; he is also the commissioner—

**Mr HOOK:** Rail Commissioner.

**The Hon. P.F. CONLON:** You have a few jobs—talk about multiskilled! Rod has recently been advised of this, and we are concerned and may need to do a proper audit. We would not want that to be happening. If it is the same information, or even if it is not, we are more than happy to have it brought to our attention—maybe not necessarily here but, if you want to come around afterwards, we will have a look at it.

**Mr GRIFFITHS:** Thank you. The member for Florey has made the point that, if I know something, I should tell you. I suppose my dilemma is that I have been told that it has been brought to the department's attention.

**The Hon. P.F. CONLON:** I am sorry; I must say that it is the first I have heard of it, but Rod apparently has been told. It has been brought to our attention, and something is being done about it.

**Mr GRIFFITHS:** It was confirmed with me that a review (an audit) was undertaken based on these concerns that were raised. It was mentioned to me, though, that the person who undertook this had very little or no experience with this method of public transport and, therefore, was not in a position to make an informed judgment on it.

**The Hon. P.F. CONLON:** I need to talk to these guys. It has just been brought to my attention for the first time. We do not want to go into naming anyone until I know a bit more about it. I do not want anyone double dipping, though.

**Mr GRIFFITHS:** No, and that was the emphasis I took from it, too. There was a real concern about double dipping coming into it and people benefiting unjustly from that. I do not want to make accusations in here either that I do not have hard and fast evidence on, but I think it is still important that—

**The Hon. P.F. CONLON:** I can assure you, Steven, that if there is anything in it we will make sure that it is exhaustively examined.

**Mr GRIFFITHS:** I take you at your word, minister. Thank you for that.

**The Hon. P.F. CONLON:** If it has happened, we might try to get some money back. Can I say it is not something we would tolerate knowing. I think it would verge on—I will not go into it here but it is something we would not see as being appropriate behaviour, if it is occurring. It is not something we would turn a blind eye to.

**Mr GRIFFITHS:** Minister, the person who has spoken to me, who is a private operator, and has some involvement in it (one of them, in particular), has declared to me that he is quite happy for the information that he has given to me to be made public and certainly to be given to you personally for you to take.

**The Hon. P.F. CONLON:** It is probably the same information; I just need to check.

**Mr GRIFFITHS:** I refer to Budget Paper 4, Volume 3, page 7.28. Minister, can you provide figures in relation to the split of assets between bus contractors and the state government. I note, I think in the contracts that are about to go out, that it is a 90-10 split.

**The Hon. P.F. CONLON:** In terms of assets? That may be right. We own about 95 per cent of the buses in some of the depots, but if you are talking about buses it is more than 90; but, if it is buses and depots, it may be right. I will have to check that. The bulk of the assets are owned by us.

**Mr GRIFFITHS:** I recognise that. As the demand increases and future contracts, and especially the one that is being considered now, is it the intention always to retain that 95 per cent range that you talk about?

**The Hon. P.F. CONLON:** The easier answer is that we have no intention of changing it. I would not foreclose anything if somebody comes up with a better idea, but one that saves the taxpayer money. We have no plans to change our arrangements. If you have a good idea, I am always happy to listen. As Rod points out, the only issue about asset ownership and depot ownership is how easy it is for a new, more competitive contractor to get in, and that is something we would keep under review. The bulk of the assets are in the buses, and we have no intention of changing that.

**Mr GRIFFITHS:** Referring to the competitive contract situation, my understanding is that, at the closure of the expressions of interest (and I think it was 15 July for the Adelaide Metro service), there were some eight companies that had expressed an interest. I am wondering whether it is possible to detail to the committee who those companies are.

**The Hon. P.F. CONLON:** I can tell you they never tell me anything about these things. These processes of contracting are dealt with at arm's length by me. They did close on 15 July, you are correct. I do know anecdotally that there was very strong interest, which is always nice, but I will just check what is safe for me to know and you to know. The processes have not been out; it will now go to a request for proposal, and the decision will be taken by the cabinet early next year. While I do not know the individuals—and I do not really want to know, because we have to deal with people—the interest has been extremely strong. It does suggest that it will be a competitive process. That is why we are reviewing the way the depots are owned, to make sure there is no impediment to full competition.

**Mr GRIFFITHS:** There was a delay in the consideration of the new contract coming into place, which was originally intended to expire in April this year, was it?

**The Hon. P.F. CONLON:** Yes.

**Mr GRIFFITHS:** In extending the contract, was that negotiated along the lines of the previous period of the contract, so with similar cost pressures, or what level of inflationary pressures came to bear?

**The Hon. P.F. CONLON:** I am just trying to remember. There was a small increase on the existing provisions, but it was not a remarkable—

**Mr GRIFFITHS:** A small 2.5 or 3 per cent?

**The Hon. P.F. CONLON:** I will find out for you in a moment. I think there was a total cost increase of around \$6 million, but it involved different areas, so I will have to get the detail for you.

**Mr GRIFFITHS:** We have referred to the older buses coming onstream, but—

**The Hon. P.F. CONLON:** No, the new buses are coming onstream.

**Mr GRIFFITHS:** True, but the older ones are being brought out of semi-retirement to backfill where the need exists while the rail upgrade occurs. Can you confirm the number of SL200 buses now back in operation in the bus fleet? I am not sure if that was referred to at the start.

**The Hon. P.F. CONLON:** It is 65 gone beyond 25 years. How that is broken down I am not sure.

**Mr GRIFFITHS:** Is it possible to provide the number in the fleet at a later date?

**The Hon. P.F. CONLON:** We can certainly provide it to you. Anything we cannot answer now we certainly will later; we are very good like that. No, we do not have the number.

**Mr GRIFFITHS:** Can you confirm how many new buses were purchased in 2009-10? You talked about 20 a year, was it?

**The Hon. P.F. CONLON:** From memory, there are 20 replacement buses, but 20 new buses; so you will be looking at 40 new buses a year. There was an ongoing replacement program of 20 a year, but then there was an additional 20 a year for four years, so that in the four out-years it was 40 a year.

**Mr GRIFFITHS:** I am interested in this question, because it is my understanding that nearly \$25 million was spent in 2009-10, but the budget allocation for 2010-11 is \$31.8 million. If that is for the same number of buses, I am interested in the cost increases.

**The Hon. P.F. CONLON:** It may not be the same. There are additional services in the outer north and outer south which have added to the cost. I can say—and I probably should not tell

you—that we may well spend less on buses than budgeted because of the currency, the very high Australian dollar. Terry here will just take it back off me, so don't worry.

**Mr GRIFFITHS:** So the buses are imported, are they?

**The Hon. P.F. CONLON:** There is a very good assembly plant at Royal Park, which does the carriage, of world quality, but the chassis and the engine and all that come from Scania. The chassis and engine are imported, and the carriages are made and fitted out at Royal Park, which is a terrific business, I have to say; it is worth a visit one day. They employ a lot of apprentices and do a very good job on the carriages. They have a lovely new bus coming out, a bus carriage. I think we are going to go and have a look at it soon.

**Mr GRIFFITHS:** Given that there is a regular program in South Australia, and presumably the other states, for new buses, has there ever been any dialogue between yourselves and similar ministers in other states about an Australian manufacturing operation?

**The Hon. P.F. CONLON:** I do not know of anyone who does buses in Australia, in any event. It tends to be a scale thing, even with that. I do not know who you would talk to because I do not think anyone does it. You would know better than me. There is no-one does these sorts of things in Australia? No.

**Mr GRIFFITHS:** I understand. It seems an ideal opportunity—

**The Hon. P.F. CONLON:** I think one of the opportunities in the future with buying trains is to do more of the actual carriage work here, as with the buses. It is something worth looking at.

**Mr GRIFFITHS:** Continuing with the bus services, Budget Paper 6, Budget Measures Statement, page 84, you referred briefly to the additional services in Gawler through bus services in the outer metro area. Can you confirm to me, in the 2010-11 financial year, what are these new services, where are they being established, and at what cost?

**The Hon. P.F. CONLON:** In the outer north there are some for the Playford Alive regeneration and there is the south. I think there is McLaren Flat in the south, and Playford Alive. We will get it for you; it is in here. It is \$10 million in investing payments and operating costs of about \$5.5 million a year in a full year. I do not think we have the actual breakdown between the areas of service with us. The global cost is about \$5.5 million a year in a full year and investing of \$10 million. Also, as I say, I am not sure what the state of the contracting is on it, so we will land final costs for each of them when we know the service provider.

**Mr GRIFFITHS:** The provision of these new buses, is that part of the contract of \$118 million that you entered into approximately mid last year with Custom Coaches?

**The Hon. P.F. CONLON:** This is additional to anything you saw last year because it is an election commitment.

**Mr GRIFFITHS:** So, where is it intended to source these from?

**The Hon. P.F. CONLON:** The most commercial way to do it would be an increase in the same contract.

**Mr GRIFFITHS:** Budget Paper 5, Capital Investment Statement, page 22. Can you confirm if the funding of \$42 million for the upgrade of the public transport ticketing system includes the \$30 million contract to develop smart card technology?

**The Hon. P.F. CONLON:** Yes, the \$30 million is part of that.

**Mr GRIFFITHS:** When is that intended to be delivered?

**The Hon. P.F. CONLON:** It will be implemented progressively but it will be fully operational on all services by 2013.

**Mr GRIFFITHS:** There is a testing period involved in that, I presume, to make sure that it is right?

**The Hon. P.F. CONLON:** Yes, there is a set-up period. There are two things that we have been very careful of because of what we have seen interstate. One is that we have bought an off-the-shelf product that we know works in a number of cities around the world. The advantage we have in South Australia is that we have always had an integrated ticketing system, even with the paper tickets; a lot of the functionality issues in some of the other systems have been with creating the integrated ticketing system.

We are confident it will roll out all right. We might go to Latvia and see how it looks there; they run the system in Latvia and some place in Paris. I thought Latvia would be the best to visit because you would think it was a junket if we went to France or somewhere to do it—not that there is anything wrong with Latvia.

**Mr GRIFFITHS:** No, Australia has to deal with all countries in a trade situation.

**The Hon. P.F. CONLON:** My next-door neighbour was a Latvian lady—a wonderful woman. We will start installing them progressively next year.

**Mr GRIFFITHS:** The member for Stuart knows about that.

**The Hon. P.F. CONLON:** Dan could come with me; we could go and look at the ticketing system.

**Mr GRIFFITHS:** At this stage, is it anticipated that the funding committed will meet all the obligations?

**The Hon. P.F. CONLON:** Yes. We are pretty far down the track—

**Mr GRIFFITHS:** Well, three years out I suppose. Again, I refer to Budget Paper 5, Capital Investment Statement, page 24. Minister, can you confirm that all six Alstom Citadus model 302 trams from Madrid are currently being utilised on the network?

**The Hon. P.F. CONLON:** Yes, and I can tell you that they are very popular. I think it is because we got rid of those Crows colours.

**Mr GRIFFITHS:** With the inclusion of those six, what does that bring the fleet to?

**The Hon. P.F. CONLON:** There are 17 in service at present. Of course, that 17 does not include the H Class, which does not really run the full service.

**Mr GRIFFITHS:** As I understand it they were in Melbourne, where they were modified for South Australian conditions. What was the cost of that upgrade?

**The Hon. P.F. CONLON:** That was all part of the total cost; when we released the total cost it included the cost of doing that work in Victoria. So, the purchase cost we gave also included the money we had to spend converting them in Victoria—

**Mr GRIFFITHS:** Why was Victoria chosen for that work?

**The Hon. P.F. CONLON:** We worked in an arrangement with Yarra Trams, because it is one of the biggest operators while we are one of the smallest. It was considered to be the most effective way of doing it. In fact, Yarra Trams helped us to secure them.

**Mr GRIFFITHS:** As an extension of that, how many more trams are expected to be purchased over the coming financial year?

**The Hon. P.F. CONLON:** We have four on order. We will get two this financial year and two next year, because (and this is the way you can get into trouble in this business) there were floods in Germany which damaged two of the trams we were going to purchase. They have to completely replace them—we are not taking flood damaged trams—so we have two this year and two next year.

**Mr GRIFFITHS:** Are these trams secondhand?

**The Hon. P.F. CONLON:** No; they are brand new Bombardier Flexity trams, as we are running at present. I think we were going to take delivery of four but some river broke its banks and flooded the Bombardier factory, or something like that.

**Mr GRIFFITHS:** What was the cost of those trams?

**The Hon. P.F. CONLON:** Around six.

**Mr GRIFFITHS:** So, consistent pricing.

**The Hon. P.F. CONLON:** Pretty much the middle of the cost range for those things. We are buying 66 electric trains; EMUs they are called.

**Mr GRIFFITHS:** Now that you have referred to them, minister, from where are they being purchased?

**The Hon. P.F. CONLON:** There is a bid process. Five bids are being assessed, which is much stronger than previous bids because of the sheer scale. Apparently I will get a recommendation in the next few weeks.

**Mr GRIFFITHS:** Are these also new ones?

**The Hon. P.F. CONLON:** Yes. There are 66 new ones, and I will be getting a recommendation in the next few weeks.

**Mr GRIFFITHS:** Over what period are they intended to be delivered?

**The Hon. P.F. CONLON:** Around 2012-13.

**Mr GRIFFITHS:** But there is a gradual delivery over that time?

**The Hon. P.F. CONLON:** I think we said in the bid process to start in December 2012 and finish in 2013, but they may all be in 2013. They would be progressively rolled out as we work them into the system.

**Mr GRIFFITHS:** Can you confirm the number of 3000 class railcars that are in the system?

**The Hon. P.F. CONLON:** There are 70 at the moment and 54 of those will be electrified with the move to electrification, and the remainder will run the diesel services on the Belair line.

**Mr GRIFFITHS:** There is no flexibility—it has to stay diesel, does it?

**The Hon. P.F. CONLON:** Yes.

**Mr GRIFFITHS:** Referring to the Belair line and the rail freight study undertaken, which was a contentious issue during the federal election and people wanting to know their position, has DTEI put a formal position to the federal government on that?

**The Hon. P.F. CONLON:** First, we supported their decision to have a look. Since the time a decision was handed down I have written to Anthony Albanese to ask the federal government to take into account the study commissioned jointly by Mitcham and Unley councils, which included some considerations that may not have been in the first review of the relocation. We have asked the federal government to do that. I do not know if we have had an answer on that as yet. I will not tell them what to do too much in case they want me to help pay for it.

**Mr GRIFFITHS:** My recollection is that it was \$3 billion.

**The Hon. P.F. CONLON:** Yes, that is why I do not want to help pay for it.

**Mr GRIFFITHS:** It was certainly a contentious issue in the Mitcham and Unley areas. I attended one council meeting there where people were put on the spot and asked their opinion.

**The Hon. P.F. CONLON:** I met the Unley and Mitcham council people about it before the election.

**Mr GRIFFITHS:** Do you believe the matter will be progressed at all and, if nothing happens, is South Australia exposed?

**The Hon. P.F. CONLON:** I do not think South Australia is exposed. The federal operator has to operate under proper standards set nationally. The decision is one for the commonwealth. We have to be careful that South Australian taxpayers are not exposed to what is without doubt a clear, simple commonwealth responsibility. I do not think it will be tolerable for South Australian taxpayers to pick up any of those responsibilities. We have asked the federal minister to consider it again. The first report says \$3 billion and the cost benefit analysis is not sufficient. We have suggested to them that perhaps in line with the work commissioned by Mitcham and Unley councils that they could take a broader level of consideration in doing that analysis, and that would be the first step. If that is going to happen, obviously they have to get a different CBR from the one they have at present.

**Mr GRIFFITHS:** I refer to Budget Paper 1 and the overview on page 11, where there is a reference to \$6.8 million over four years for improvement of security on trains and trams. Will the minister give detail on where that is intended to occur?

**The Hon. P.F. CONLON:** This is working up improved security, including an increased police presence as well. I do not think we have quite finalised the details. We have to work in conjunction with the police on how it is done. We have some security people and they have police who are not answerable to me, but they are answerable to the commissioner. I know we have

nearly landed something on it. I will get the detail. It is only a matter of weeks away from landing and how it will work in conjunction with the police.

**Mr GRIFFITHS:** Is the effort based on historical data and where problems areas are?

**The Hon. P.F. CONLON:** It will be. We can decide how our security people will be operated upon it. Under our legislative system the Police Commissioner determines how policing occurs, but the ordinary operation of policing is intelligence-led policing, so you would expect an increased presence in trouble spots or hot spots, and on stations, for that matter, too. As I said, I think we are just finalising it in discussions with the police now.

**Mr GRIFFITHS:** When is it intended to start, though?

**The Hon. P.F. CONLON:** The same time it was in the budget, which is the start of next year. But the start of budget expenditures will also involve doing a lot of training for people. It has been a little more complicated than we originally envisaged because of the interrelationship between the police and their responsibilities and how they are required to work at a standard operating procedure from what our guys do at present. We will learn something soon and let everyone know.

**Mr GRIFFITHS:** I refer to Budget Paper 6, and the measures statement again on page 91, concerning the taxi industry. The Premier's Taxi Council I know is established and it has some level of resources from the Crown. Are you involved in that group?

**The Hon. P.F. CONLON:** Yes. I am involved with that. The meetings of the Premier's Taxi Council are hosted in my office, in my boardroom.

**Mr GRIFFITHS:** How often do they meet?

**The Hon. P.F. CONLON:** A couple of times a year, I think. I can find out for you. There was one occasion when there was a bit of a hiatus because of filling positions, but they usually meet two or three times a year, I think.

**Mr GRIFFITHS:** And the membership is made up of the different companies?

**The Hon. P.F. CONLON:** It has representatives of the taxi industry, representatives of the Public Transport Division and me, when I am there. When I say the taxi industry, there are access cab representatives and representatives from some of the central dispatch operations. Industry representation is not that straightforward in taxis because, while they all have companies, they are not necessarily all owned by their companies; there are a lot of individuals, but it is representatives of the taxi industry. Jim points out that, apart from the meetings, we have very regular liaison with the industry. In particular, Bill Gonis, who used to run the independents' dispatch centre, works for us and he does a terrific job and is in constant liaison with the industry.

**Mr GRIFFITHS:** Was the Premier's Taxi Council consulted about the budget declaration to make additional licences available?

**The Hon. P.F. CONLON:** I do not think you can consult about budget matters too widely, otherwise it is hard to keep the budget tight.

**Mr GRIFFITHS:** I understand that and, even though I know there are some 1,100 taxis in South Australia, they hold a certain value based on the number that exist.

**The Hon. P.F. CONLON:** You cannot go out to people with budget measures before the budget. It does not happen. If you are doing the budget one day, you will not be consulting on it—can I say that we did take into account the size of the fleet and the ratio to the population, and it compares favourably for the industry in most centres we have looked at.

**Mr GRIFFITHS:** This question is about Budget Paper 4, Volume 3, Portfolio Statements, page 7.14. It is about the TODs. I know I posed a question here before about that and you said it is more relevant to the planning minister. Given that the TODs rely very heavily upon public transport options—

**The Hon. P.F. CONLON:** They do not work without them.

**Mr GRIFFITHS:** Exactly. Can you brief the committee on what DTEI is actually doing to be involved in that planning process?

**The Hon. P.F. CONLON:** We are very intimately involved in the planning process. Rod Hook and his people have worked very closely with Ian Nightingale and the development of the 30-year plan, and the location of the TODs. I think there is further detail on this coming out soon,



but we have been in it up to our ears. The release of the strategy is the responsibility of the planning minister but, given that we are spending the \$2.6 billion to make it work, we do have a fair role. Rod wants me to be cheeky and say that the 30-year plan is based on our transport initiative. They are following us, but maybe I should not say that because it might offend someone.

**Mr GRIFFITHS:** Is DTEI the owner of land that will be involved in the TODs?

**The Hon. P.F. CONLON:** No, most of our land is only the rail corridors. The Land Management Corporation might have some that is involved, but not DTEI. DTEI's land is zoned for the purpose of rail. You might build over the top of it, because with electric trains you can do that as there are no fumes, but that would be about all I could think of. We do like the idea of somebody developing over the corridor. We think that is very good.

**Mr GRIFFITHS:** Who takes the lead role in facilitating the development of the TOD? Is it DTEI?

**The Hon. P.F. CONLON:** The Land Management Corporation, who were here earlier, in conjunction with Planning will take the lead issue in many of them, particularly if it is government land. Planning will deal with private developers if it is private land. It will be horses for courses. If you go down to Noarlunga, where we own a lot of land around the Noarlunga Centre—and it is an opportunity to fix up some problems—then the LMC will be heavily involved in that, along with the local council. In fact, we already have discussions going to set up a group with the local council to talk about the opportunities down there, and Housing SA will have a role. Ultimately, there will be places which are purely private sector and which will do it according to the planning regime.

**Mr GRIFFITHS:** I am interested in the integration of transport needs for communities as they grow, and a classic one is the Buckland Park major project. What has DTEI done to have input into what might be conditions of approval or investment it might make to ensure that these services are provided?

**The Hon. P.F. CONLON:** We are consulted on planning with those applications, and we give advice to the planning authority about what would need to occur. It is not particularly in my area but, with these things, Ian Nightingale in Planning is developing up the need for kind of infrastructure agreements ahead of projects with all the participants. Our advice is sought on these projects and is given to the planning authority, and planning conditions will be based in part upon advice given by Transport if it is listened to.

**Mr GRIFFITHS:** Therefore, in regard to any infrastructure requirement that is offsite from the development, will there be a component of developer funding that goes towards that, or is it public purse?

**The Hon. P.F. CONLON:** Whenever a big development like this occurs, there are obligations that fall on us, obligations that fall on them and some that fall on council. One of the pieces of advice Rod was just talking to me about was the connection with Port Wakefield Road. If that development requires costs that should not reasonably fall on us for connection to Port Wakefield Road, we would tell the planning authority to make that conditional and they would have to pay for the road that makes the connection. If, say, a certain weight of people triggers an extension of public transport, I would imagine that would be our obligation, because that is what we do.

As you know with your background, this is an issue that has been around forever about when the infrastructure goes in and who pays for it. The approach is not from us, from Planning, as I understand; it is more and more to seek agreements ahead of time with developers on who will pay for what and when. It is then possible for us to pay for things up-front and developers to pay later as things occur and things like that. No-one has a perfect answer to this question.

**Mr GRIFFITHS:** No, and getting it right certainly makes the difference between the investment occurring and it falling through, that is for sure. I am happy to indicate that that is the end of my questioning on this line.

*[Sitting suspended from 18:44 to 19:36]*

**Departmental Advisers:**

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

Ms T. Meakins, Executive Director, Policy and Planning, Department for Transport, Energy and Infrastructure.

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

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

Mr B. Cagialis, Chief Finance Officer, Department for Transport, Energy and Infrastructure.

Mr C. Oerman, Executive Director, Corporate Services, Department for Transport, Energy and Infrastructure.

Mr B. Hemming, Director, Transport Safety Regulation, Department for Transport, Energy and Infrastructure.

Mr M. Small, Acting Executive Director, Safety and Regulation, Department for Transport, Energy and Infrastructure.

Mr M. Elford, Director, Road Transport, Policy and Planning, Department for Transport, Energy and Infrastructure.

Mr M. Williams, Director, Sustainable Transport, Policy and Planning, Department for Transport, Energy and Infrastructure.

**The CHAIR:** We now move to Transport Planning Services. The member for Goyder may ask his questions.

**Mr GRIFFITHS:** Minister, I refer to Budget Paper 4, Volume 3, page 7.16, the Long Life Roads program. In the 2009-10 estimated result of some \$307,000, the budget for that year was \$6.9 million. Can you provide me with some level of understanding as to why it was underspent by so much?

**The Hon. P.F. CONLON:** This was an allocation for the Penola bypass which had sought commonwealth funding. I think it was not successful and has been shifted out now to an out year. There has also been legal action about the choice of route. It is the council that chooses the route but they have been taken to court over it and we have had to wait for the end of that legal action, so it has shifted out.

**Mr GRIFFITHS:** The Long Life Roads program is an ongoing program of funding, though, towards road infrastructure in the regions.

**The Hon. P.F. CONLON:** No, it is not an ongoing program. It was a one-off program. I think \$22 million was allocated to be spent over three years aimed at improving condition of a road asset or road safety. This would be the last lump of the money.

**Mr GRIFFITHS:** That was going to be my next question. Is there anything beyond this project to expend funds on?

**The Hon. P.F. CONLON:** No.

**Mr GRIFFITHS:** Is it purely state funds or is there some level of federal in it?

**The Hon. P.F. CONLON:** That \$22 million was state funding. Our funding for the bypass was state funding, but there has been funding sought for the other half of it from the commonwealth government. It has not been agreed to as yet, although I think it is a project that remains under consideration. It has been a very difficult project. It was aimed at getting B-doubles out of the township of Penola, particularly with the growth in woodchips and blue gums coming to market. The view that we might get federal funding was optimistic some time ago, but it has not eventuated.

Our half of the road will still be a good road without a bypass because it will take some of the blue gums coming off Clay Wells Road. It is all our money, and it will go ahead, but it has been held up by court action taken over the choice of route, or something like that; not against us, but against the council.

**Mr GRIFFITHS:** I must admit, minister, that when I looked at that I thought, 'Fantastic! There are some dollars that can be used to address the backlog in maintenance that exists around the state.' I know you hear this from all 47 members in the house—about the need to invest in

that—but does there exist within DTEI data about the level of unmet expenditure on road maintenance for each of the electorates?

**The Hon. P.F. CONLON:** Data for unmet needs on our roads or everyone's roads?

**Mr GRIFFITHS:** State-controlled roads, not local roads.

**The Hon. P.F. CONLON:** No. I certainly have not seen any data in that regard. But I make no bones about it: we could spend more on road maintenance if I had more money. I think I am probably in the same position as nearly every regional council in that regard as well. There has been a growth in funding. In 2001-02 it was \$59.4 million per annum, and is now allocated at about \$77.9 million per annum. We do not have a figure for unmet need. I am not quite sure what it would mean anyway. I will not make any bones about it: if I had more money I would spend it on road maintenance.

**Mr GRIFFITHS:** As part of your earlier answer, did you refer to \$77.9 million? Is that what you said?

**The Hon. P.F. CONLON:** Yes. I think it's gone from \$59.4 million in 2001-02 to \$77.9 million, and that is for state funding, and then there was a bigger contribution. We negotiated very hard to get a bigger contribution out of the federal government, which we did, and they are spending \$39.4 million this year on road maintenance. It is partly accounting; road maintenance is a recurrent expenditure, so we have a large capital program and a program of road maintenance which meets our needs, but we could certainly spend more, there is no doubt about that. We have maintained the smoothness index throughout this period, which is an important index in road maintenance.

**Mr GRIFFITHS:** Sorry—smoothness index?

**The Hon. P.F. CONLON:** Yes. Budget Paper 4, page 7.23 refers to the smoothness index. It is a national performance indicator. I always thought they were referring to me, but apparently it is roads.

**Mr VAN HOLST PELLEKAAN:** This question is about Budget Paper 4, Volume 3, page 7.14. The list of highlights there, under completed projects, includes the Marree to Lyndhurst Road. Obviously, that road is not completed, so I can accept the fact that perhaps the kilometres of sealing that was planned to be done has been done. Can you confirm that that is the case?

**The Hon. P.F. CONLON:** That, with the amount of money intended to be spent, the work on sealing was done?

**Mr VAN HOLST PELLEKAAN:** Yes.

**The Hon. P.F. CONLON:** Yes, that is the case.

**Mr VAN HOLST PELLEKAAN:** Because the road is not complete. What has been done, by the way, is fantastic; it makes a gigantic difference. It is listed under completed projects but it is not completed, so it may well be that the amount of sealing that you planned to do has been done.

**The Hon. P.F. CONLON:** Yes, the amount that we planned to do is completed.

**Mr VAN HOLST PELLEKAAN:** If that is the case, when do you plan to finish the sealing for the full length of the road?

**The Hon. P.F. CONLON:** I am sure that will be considered against future bids on a needs basis. As you would know, if you go anywhere in South Australia there are people who would like a road improved. This section was sealed, as I understand it, on a consideration of a needs basis, and the rest will be on a needs basis. You know the road better than I do.

**Mr VAN HOLST PELLEKAAN:** Yes, sure, and the improvements are fantastic, no doubt about it, but now there is a road that in patches has been sealed—I guess perhaps 30 or 40 kilometres.

**The Hon. P.F. CONLON:** There is an 8.2 kilometre section and a 7.8—

**Mr HALLION:** Twenty-one.

**The Hon. P.F. CONLON:** —and five and 4.3, whatever that adds up to.

**Mr VAN HOLST PELLEKAAN:** So, about a quarter of it has been done, and there is no plan to finish that?

**The Hon. P.F. CONLON:** The works we planned to do we finished.

**Mr VAN HOLST PELLEKAAN:** There is no plan to finish the sealing of the length of the road?

**The Hon. P.F. CONLON:** No.

**Mr GRIFFITHS:** I refer to page 7.19, dealing with the rural and remote program. I must admit it seems to me as though program names change and dollars are allocated to different areas but, in effect, is there at least the same amount of dollars being devoted to the rural and remote road network, or is it a lesser figure?

**The Hon. P.F. CONLON:** We think it is about the same, but I will just check. Yes, it is roughly the same, going forward.

**Mr GRIFFITHS:** Can you confirm what that figure is?

**Mr HALLION:** It is \$10.8 million.

**Mr GRIFFITHS:** That is \$2.1 million less, or 16 per cent or so.

**The Hon. P.F. CONLON:** There may be reasons why it is less than the previous amounts. I think the 2010-11 figure is the more accurate historical figure. I think the previous few years included some one-off funding for the purchases of a couple of ferries, in addition to the ongoing program. So, the 10.8 is, I am told, a truer reflection of the historic figure, when you take out the one-off effect of the ferries. There are a lot of roads in South Australia.

**Mr GRIFFITHS:** Budget Paper 5, Capital Investment Statement, page 21: this is a roadside rest area strategy question; is that your responsibility?

**The Hon. P.F. CONLON:** Yes.

**Mr GRIFFITHS:** Can you provide the details of the projects that will be undertaken for the 2010-11 year?

**The Hon. P.F. CONLON:** We did get a very good deal out of the commonwealth on this, too. The targets for 2010-11: Adelaide to Port Augusta road, the complete sealing and landscaping of five rest areas (one new and four upgrades); Sturt Highway, six new truck parking bays/rest areas, six rest area upgrades, new rest area and heavy vehicle weigh station; South-Eastern Freeway, three rest area upgrades; and the Dukes Highway, the complete sealing of six rest areas (three new, three upgrades). As I said, some of these works commenced in 2009-10. There are two new rest areas and five rest area upgrades there; so a total of 17 new rest areas and 25 rest area upgrades proposed to be completed. We got a very good deal out of the commonwealth in terms of a contribution on these matters as well, some \$10.3 million from the commonwealth, which is a fair share of the national program.

**Mr GRIFFITHS:** Did you say that 17 of the 25 were completed and—

**The Hon. P.F. CONLON:** No, there are 17 new rest areas and 25 rest area upgrades planned for the financial year. I think some of those upgrades were started in 2009-10.

**Mr GRIFFITHS:** Does this program continue forward into future years, as well?

**The Hon. P.F. CONLON:** No, there is a lump of money—in particular from the commonwealth—that goes out over four years, I think. At present it is a four-year program, but I do not imagine that it is one we would have to keep running at this level. There will be a program into the future but this is a burst, a surge in investment, around the new fatigue management arrangements. The view was that, if you were to impose tougher fatigue management arrangements, then you had to build rest areas for heavy vehicles so that they can actually meet the legislative requirements.

**Mr GRIFFITHS:** Have road transport operators been consulted on the locations or has it been DTEI work?

**The Hon. P.F. CONLON:** Yes, and local government. I do not know if the member is aware, but a couple of years ago we commenced a heavy vehicle forum within the department. We meet a couple of times a year and have a proper conversation with heavy vehicle operators about the businesses they run. I have to say that it has been very successful, and I think it is very much appreciated by the operators.

**Mr GRIFFITHS:** I can confirm that Mr Shearer from SATA has told me the same thing, so I do recognise that. I refer to Budget Paper 6, Budget Measures Statement, page 83. Can you confirm what level of community engagement is occurring on the McLaren Vale overpass project?

**The Hon. P.F. CONLON:** This is an announcement we made a few months ago, with \$18 million from the commonwealth and \$2 million from us.

**Mr GRIFFITHS:** It was 15 and 3, I think.

**The Hon. P.F. CONLON:** It is very early phases. There will be community consultation. I think there have been some discussions about those who might be affected by land acquisitions so far, but there will be a full community consultation as it progresses. That has not occurred yet. I think the only thing that has happened so far is talking to the landowners who might be affected by land acquisitions.

**Mr GRIFFITHS:** Everything going well, when is construction expected to commence?

**The Hon. P.F. CONLON:** It will start mid next year and finish December quarter 2013.

**Mr GRIFFITHS:** I refer again to Budget Paper 6, Budget Measures Statement, page 79. This question will be dear to the member for Florey's heart, because it is about bus shelters. I note that the investment provides \$5.2 million over four years. Can the minister confirm whether this is still reliant upon local government contributions and advise how many are expected to be constructed?

**The Hon. P.F. CONLON:** The way we see it is that if local government is involved we can build many more bus shelters. It has been an area of dispute in the past as to who has responsibility for bus shelters, and we are continuing positive discussions with local government about that. What we have tried to achieve with local government is an acceptance that if we build the bus shelter we will pay for it—and these all have to be DDA compliant—and local government would have to do any upgrade work near the shelter, such as kerbing or a footpath or walkway, and we would like them to maintain them. We build them and they maintain them; and I think we are getting fairly close on that. If we can land that it means we will get more bus shelters than we would if we were doing all this work ourselves. We will see how we go.

**Mr GRIFFITHS:** In announcing this program, was there consultation with the Local Government Association or local government bodies to ensure support?

**The Hon. P.F. CONLON:** I do not know about consultation, but we have spoken to local government about bus shelters for 100 years, and we are responding to one of the major things they raised with us before the election—bus shelters. I do not think there is a single lower house member who has not raised the issue of bus shelters with me at some stage, although maybe the regional members do not. Certainly metropolitan members have raised the issue of bus shelters.

**Mr GRIFFITHS:** Is there an average cost associated with this? Of the \$5.2 million over four years, is it hopeful that you will have—

**The Hon. P.F. CONLON:** There is an average cost because we think we will get 700 to 800 Disability (Discrimination) Act compliance shelters, whatever that is; we reckon we will get 700 to 800 out of the \$5.2 million. The DDA is a pretty tough standard and they are not cheap to make any more. You cannot just put up a shelter.

**Mr GRIFFITHS:** I refer to public sector numbers within DTEI: Budget Paper 3, the Budget Statement, page 2.6. I note that savings are required by reducing some 213 FTEs from DTEI by 2013-14. Are you able to give any indication at this stage in what program areas those cuts will occur?

**The Hon. P.F. CONLON:** It would be too early to identify that at present. We can identify areas they cannot come from. If you refer to page 80, the savings initiatives areas listed are where those savings would be sought. It is under the heading 'Savings initiatives: departmental operations, executive employees, facilities management'.

**Mr GRIFFITHS:** I note that the number of employees within TransAdelaide who earn above \$100,000 per year increased from 71 in 2009 to 112 people in 2010—an increase of 41 people. Is there any intention to target for reductions any particular wages band or just within scope?

**The Hon. P.F. CONLON:** There is a disclosed budget target of 20 per cent of executive employees. That is not everyone over \$100,000, because it is not what it used to be. As Jim points out, the top end of ASO7 is now in the \$100,000s. There is a target of 20 per cent among executive

employees. We have not had any questions on it earlier, but we have the amalgamation of TransAdelaide and the Public Transport Division will offer some opportunities for efficiencies.

**Mr GRIFFITHS:** As an extension of this, certainly there have been public sector caps in place previously—the Treasurer spoke about it three or four years ago and pressure has been upon departments to control employee numbers for some time now. I am interested that the full-time equivalents within DTEI increased by a small number and it is intended that they increase in 2010-11.

**The Hon. P.F. CONLON:** You have to understand the notion of taking employees out of some areas and capping them. There will still be growth areas in employment. You are likely to continue to see strong growth in health, for example, with nurses and people like that. With DTEI we put a massive investment into public transport and have also increased the number of buses and services. It is driven by the capital program also. We have extended the tram twice, from North Terrace to the Entertainment Centre. There are more trams running and we have to have more people running them. There will be growth areas of employment.

One of the things that has not been understood by people is the fact that, simply because you identify savings in terms of employees, it does not mean that the Public Service itself will be 3,000 people fewer in three years time or whatever it is, because you see the growth in health costs every year. This is a massive growth in payments into health and they employ people. You continue to employ nurses as you need them. I have not got the figures here. It is a staggering number of new nurses. As Jim points out, there are 1,277 new people coming into health in that period.

A lot of these things that are considered out there to be a savage attack on the public sector and public sector numbers are a re-prioritisation of what we seek to do in the public sector. There will be more people in public transport, because we run more services. Many of those, of course, are employed in the private sector, but this is, I think, a worthwhile thing to do, to make sure that the taxpayers' money is spent on the services that they most want and most need.

**Mr GRIFFITHS:** I refer to Budget Paper 4, Volume 3, page 7.23, and specifically the provision of services to efficiently and effectively maintain and operate the department's bridge infrastructure. Can you confirm how much was budgeted for bridge maintenance and repair in 2007-08, 2008-09, 2009-10, and indeed how much is budgeted for the 2010-11 financial year?

**The Hon. P.F. CONLON:** The budget for bridge maintenance and rehabilitation for 2010-11 is \$8.4 million. I will have to go back and find the numbers for those other years you talked about, but it is a similar sort of number. This is regrettably an area of constant misinformation by another member of the opposition, who refers to dangers associated with bridges. Despite everyone in the department telling him it is not true, he continues to repeat that. We have a balanced maintenance project on bridges that maintains them to a serviceable and safe standard. That is the case, despite what has been said by other people elsewhere.

**Mr GRIFFITHS:** In accepting the \$8.4 million that is allocated this year as reflective of previous year's commitments without those—

**The Hon. P.F. CONLON:** We will check that for you.

**Mr GRIFFITHS:** Have those funds been fully expended each year?

**The Hon. P.F. CONLON:** Yes, I would think so. There is no reason to believe not. We will check that, but I cannot imagine why they would not be. You do not want to give money back to Treasury.

**Mr GRIFFITHS:** That brought a smile to my face. How many bridges, including those over culverts and other waterways, fall within the jurisdiction of the government?

**The Hon. P.F. CONLON:** It is a lot of bridges. We are responsible for managing 1,670 structures, including bridges, major culverts, overhead gantries, the busway bridges and the Heysen Tunnels, and the replacement value of these structures is in excess of \$2.3 billion. I want to stress this, because there has been a campaign about this which is completely erroneous. All bridges are maintained to a safe standard. Every bridge that we maintain that is open to the public is safe. It has been pretty hard to get that message across.

**Mr GRIFFITHS:** I understand that, but in taking up some of the conversations I have had with the member of parliament you are referring to, I know it was his concern on receiving the FOI information that where inspections had in fact been carried out the reports regarding those bridges had not been updated, so therefore it creates some level of uncertainty.

**The Hon. P.F. CONLON:** They are inspected every four years. It was actually explained to him, but he refuses to accept the explanation. These guys always tell me the truth and I do not know why they would not tell him the truth, but it is very hard for him to accept that.

**Mr GRIFFITHS:** For the benefit of the record then—so we all have an opportunity to understand what occurs—can you confirm what the protocol is within the department for who is responsible for reporting, recording, updating and overseeing the bridge reporting maintenance and repair?

**The Hon. P.F. CONLON:** The frequency of inspection of bridges is determined on the basis of risk. The primary risk assessed is public safety. The protection of the asset against damage or deterioration is also considered. As a general rule, an engineering inspection is undertaken every four years for structures identified as a higher risk under a set of risk criteria, and eight years for the remainder. More frequent intervals of inspection are applied for individual bridges where the condition of the structure or special circumstances warrants it. An engineering inspection is undertaken by an experienced professional bridge engineer, with a technical officer as an assistant. Consultant engineers with bridge experience are also contracted to carry out bridge inspections.

There is a set of standard repairs that reflects current best practice. These risk-based inspections observe and recognise deterioration, damage or potential damage which, without repair and maintenance, would ultimately render the structure unserviceable. Each structural element is assessed separately and repair scheduled to provide the safest and most economic maintenance of the structure.

What all that means is that South Australian bridges maintained by us are maintained safely. It does not mean that every bridge is as good as another bridge. Every asset has a lifetime, but every bridge is maintained safely. For your colleague to have repeatedly suggested that these bridges were unsafe for users—and I am afraid he has said that—is completely untrue. We would not have a bridge used by the public if we did not believe it was safe for them to use it. Regrettably, it has been very hard to get that message across.

**Mr GRIFFITHS:** I seek clarification on the different categories used to describe the condition of the bridge. When one is rated as being poor, in effect what does that mean? Is there a load limit attached to it?

**Mr MILAZZO:** The load limit is totally separate from that condition rating. There are no bridges that we rate as poor that currently have a load limit associated with them. In fact, there is only one bridge in South Australia with a load limit, that is, the Saltfleet Street Bridge at Noarlunga, and that does not have a 'poor' rating at the moment.

'Poor' reflects the fact that there are elements, and it is normally associated with age, generally, as the minister has said. Often these are quite small structures that were built perhaps in the 1920s or so, where there is concrete spalling and the like that needs some maintenance work. So, the 'poor' condition reflects the need for maintenance work. The maintenance work is scheduled, and the maintenance work is done and, at the subsequent inspection four years later, that is noted.

**Mr GRIFFITHS:** Thank you for that answer, Mr Milazzo. Therefore, minister, how many of our 1,670 are rated to be in a poor condition?

**The Hon. P.F. CONLON:** Two per cent, which works out to about—

**Mr GRIFFITHS:** It is 33.4.

**The Hon. P.F. CONLON:** Yes. The official definition is 'structures with significant defects still functioning as designed but nearing the end of their serviceable life and needing major rehabilitation or replacement within 10 years'. We could remove all the poor bridges by replacing them 10 years ahead of their serviceable life, but we do not believe that is a wise investment of taxpayers' funds. They are serviceable, they are functioning as they are designed, they are safe, and they will be replaced if that condition changes. Given the questions we get from so many members of parliament on your side (and occasionally on our side) about road needs, more maintenance and more cost, it would be strange if we were to replace these bridges when they still have 10 years' serviceable life in them.

**Mr VAN HOLST PELLEKAAN:** I certainly understand what you are saying. So 'poor' is not unserviceable; 'poor' is getting close to the end of its life.

**The Hon. P.F. CONLON:** I will read the official definition they use—

**Mr VAN HOLST PELLEKAAN:** My question is: do you increase the frequency of inspections once the bridge falls into the 'poor' rating?

**The Hon. P.F. CONLON:** The bridges that are assessed as requiring inspection every four years or every eight years, there is a regime to inspect as it is believed the experts need.

**Mr VAN HOLST PELLEKAAN:** So, if they fall into the 'poor' range—

**The Hon. P.F. CONLON:** If they have identified a bridge they believe needed more regular inspection than four years, that is what they would do.

**Mr GRIFFITHS:** For the benefit of the record, can I clarify that at the moment there are ratings of good, fair and poor.

**The Hon. P.F. CONLON:** Yes.

**Mr GRIFFITHS:** Is it intended to retain those rating classifications?

**The Hon. P.F. CONLON:** I think so.

**Mr MILAZZO:** One of the issues we have found with the 'poor, fair, good' condition is that we have consulting engineers who might come and do an inspection, and we might do in inspection, and two different engineers might rate the same bridge differently—poor or fair, for example. So, we are now moving to what is known as a 'bridge health index', which is essentially a more objective way of adding up the condition rating of the various elements, with a weighting associated with them. For example, the girders or the deck might have more significance than, say, a joint. So, a girder or a deck in a poor condition would give a higher rating, as part of a health index, than others. This is a more objective way of trying to give an overall indication of the health of the bridge. Effectively, it is trying to measure the depreciated value of the bridge.

Generally, bridges are designed to last about 100 years. So, for one at about 80, you would say that about 20 per cent of its life has gone; one at 50, you would say that 50 per cent of its life is gone—it might have 50 years more. However, you can do rehabilitation on that bridge and increase its value up. So, you might do a major rehab on its deck, for example, and change it from a rating of 50 to, say, 70, or something like that.

**Mr GRIFFITHS:** Mr Milazzo, you referred to a health index, and you have identified a couple of issues within that. What are all the issues that are identified as part of the health index calculation?

**Mr MILAZZO:** All of the elements, do you mean?

**Mr GRIFFITHS:** Yes.

**Mr MILAZZO:** We have a huge variety of structures. For example, we range from quite small culverts that are now on our bridge inspection system, and they might have, essentially, only the actual culvert member itself, the end walls and the abutments. That is quite a small structure, and it might have three elements. Then you go to quite a complicated structure, such as, for example, old Murray Bridge, where you have piers, girders, trusses and all sorts of things. So, there is no simple answer to that; it really depends upon the sort of structure. The more complicated the structure, the more elements that are rated.

**Mr GRIFFITHS:** Minister, I can imagine that bridge maintenance is a reasonably specialised field to some degree and that the people within DTEI who work on that are part of a permanent team. Can you confirm that is the case?

**The Hon. P.F. CONLON:** Yes, but there are consulting as well. But, yes, it is specialised. I will come back to this point: bridges in South Australia are maintained fit for purpose and safely. I do not think we have changed the regime significantly over the last 30 years. So, if what we are doing is not right, a lot of other people have been doing it wrongly as well—but it is right; we apply the same standards as you guys applied when you were last in government. We listen to the expert engineers about what we need to do. We certainly do not do more work than we need to because it steals money away from other projects. They are safe and serviceable, and it is regrettable that people have been told otherwise.

**Mr GRIFFITHS:** Again, I come back to the basis of my question: is there, in fact, a team and, if a team does exist that does the physical work, where is that team based?

**The Hon. P.F. CONLON:** Does the physical inspection?



**Mr GRIFFITHS:** No, not the inspection but the maintenance work, or are contractors engaged for that?

**The Hon. P.F. CONLON:** Much of it would be contractors, I would imagine.

**Mr MILAZZO:** We have our own specialist bridge group (that is, five small work gangs), and they are continually working. They do work on our bridges, but they are also contracted by people such as councils, railway companies or the South-East drainage board, because they have that expertise. So, we have our own maintenance crew. Where it might be a bigger job or a bridge replacement, we will go to contract, but for the small specialised, standardised repairs, we use mainly our small bridge crews, and they work out of our Walkley Heights depot. They have mobile vans they will set up on-site and establish a site at the bridge, and they will work on that bridge until they have done the repairs that are scheduled and recommended in the bridge inspection report.

**Mr GRIFFITHS:** I refer to Budget Paper 4, Volume 3, page 7.18. In relation to the metropolitan rail network and the upgrade or replacement of bridges, I am told that, historically, in 2008-09 the budget for this work was \$2.03 million, the estimated result was \$1.05 million, but the actual result was \$534,000. In 2009-10, the budget was \$2.6 million, and there is no stated result yet. The question posed to me and through me to you is: why has expenditure on the metropolitan rail network bridges been under budget in recent years?

**The Hon. P.F. CONLON:** Sorry, what number?

**Mr GRIFFITHS:** I gave you some historical figures.

**The Hon. P.F. CONLON:** We are trying to work out why it slipped, but you will find in the budget this year that the expenditure will be about \$32 million on the Port Adelaide viaduct. It shows up in the capital statement. I am not quite sure why the project slipped. They think it might be something to do with the bridge on the Torrens which was delayed by some environmental issues and that may be it. We will get the detail and bring it back to you.

**Mr GRIFFITHS:** The confusion for me also relates again to page 7.18 where, under Investments, it has Upgrade/Replacement of Bridges on the Metropolitan Rail Network. It has a 2009-10 budget figure of 2.605 but an estimated result of zero and nothing in the budget for 2010-11.

**The Hon. P.F. CONLON:** The maintenance work is not necessarily on the same program every year. It may well be lumpy, according to need. You do not do maintenance on a bridge if you do not need to do maintenance on a bridge. Like I said, an element of expenditure in the past may have been some maintenance on the viaduct, but if you replace the viaduct entirely then you put \$32 million in the capital column instead of in the maintenance column. I do not think there is anything remarkable about it, but we will get you the details. What may have been in that column for this year was probably transferred into the viaduct work. It is \$32 million, so they have gone all right.

**Mr GRIFFITHS:** That is a considerable investment in the one area. I recognise that, of the 1,670 across the state, there must have been a reasonable number in the metro area.

**The Hon. P.F. CONLON:** No, you are talking about rail bridges. We do not have 1,670 of those.

**Mr GRIFFITHS:** Yes, true.

**The Hon. P.F. CONLON:** We do not have many railway bridges at all, so it will tend to be lumpy. It is pointed out that some of those bridges would have been done in the resleeper program. There would have been money but that would have gone into what would be described as the resleeper program.

**Mr GRIFFITHS:** Thank you, minister.

**The CHAIR:** There being no further questions to the minister, I declare the examination of the proposed payments adjourned to Estimates Committee A.

At 20:19 the committee adjourned until Friday 8 October 2010 at 09:00.