



LEGISLATIVE COUNCIL

BUDGET AND FINANCE COMMITTEE

Watarru Room, Old Parliament House, Adelaide

Tuesday, 27 August 2019 at 11:05am

BY AUTHORITY OF THE LEGISLATIVE COUNCIL

WITNESSES

BARTOLO, KATHERINE, Valuer-General763

BRAXTON-SMITH, TONY, Chief Executive,
Department of Planning, Transport and Infrastructure763

BURDETT, MICHAEL, Surveyor-General763

FORMSTON, JUDITH, Executive Director, People and Corporate Services,
Department of Planning, Transport and Infrastructure763

MEMBERS:

Hon. K.J. Maher MLC (Chairperson)
Hon. J.A. Darley MLC
Hon. J.E. Hanson MLC
Hon. D.G.E. Hood MLC
Hon. F. Pangallo MLC
Hon. C.M. Scriven MLC
Hon. T.J. Stephens MLC

WITNESSES:

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BARTOLO, KATHERINE, Valuer-General

6419 The CHAIRPERSON: Thank you, Mr Braxton-Smith, for appearing again so quickly—it's very much appreciated by the committee—and thank you to your comrades from the department for appearing again. The Legislative Council has given authority for this committee to hold public meetings. A transcript of your evidence today will be forwarded to you for your examination and for any clerical corrections. Should you wish at any time to present confidential evidence to the committee, please indicate, and the committee will consider this request.

Parliamentary privilege is accorded to all evidence presented to a select committee. However, witnesses should be aware that this privilege does not extend to statements made outside of this meeting. All persons, including members of the media, are reminded that the same rules apply as in the reporting of parliament. Also, thank you for your opening statement from a number of weeks ago. Is there anything further you wish to add, or shall we get straight into questions, Mr Braxton-Smith?

Mr BRAXTON-SMITH: If I may, just a couple of things. I would like to address some specific matters which I undertook to provide members with a little more information about in the previous session.

6420 The CHAIRPERSON: I appreciate that. Thank you for the written answers that were distributed yesterday to members of the committee, so anything that you have provided written answers to, the committee has them, so you won't need to cover those.

Mr BRAXTON-SMITH: Yes, okay. I think this is by nature further information in relation to three particular areas. The Hon. Frank Pangallo, who is not here today, asked about Genesee & Wyoming Australia (GWA) and its interests in the South Australian country rail network and the state's rights. The United States-based parent company, Genesee & Wyoming Inc. (GWI), has announced its intent to sell its global business to a consortium led by Brookfield Infrastructure. If that takeover proceeds, Brookfield, in turn, has stated its intent to sell off its stake in GWA to an Australian-led group of investors.

The transaction is not expected to be finished until early 2020 and will be subject to the usual regulatory approvals that are dealt with by Australian government entities. To clarify the contractual arrangements, for a 50-year period from 1997, GWA has a ground lease with the state government for the land that comprises the Mid North, Barossa, Murray Mallee and Eyre Peninsula regional rail corridors. GWA owns—it purchased—all of the rail infrastructure on the land and the associated rail operations facilities, which it purchased from the Australian government at the time it entered into the lease. The ground lease provides for a change of ownership, subject to the consent

of the minister. This process has been applied to, in previous changes, the ownership structure for GWA's predecessors, so that might frame further questions that might come up.

The Hon. Justin Hanson asked about the North East Public Transport Study. This is a holistic study that's aimed at delivering improved public transport across the north-east of Adelaide. The key objective of the study is to identify opportunities to increase public transport use and make it easier to access interchanges via travel modes and feeder bus services. This study evaluates options for a number of infrastructure and operational improvements to deliver on the outcome of better public transport.

To date, there has been extensive community consultation to identify the barriers, the opportunities, the improvements to public transport that customers would like to see to access it and maximise its effectiveness in how they go about living their lives, and we have done an amount of work to understand customers' needs and preferences. Outputs from the study will set us up to give government some analysis of the options to improve public transport infrastructure and operations, and that includes an analysis of the proposed extension to the O-Bahn from Tea Tree Plaza to Golden Grove and more park-and-ride facilities, as well as other network and service improvements that we might make.

Finally, the Hon. John Darley sought an answer on the provision of an annual direct debit for motor vehicle registration and insurance on a yearly basis, and I undertook to provide more information about that—I think I said I 'owed' you an answer. I can advise the committee that monthly direct debit was implemented on 4 December 2013, allowing customers to enter into a direct debit agreement for the automated monthly renewal of their vehicle registration. Since that launch, the number of vehicles enrolled in the scheme has grown to approximately 95,000, with approximately another thousand a month joining the scheme. Direct debits are either credit card, which is currently 45 per cent of the vehicles or, from a nominated bank account, 55 per cent of the vehicles.

Whilst, initially, only light vehicles can be registered for monthly direct debit, with the removal of labels from heavy vehicles they were included in the scheme on 1 November 2017; and, in March 2019, the direct debit scheme was expanded to allow for registration periods and payment frequencies other than one month. Vehicles under the direct debit scheme can now be registered for the same period that would be available via other channels and as defined in section 24 of the Motor Vehicle Act. Hence, light vehicles can be registered for three or 12 months and payments made on that basis in addition to the one monthly arrangement, and heavy vehicles: three, six, nine or 12 months.

Some conditionally registered vehicles can be registered and, therefore, paid on direct debit for up to three years. I am advised that Service SA also accepts a range of other payment methods, including cash, cheque, Visa card, MasterCard, EFTPOS, money orders and even travellers cheques. Thank you for the brief opportunity to provide an update. We are now at your disposal for further questions.

6421 The CHAIRPERSON: I forgot to introduce the members of the committee. You would be familiar with most of them, including the Hon. Justin Hanson, the Hon. Clare Scriven, the Hon. John Darley and the Hon. Terence Stephens. I think John has indicated that he has a question on the answer you have just given.

6422 The Hon. J.A. DARLEY: Yes. Thanks for the answer you have given, but when did DPTI advise existing people who were paying by direct debit that they could pay by 12 monthly?

Mr BRAXTON-SMITH: Good question. I will have to take that one on notice because I'm not aware of what advice has been provided thus far.

6423 The Hon. J.A. DARLEY: A secondary question: I have three vehicles that are registered that way and we haven't been advised about the options on insurance at this stage.

Mr BRAXTON-SMITH: Right.

6424 The Hon. J.A. DARLEY: And all vehicles were previously registered in August and April of the year.

Mr BRAXTON-SMITH: Rather than take the particulars of your vehicle, if I may I will answer the question in the general by finding what information we provided to customers and if there is anything more we should do, in which case we will do it.

6425 The Hon. C.M. SCRIVEN: The Hon. Frank Pangallo is unable to be here today and has a number of questions. I seek the leave of this committee to table those questions without my reading them into *Hansard*.

Leave granted.

6426 The CHAIRPERSON: Mr Braxton-Smith, have you been instructed by your minister not to talk about any particular subject or how to answer questions today?

Mr BRAXTON-SMITH: I have been given no instructions whatsoever from the minister as to my answers today. I am here to present evidence.

6427 The CHAIRPERSON: Have you discussed the evidence you gave at your last appearance at the Budget and Finance Committee with the minister or anyone from the minister's office?

Mr BRAXTON-SMITH: I have not had any discussion as to the particulars of any of the evidence that I have given.

6428 The CHAIRPERSON: So no discussion about your evidence with the minister or any members of his office from your appearance last time?

Mr BRAXTON-SMITH: There may have been some general comment about the questions here but I have had no discussion of any of the evidence that I have provided, or intend to provide.

6429 The CHAIRPERSON: When they commented did you comment back?

Mr BRAXTON-SMITH: I couldn't—

6430 The CHAIRPERSON: Okay, so it's not a discussion having back and forth comments. Have you been given advice from anyone else about what questions you can answer or what topics you can talk about and how you can talk about them?

Mr BRAXTON-SMITH: Well, I seek advice from the Crown Solicitor's Office in relation to legal matters and there was an amount of questioning last time about Yatala prison. So I have sought advice about what is appropriate to say and not say in relation to that.

6431 The CHAIRPERSON: Are there any of your department staff who are currently suspended from work?

Mr BRAXTON-SMITH: To my knowledge there are no members of our department that are suspended from work.

6432 The CHAIRPERSON: Are there any members that have been put on unpaid or paid leave from DPTI?

Mr BRAXTON-SMITH: Just excuse me a moment. In a department of 3,000 people there are likely to be matters of a disciplinary nature at any time, but to my knowledge I have not been asked to approve any suspension or any disciplinary action of the nature about which you are asking.

6433 The CHAIRPERSON: So you are not aware of any suspension of any employee of DPTI for any matters that are before the court or are under criminal investigation?

Mr BRAXTON-SMITH: That is correct.

6434 The CHAIRPERSON: Are you aware—

Mr BRAXTON-SMITH: I am talking more broadly about staff disciplinary matters.

6435 The CHAIRPERSON: To do with any malfeasance or wrongdoing at all.

Mr BRAXTON-SMITH: No; there is no-one that's subject to any suspension by reason of a court action, which I think was your question.

6436 The CHAIRPERSON: Are there any investigations into the actions of any officers or actions of officers of DPTI that you are aware of?

Mr BRAXTON-SMITH: There will be investigations that are undertaken from time to time by our internal investigations unit in relation to disciplinary matters.

6437 The CHAIRPERSON: Are there any investigations that you are aware of from external bodies?

Mr BRAXTON-SMITH: If there were I might be subject to some confidentiality provisions, so I would be cautious about answering the question.

6438 The CHAIRPERSON: What do you mean by 'confidentiality provisions'?

Mr BRAXTON-SMITH: In relation to matters that are investigated by the integrity agencies. I have had a little bit of advice from the Solicitor-General and I remain cautious in talking, in any forum, about any investigation that might be occurring. But to go to your question about members of our staff that might be suspended or otherwise, I can confirm that there are no staff suspended by reason of an investigation by any integrity agency.

6439 The CHAIRPERSON: Are you refusing to answer questions about whether you are aware of any investigations by any agency, integrity agency, police or otherwise?

Mr BRAXTON-SMITH: I am not aware of any investigations by police or otherwise.

6440 The CHAIRPERSON: Or other integrity agencies?

Mr BRAXTON-SMITH: Investigations into members of our staff?

6441 The CHAIRPERSON: Yes, or conduct or issues relating to things that have happened in DPTI?

Mr BRAXTON-SMITH: I am not aware of any investigations that are being conducted of the nature that you are describing.

6442 The CHAIRPERSON: Was DPTI subject to an investigation—did they participate in the investigation that has led to what's been reported in the last week in *The Advertiser* of the \$150 million upgrade to Yatala prison being put on hold? Are you aware if DPTI has been involved in that investigation?

Mr BRAXTON-SMITH: We are cooperating with the commissioner.

6443 The CHAIRPERSON: So is that ongoing?

Mr BRAXTON-SMITH: We are cooperating with the commissioner.

6444 The CHAIRPERSON: If that investigation had finished would you be at liberty to say whether the investigation has finished and that you had cooperated but it's now finalised?

Mr BRAXTON-SMITH: That's a hypothetical question I would take advice on, but at the moment the Independent Commissioner Against Corruption has an investigation, which is ongoing. I have his public statement here. I am quite happy to provide you with information from it, and I advise that we are continuing to provide information to the commissioner, as he requires.

6445 The CHAIRPERSON: You mentioned that you have taken legal advice, that you should be very cautious about what you say. Is that legal advice pertaining to what you can say at a parliamentary committee or is that legal advice pertaining to public statements?

Mr BRAXTON-SMITH: What I can say generally.

6446 The CHAIRPERSON: Generally, have you taken specific advice about what you can say in the committee in which you are afforded parliamentary privilege? Did you ask that question? I know you went away last time and said you were going to get advice about what you can say to this committee, so I am wondering if you have taken advice as to whether you can talk about these matters under parliamentary privilege.

Mr BRAXTON-SMITH: I have a statement here, which I am happy to read to you.

6447 The CHAIRPERSON: I don't need the whole statement. Just on that very specific question, have you taken advice specifically on the point about whether you are allowed to talk about these sorts of investigations before a parliamentary committee that affords you parliamentary privilege?

Mr BRAXTON-SMITH: I have sought advice about what is appropriate to say in this committee.

6448 The CHAIRPERSON: You said that in a general term, but the specific question is about how it interacts with parliamentary privilege. You said you were going to go away to see what you can say to this committee. I am wondering if you have done that.

Mr BRAXTON-SMITH: I have sought the advice about what is appropriate for me to say in this committee and generally, and I am acting in accordance with that advice.

6449 The CHAIRPERSON: So, specifically in relation to this committee, is your advice that you cannot speak, that parliamentary privilege does not afford you the ability to speak about matters that ICAC may be investigating?

Mr BRAXTON-SMITH: I have sought the advice as to what I might say here and generally, and I have a statement here that I am happy to make.

6450 The CHAIRPERSON: Very specifically, if you can't answer that now we might have you come back to be able to answer very specifically on that point. If you haven't taken advice specifically on parliamentary privilege, that might be something you can do to actually know what you can say to this committee. How far behind is the work on the Yatala Labour Prison?

Mr BRAXTON-SMITH: At the present time, the Yatala Labour Prison design is proceeding unaffected, and that design work is intended to be finished at the end of the year.

6451 The CHAIRPERSON: It's gone out to tender and the arrest and prosecutions are to do with that tender process, so the design work wasn't finished when it went out to tender. Is that your evidence?

Mr BRAXTON-SMITH: The rest of the process has been suspended.

6452 The CHAIRPERSON: From a recent article in July, the Corrections minister said the progress of the upgrade has been put on hold while the investigation takes place. Are you saying that's not the case, that some work continues in some way?

Mr BRAXTON-SMITH: DPTI is currently in the design development phase of the \$150 million expansion of the Yatala Labour Prison. The status of the project is that the design has been developed over a number of months. Work is continuing, and that design will be complete later this year.

The rest of the procurement process, in relation to the managing contractor, has been suspended. The process has been suspended because the matter is currently being considered by the ICAC commissioner. There are strict rules around what you say or don't say, and I will not be saying anything further in relation to the ICAC commissioner. The process has been paused pending the investigation.

The design of the building of the facilities is progressing, and government clearly does need to build it. There's a procurement process to secure building services; that is on hold. I am not in a position where I feel I can provide you with any evidence or information about the future of the project beyond what I've said.

6453 The CHAIRPERSON: And to be very clear, can I revisit the evidence you gave a few minutes ago? Your evidence was, I think, that you are not aware of any other investigation by the police or by an integrity agency involving actions of the DPTI employees. Just to be clear, is that your evidence?

Mr BRAXTON-SMITH: That is correct.

6454 The CHAIRPERSON: On the Darlington upgrade, has the cause of the concrete falling off the South Road-Darlington upgrade been identified?

Mr BRAXTON-SMITH: Yes, we had Aurecon do an extensive investigation as to what the causes were. There were three contributing factors. The first is the underlying soil condition and a particular soil type that is at varying levels in the cutting, which is known as Hindmarsh clay. There are particular natural imperfections in the Hindmarsh clay. That was condition one.

Condition two was in the particular section along a 220 metre stretch of revetment wall, the remains of a former South Australian Water trench, which was built, we believe, in the 1940s and was filled with what was known as backfilled site won materials. Back in the 1940s the specifications for the filling of trenches were not what they are today. That runs approximately parallel to the top edge of the road on the eastern side.

The third condition is water from an unknown source that has penetrated through various pathways which are still under investigation by a hydrogeologist. That, in combination with the other two conditions, has resulted in what is known as a shallow-seated slump. With that shallow-seated slump, it would appear the failure has happened on the vertical plane of the former SA Water trench and has occurred because of what are known as gravelly intrusions and slickenside, which are naturally occurring imperfections in the soil materials of this particular sort of Hindmarsh clay. The contractor is presently remediating that. If you look at the project today, you will see there is a lot of work in progress to install what are known as soil nails, which will in effect provide additional stability to the slope on the eastern side.

At the same time, on the western side, we have conducted extensive investigations so that we can provide ourselves with additional assurance as to the integrity of the design and of the condition of the western slope. So, in the case of the western slope, we have done some drilling to understand the underlying soil conditions and the extent to which there is any water in it. All of the site records have been reviewed from the construction period to understand if there is the presence of any imperfections, whether man-made or naturally occurring imperfections, and there has been further analysis by way of visual inspection to understand the condition of the underlying shotcrete slope.

We have assurance at this stage that the western wall is in a condition which meets its design specification of being fit for purpose for a 100-year design life. So, again, as we initially suspected and said, the issue is confined to the eastern face.

6455 The CHAIRPERSON: When you say you are satisfied at this stage, are there further tests on the western side to be conducted?

Mr BRAXTON-SMITH: With the western side, we are still waiting. All of the testing and analysis is complete. We have a draft report in hand. We are simply waiting for the draft report to be finalised, which will occur when we've got the rest of the testing and investigative work done on the eastern face, but there is no further analysis or testing to be done on the western face. We have the assurance from Aurecon that it is fit for purpose as intended. The same conditions that occurred and were the contributing factors to the slump on the eastern slope are not present on the western slope.

6456 The CHAIRPERSON: I think you said one of the contributing factors was, if I remember correctly, the presence of Hindmarsh clay.

Mr BRAXTON-SMITH: Correct.

6457 The CHAIRPERSON: Is Hindmarsh clay not present on the western side?

Mr BRAXTON-SMITH: Hindmarsh clay is present on the western side.

6458 The CHAIRPERSON: And that's one of the factors that has caused this—

Mr BRAXTON-SMITH: It's Hindmarsh clay, and this is where we get into kind of the geotechnical complexities of it. It's Hindmarsh clay in combination with these imperfections that I mentioned before: what are known as gravelly seams and intrusions and perched water tables. These are the sorts of imperfections through which water can travel.

6459 The CHAIRPERSON: Approximately how far apart are the eastern and western sides?

Mr BRAXTON-SMITH: Well, the width of the road.

6460 The CHAIRPERSON: Which is a couple of hundred metres maybe?

Mr BRAXTON-SMITH: It's the width of the road, so it's six lanes.

6461 The CHAIRPERSON: A couple of hundred metres maybe.

Mr BRAXTON-SMITH: Not even that, I wouldn't have thought.

6462 The CHAIRPERSON: Let's say 100 metres. The geology of the soil changes that drastically in 100 metres that it is completely unsafe and causes concrete to slip down. One hundred metres away, the geology has suddenly changed so dramatically that it is fit to stay up for 100 years. Is that what we are saying?

Mr BRAXTON-SMITH: I think you have misunderstood the point that I was making. The Hindmarsh clays are present but, if you would recall, I said there were three factors. Aurecon looked for the presence of the three factors. The first is the Hindmarsh clays. They are still present at varying depths. However, the imperfections that occur in them in terms of gravelly seams—

6463 The CHAIRPERSON: Have changed over 100 metres?

Mr BRAXTON-SMITH: Please wait and hear me out, Mr Maher; it will help. The imperfections are not there in the way that they are on the eastern slope but, more importantly, there is not the presence of a man-made defect of such impact as a 1940s trench or anything of that nature and, number three, the sources of water are not present on the western side.

When you review all of the records and you look back, what you will find is that back in time there were ephemeral watercourses coming down from the slopes on the eastern side. If I can just remind you, above the eastern side, where there has been a slippage, there is an oval, and that oval is the oval from Flinders University. Again, that is acting in a way that we do not understand at the present time—also to be a source of water. So, those two conditions are not at all present on the western side; in fact, the presence of the motorway effectively acts as a barrier to any water flow because the water flow—excuse me if I say it—flows down the hill and not in other directions.

6464 The CHAIRPERSON: You talked about the interaction of the oval that's on the eastern side where we have the problems and that we don't currently understand the interaction and how that may cause these problems. Is your evidence that we don't understand how that contributes to it? How do we remediate it properly if we don't understand how that works?

Mr BRAXTON-SMITH: Alright, so there's two things. First of all, we don't fully understand the behaviour of water in the area. If I take you back to my previous answer, you will recall that I mentioned that Aurecon have contracted a hydrogeologist. This is someone—

6465 The CHAIRPERSON: Just briefly, do we fully understand what is causing it yet, or not?

Mr BRAXTON-SMITH: This is someone who understands the mechanics and the flows of water. We are getting further information about the water source and how that is impacting in the zone.

6466 The CHAIRPERSON: You seem very, very confident, having had the benefit of reading a draft report, that this problem is going to be fixed and wouldn't be a problem. Would you stake your career on it? Would you resign if this problem recurs?

Mr BRAXTON-SMITH: Mr Maher, I form my view on the basis of expert analysis and advice that has come from a group of different geotechnical specialists, and I have done more than simply read a draft report, as you would characterise it. I have met with them a number of times and been on site myself—

6467 The CHAIRPERSON: Mr Braxton-Smith, will you resign if this problem occurs again?

Mr BRAXTON-SMITH: —and there is a team that is working really hard to ensure that we understand the issue and to make sure that the fix that we put in place is effective. So, the buck stops with me in dealing with the problems that have occurred and ensuring that we, as an organisation, now respond to what we have discovered in an appropriate manner. I am fully focused on ensuring that DPTI takes all measures necessary to stabilise the wall and to work with the

contractor to ensure that the contractor—the contractor who is responsible for the design and construction—does their job in designing and constructing a wall that has a 100-year life. I can provide you with further advice as to what they are doing—

6468 The CHAIRPERSON: That's fine. You mentioned the oval, Mr Braxton-Smith, and that it's not fully understood how that interacts. Are there any other aspects of the water and the problem that caused this concrete to fall away that we don't fully understand, or is it just how the oval interacts with it?

Mr BRAXTON-SMITH: We are still seeking the advice and the analysis from the hydrogeologist as to the water source.

6469 The CHAIRPERSON: So we don't fully understand it yet?

Mr BRAXTON-SMITH: We are still seeking the advice of the hydrogeologist—

6470 The CHAIRPERSON: That seems directly in opposition to your earlier comments about being satisfied that it's been fixed; we don't fully understand it.

Mr BRAXTON-SMITH: Sorry, again, I have to clarify it for you. The solution that is now being installed by the design and construct contractor for the eastern wall is a design solution that is designed to work where there are saturated soils. So—

6471 The CHAIRPERSON: Without fully understanding how the water works. You are confident that there is a design to fix it without understanding fully the nature of the problem?

Mr BRAXTON-SMITH: What we know is that the soil is saturated. Because the soil is saturated, the engineering people advise me that there are design solutions—proven design solutions—to deal with saturated soil, and that involves soil nailing. So we are confident that the solution that is now being installed with soil nails is designed to withstand conditions where there is water present, and we do know that there is water present. What we are still seeking to identify is the source of that water and how it actually flows and rises to understand if there's anything else that might be done to mitigate the impact.

6472 The CHAIRPERSON: I am sure motorists down that way will be very keen for you to fully understand how the water works so that the proper solution can be found. In terms of the soils being saturated, was this known to the department 12 months ago that the soils were saturated?

Mr BRAXTON-SMITH: The contract is a design and construct contract for that piece of motorway. As a consequence, the requirement is for the design and construct contractor to gather information to support and validate its design for its design solution. It was the design and construct contractor who designed the revetment wall solution and then, under the terms of the contract, they are also required to engage what is known as a proof engineer who will independently verify that.

6473 The CHAIRPERSON: Does that mean that the contractor is responsible for remedying this problem?

Mr BRAXTON-SMITH: The contractor is responsible for remedying this problem and is at the present time remedying the problem.

6474 The CHAIRPERSON: Has there been any further taxpayers' money spent on this problem, either doing reports or getting in engineers to help further understand how this water works? Has there been any taxpayers' money that—

Mr BRAXTON-SMITH: As I advised the Public Works Committee previously, our position is that the problem arises by virtue of a failure in either the design and/or construction of the wall. That remains our position. We have spent money on Aurecon in conducting the independent analysis.

6475 The CHAIRPERSON: Approximately how much money?

Mr BRAXTON-SMITH: I don't have that information with me.

6476 The CHAIRPERSON: As chief executive, you don't have any idea how much taxpayers' money has been spent on the South Road—

Mr BRAXTON-SMITH: To answer your initial question, the answer is that it is government's position that that cost is recoverable from the design and construct contractor.

6477 The CHAIRPERSON: Does the design and construct contractor accept this position?

Mr BRAXTON-SMITH: Or the design and construct contractor's subcontractors are responsible for the design.

6478 The CHAIRPERSON: Is that accepted by the contractors?

Mr BRAXTON-SMITH: There is a—

6479 The CHAIRPERSON: I do note in a July newspaper article that in the fight over who is ultimately financially responsible, the contractor or the taxpayer appear to be headed for the courts. Has something changed since July?

Mr BRAXTON-SMITH: So, that is a possibility.

6480 The CHAIRPERSON: That they appear to be headed for the courts. Is that accurate?

Mr BRAXTON-SMITH: Well, no-one has served any formal notice of court proceedings at this stage, so that would be premature. But we have served a notice of dispute under the contract.

6481 The CHAIRPERSON: If it is the case that a court finds that the taxpayer is responsible, what sort of cost could the taxpayer be up for?

Mr BRAXTON-SMITH: Again, that's speculation as to what the court's findings may be.

6482 The CHAIRPERSON: Has there been any work done by the department on the overall—

Mr BRAXTON-SMITH: We do not have information from the design and construct contractor as to the costs that they have incurred, so I am unable to answer your question.

6483 The CHAIRPERSON: Just to be clear, your evidence is that the department has no idea, not even an estimate, as to what the cost to fix this will be. Is that correct, Mr Braxton-Smith?

Mr BRAXTON-SMITH: What would you define by 'estimate'?

6484 The CHAIRPERSON: Any idea whatsoever. There has been no ballpark figure, there has been no range, there has been no—and I think you referred to a benchmarking study having been done for these sorts of things in other jurisdictions—

Mr BRAXTON-SMITH: I can't recall referring to a benchmarking study for—

6485 The CHAIRPERSON: You used the term 'benchmarking' quite a bit when we talked about rail privatisation when you were here last time in terms of understanding what costs might be for projects.

Mr BRAXTON-SMITH: Are we talking about rail privatisation?

6486 The CHAIRPERSON: Rail privatisation: last time, you used the process of benchmarking. Is there a figure anywhere or a range of figures as to what this site costs?

Mr BRAXTON-SMITH: We would be able to turn to a quantity surveyor who would be able to provide us with an estimate in accordance with generally accepted practice in the construction industry. We have not done that yet—

6487 The CHAIRPERSON: Again—

Mr BRAXTON-SMITH: —because our view is—

6488 The CHAIRPERSON: —is your evidence, Mr Braxton-Smith—and this is a pretty simple question—that the department has absolutely no idea, not even a very rough estimate, about how much this might cost?

Mr BRAXTON-SMITH: We have a number of qualified engineers who—

6489 The CHAIRPERSON: Well, what is the range of estimates they have given?

Mr BRAXTON-SMITH: We have a number of qualified engineers who have knowledge of construction techniques and costs. They would, if I asked them, be able to provide me with an estimate.

6490 The CHAIRPERSON: Yes, okay, just to be clear—

Mr BRAXTON-SMITH: But our position is that that estimate is not necessary at this stage.

6491 The CHAIRPERSON: Because?

Mr BRAXTON-SMITH: Because it is our position that it is the responsibility of the design and construct contractor in their entirety.

6492 The CHAIRPERSON: You say they might be able to, so is your evidence to us that you have not asked and no-one has asked and you are not aware of any estimate whatsoever that has been given?

Mr BRAXTON-SMITH: I do not have an estimate with sufficient—

6493 The CHAIRPERSON: Just a yes or no might be easier. Is there any sort of estimate floating around the department?

Mr BRAXTON-SMITH: Sorry, just on a procedural matter, Chair: I'm used to giving people who ask questions the courtesy waiting until they end, and I'm just wondering if I might be afforded the same courtesy.

6494 The Hon. T.J. STEPHENS: Hear, hear!

6495 The CHAIRPERSON: Well, if you are prepared answer—just a question before that: are you aware of some of the consequences of not answering questions in a parliamentary committee and the sanctions that can be applied?

Mr BRAXTON-SMITH: I'm seeking to answer your questions, Chair.

6496 The CHAIRPERSON: I would look forward to an answer if you have any idea whatsoever and can provide that.

6497 The Hon. T.J. STEPHENS: Chair, is there any chance you could let him answer before you attack him again? Please. I would like to actually hear some answers.

6498 The CHAIRPERSON: Thank you for your suggestion, Mr Stephens.

6499 The Hon. T.J. STEPHENS: I'm just asking the question, okay?

Mr BRAXTON-SMITH: So, the question?

6500 The CHAIRPERSON: Are you aware of any figure or any range of figures at all that has been given, no matter how rough, for the cost that it might take to fix the slipping concrete problem at the Darlington Interchange?

Mr BRAXTON-SMITH: There are numbers that have been discussed—

6501 The CHAIRPERSON: What are those numbers?

Mr BRAXTON-SMITH: —but I do not have the sufficient evidence, material or confidence to be able to provide them as evidence in a parliamentary inquiry.

6502 The CHAIRPERSON: I'm saying they're not evidence and you won't be held to this as how much it cost. Roughly, what's the range?

Mr BRAXTON-SMITH: Sorry, Chair, but I'm not going to kind of come in—

6503 The CHAIRPERSON: Refusal to answer to the question—

Mr BRAXTON-SMITH: —and record what would be characterised as water-cooler talk. I'm happy—

6504 The CHAIRPERSON: I will hand over to John Darley. I don't think we have had a witness before here who has obfuscated and refused to answer questions as much as we are seeing today.

6505 The Hon. T.J. STEPHENS: Goodness gracious.

6506 The CHAIRPERSON: The ultimate sanction is contempt of the Legislative Council for a refusal to answer questions when you have indicated you have that information, it's just that you are not prepared to hand over or say the information to the Budget and Finance Committee. Mr Darley, do you want to ask a couple of questions?

6507 The Hon. J.A. DARLEY: My questions are to Valuer-General. Ms Bartolo, you would have read this document produced in February 2017?

Ms BARTOLO: I have read a modified version of it, yes.

6508 The Hon. J.A. DARLEY: Let me say that in my 40 years' experience in the Public Service, this is the worst document I have ever seen in my life. Could you for the benefit of the committee outline in a maximum of five minutes what the current situation is with the revaluation in issue, which is causing a lot of concern for the committee at the moment?

Ms BARTOLO: The revaluation initiative is to be done over three cycles. We have just finished the first cycle.

6509 The Hon. J.A. DARLEY: A cycle is one year?

Ms BARTOLO: One year, yes, and a financial year. The data and analysis then becomes effective for the following financial year. We have just finished the first one, it's in effect for the 2019-20 year; cycle 2 will be in effect for the next 2020-21 year; and cycle 3, which will be the completion of that project, will be for the 2021-22 financial year.

6510 The Hon. J.A. DARLEY: Are you aware of the fact that, since 1982, the charter of the Valuer-General has been to review all valuations in the state every year?

Ms BARTOLO: I understand that the act pertains to doing it once every five years, but in practice it's done annually.

6511 The Hon. J.A. DARLEY: That's correct; since '82.

Ms BARTOLO: I don't know that.

6512 The Hon. J.A. DARLEY: So what you're proposing is to break that cycle and go back to 1971 where valuations were done over a five-year cycle?

Ms BARTOLO: That's not correct. All of the valuations are still being done on an annual basis. The revaluation is actually an enhanced version of the annual general valuation, so it's a data improvement analysis and correction program that enhances the general valuation every year. It's not a separate program.

6513 The Hon. J.A. DARLEY: You would be aware of section 19(3) of the act—

Ms BARTOLO: Yes, I am.

6514 The Hon. J.A. DARLEY: —that requires valuations to be consistent or relative. So my question to you is how can they possibly achieve that result if you have tackled this year or last year Unley, Walkerville and Adelaide Plains and in the retail commercial areas you've got an average increase of 15 per cent there, whereas others range from 5 per cent downwards. So there's no consistency in those at all.

Ms BARTOLO: The end result would result in a more consistent and accurate output, but the variations from property to property would not be a blanket or consistent change because they are corrections to those that were formally considered not as accurate as they could be.

6515 The Hon. J.A. DARLEY: What is the reason that they were inaccurate before and how far back does it go?

Ms BARTOLO: I couldn't tell you. I have adopted the program since starting in January, and my estimate, my basis and my plans in relation to the revaluation is to see it through to ensure that the accuracy is upheld. To my way of understanding, it's the best way that we have about doing a more holistic review of every value that we have on our file.

6516 The Hon. J.A. DARLEY: Are you aware of the fact that the previous valuer-general admitted that the commercial industrial valuations have been let slip for the last 16 years?

Ms BARTOLO: I am not privy to that.

6517 The Hon. J.A. DARLEY: Well, that was a statement that the previous valuer-general made. In this document you talk about the need to collect additional property attributes to make the valuation more accurate.

Ms BARTOLO: Yes.

6518 The Hon. J.A. DARLEY: Can you tell me what sort of attributes you are now collecting and what research was done to prove that that would result in a more accurate result?

Ms BARTOLO: The attributes that we are collecting may have been things that we didn't currently already have on file or that have been not updated or changed over a period of time. That may have been in a residential scenario, whether we may or may not have had the correct bedroom accommodation, whether it had the appropriate dwelling size in case it had been actually been expanded or retracted in size, whether it had been changed in any way since the last time we collected those attributes.

In a commercial property sense, we have been investigating updated rental data so that we can have a better understanding of what a yield and capitalised rate of income would produce a valuation for, and making sure that we have as much information as possible. As a practising valuer, the more information you have the better informed your opinion of a value can be.

6519 The Hon. J.A. DARLEY: What research was done to prove that point?

Ms BARTOLO: It was proven in the outputs and statistical measures that we do at the recalculation phase at the end of each cycle. That information is given to me. We review them; we identified that the statistical outputs have improved as a result of those investigations.

6520 The Hon. J.A. DARLEY: My understanding—and it's up on record—is that the previous valuer-general said no research had been done at all; in fact, the previous computer-assisted valuations used the previous valuations, the dependent variable, so there's been no work being done to say that collecting these various attributes will change the result.

Ms BARTOLO: As I just mentioned, we did statistical analysis after we made corrections to the valuations, and they indicated that it improved the result or accuracy of the valuations we ascribed.

6521 The Hon. J.A. DARLEY: That's news to me and also news to Land Services SA, the private sector consortium who are charged with the responsibility of making those valuations.

Ms BARTOLO: I find that interesting, as they are the ones that gave me the statistical outputs proving that.

6522 The Hon. J.A. DARLEY: Are you aware of two court decisions, one in the Supreme Court of South Australia concerning the commission of succession duties versus the executive trustee and agency company? The decision there was that, in terms of valuations for rating and taxing purposes, any doubt should be resolved on the conservative side, which would mean that you would be valuing not at market value but something less than market value?

Ms BARTOLO: Yes. Although I haven't read that particular finding verbatim, the current understanding that I have from Land Services SA staff is that they target 0.9 of the market where evidence is not conducive to being completely accurate—for lack of a better word.

6523 The Hon. J.A. DARLEY: I can prove conclusively, in a number of areas that we have been asked to look at, that they are valuing it at 100 per cent or more. In fact, in one case out of five valuations, three of the valuations were higher than the actual sale price of the properties, one was the same, and there were two land sales where they said the land sales were not indicative of market

value because they were off-market sales, when, in actual fact, those properties were put on the market for sale.

Ms BARTOLO: Right. I haven't had any visibility over those particular sales, but if there are, through mass appraisal, variations that result in that 0.9 target being variable, then the objection process is there for people to approach my office, and we will investigate that and make a correction if that has resulted in value not in line with where it should be.

6524 The Hon. J.A. DARLEY: Do you get exception reports from the system that indicate where a valuation is higher than the sale price?

Ms BARTOLO: We do have exception reports that are run, yes.

6525 The Hon. J.A. DARLEY: Well, you obviously don't look at them.

Ms BARTOLO: They are run through my audit process team.

6526 The Hon. J.A. DARLEY: As I say, you obviously don't look at them because it hasn't happened. Are you aware of the High Court decision *Maurici v Chief Commissioner of State Revenue (New South Wales)*?

Ms BARTOLO: No.

6527 The Hon. J.A. DARLEY: The principle that came out of that case was a thing such as scarcity value. It involved a property on the North Shore of Sydney. There were four sales for the whole of the North Shore and the property was valued by the Valuer-General at \$2.5 million. The owner objected, and the outcome of the case was that there was such a thing as scarcity value. This would apply to the inner metropolitan area of Adelaide where you have a scarcity of land sales so people pay a premium to buy a block of land. We have evidence of where you have gone beyond that point.

Ms BARTOLO: I would be more than happy to investigate anything if it comes to my office.

6528 The Hon. J.A. DARLEY: Obviously, Land Services SA are not abiding by the decision of that court case either. Who in your organisation would pick up these things?

Ms BARTOLO: That would go through our audit team following provision of information from Land Services SA.

6529 The Hon. J.A. DARLEY: So that's not working either. They are obviously not looking at the exception reports that you get.

Ms BARTOLO: No, they are. They provide me with updates, and we discuss those within my office.

6530 The Hon. J.A. DARLEY: We have received an organisation chart from your organisation. What I would like you to do, if you could take it on notice, is provide details of the job specification for each of those positions. Perhaps you could just go through it and indicate the sorts of jobs that these people do.

Ms BARTOLO: Yes, I am happy to take that on notice and provide you with some descriptions.

6531 The Hon. J.A. DARLEY: In my opinion, this is the most inflated organisation chart I have ever seen of an organisation in the Public Service.

6532 The Hon. T.J. STEPHENS: To the Valuer-General, can you confirm whether any quantitative work was done by the former valuer-general before the former valuer-general commenced the revaluations?

Ms BARTOLO: In relation to research?

6533 The Hon. T.J. STEPHENS: Yes.

Ms BARTOLO: From what I have been told, although I haven't actually visually sighted anything, some measures were undertaken to benchmark sales against recorded values.

Some heat mapping was undertaken to determine what the statistical output was and that identified a need for improvement.

6534 The Hon. T.J. STEPHENS: Is there any chance you could provide some of that information to the committee? You said you haven't looked at it yourself.

Ms BARTOLO: I can investigate within my office whether it's been documented and in what form that takes, and I can certainly provide advice.

6535 The Hon. T.J. STEPHENS: What does the Adelaide city council revalue look like at the moment?

Ms BARTOLO: The research is ongoing over the whole of the three cycles. As you can imagine, it's quite complex and complicated. It has been quite a dynamic market over the last 18 months to two years. So that research is ongoing; it will be delivered in the third cycle.

6536 The Hon. T.J. STEPHENS: Is it possible to apply a handbrake to the revaluation at the moment, given that there is quite a bit of controversy about it, or would that undermine the integrity in the market?

Ms BARTOLO: There is a contractual obligation as part of the commercialisation for this project of works to proceed. There is a financial consideration to obviously have regard for as well, noting that a certain level of fees has already been presented for the delivery of a program of works. Beyond that, I would like to seek advice.

6537 The Hon. T.J. STEPHENS: Have you or any officer of your department had conversations with the Department of Treasury and Finance about the revenue aspect in regard to these revaluations?

Ms BARTOLO: Treasury's office and the Department of Treasury and Finance approach my office on ongoing basis when they require estimates of value. What they do with that information, I imagine, is determine their own analysis. We would provide that as a matter of course to any government agencies that would request that from us.

6538 The Hon. J.A. DARLEY: In connection with that last question, did you provide Treasury with advice as to the valuation movements for the current financial year?

Ms BARTOLO: Yes, sir.

6539 The Hon. J.A. DARLEY: Did that take into account the revaluation initiative?

Ms BARTOLO: Yes.

6540 The Hon. J.A. DARLEY: That surprises me, because the revenue in the budget this year, the additional revenue for this financial year, was \$22 million. For the next financial year, it is \$12 million, yet my understanding is that you are dealing with the City of Adelaide.

Ms BARTOLO: That would have to be a question you would present to Treasury about what their estimates are. We provide the valuations and they undertake their own estimates and budgets.

6541 The Hon. J.A. DARLEY: If you provided advice, you obviously haven't given them any advice as to the impact of the revaluation initiative that is going on currently.

Ms BARTOLO: No, we have.

6542 The Hon. J.A. DARLEY: What are the target areas for 2019-20?

Ms BARTOLO: This financial year, 2019-20?

6543 The Hon. J.A. DARLEY: Yes.

Ms BARTOLO: The ones that are in effect or the ones that will come into effect for the 2020-21 year?

6544 The Hon. J.A. DARLEY: The ones that will come into effect in July 2020?

Ms BARTOLO: There are approximately nine or 10 councils. I am in the process of being about to release what those areas are, and I will be happy to provide that.

6545 The Hon. J.A. DARLEY: Is the City of Adelaide one of them?

Ms BARTOLO: No, they will be delivered in cycle 3.

6546 The Hon. J.A. DARLEY: We all know that the major proportion of land tax revenue comes from the City of Adelaide, the CBD. So you are going to value that with effect from 2020-21?

Ms BARTOLO: The 2021-22 financial year, yes.

6547 The Hon. J.A. DARLEY: Immediately before an election?

Ms BARTOLO: That's not my concern. My concern is to ensure that the program is delivered and the value outputs are accurate and undertaken in the best method possible.

6548 The Hon. J.A. DARLEY: Have you provided Treasury with any estimate of the impact of that third cycle?

Ms BARTOLO: Treasury asked us for advice as to what those estimates might look like, and we provide them when they are requested.

6549 The Hon. J.A. DARLEY: What were they for that third cycle?

Ms BARTOLO: I don't have the exact figures in front of me, but I would expect that that question would be best asked of Treasury.

6550 The Hon. T.J. STEPHENS: We are asking it of you.

6551 The Hon. J.A. DARLEY: We are asking you.

Ms BARTOLO: I can provide you with what information I currently have on notice.

6552 The Hon. T.J. STEPHENS: Thank you.

6553 The CHAIRPERSON: Turning to a different topic, Mr Braxton-Smith, has your department settled on the savings that will flow from the result of the privatisation of our rail system?

Mr BRAXTON-SMITH: I'm sorry, I beg your pardon?

6554 The CHAIRPERSON: Has your department settled on what savings will occur as a result of the privatisation of our rail system?

Mr BRAXTON-SMITH: The rail system?

6555 The CHAIRPERSON: Yes, the tram and train network.

Mr BRAXTON-SMITH: No, we have not yet determined what those savings will be because we are still developing the scope. Then that scope will be subject to the public sector comparator, which will be performed by an independent financial analyst and then we will compare that to what the actual bids are that come in.

6556 The CHAIRPERSON: I think in your evidence last time, at paragraph 6052, you answered a question that the savings from the privatisation—and I think you chose to use 'outsourcing' as a word to describe it—will substantially contribute to the savings target for public transport. What are the savings targets for public transport?

Mr BRAXTON-SMITH: I don't have that information with me. Jude, do we have that information on file? No. We will provide the information on my answer to the question on notice.

6557 The CHAIRPERSON: What is the savings target of the department overall?

Mr BRAXTON-SMITH: I don't have that information.

6558 The CHAIRPERSON: Being before the Budget and Finance Committee, you have no idea as the chief executive what your required savings targets are?

Mr BRAXTON-SMITH: I have a finance team, and that finance team keeps detailed records of what the savings targets are.

6559 The CHAIRPERSON: Did you bring anyone from your finance team today?

Mr BRAXTON-SMITH: Thank you for the opportunity to introduce Jude Formston, who is my Executive Director of People and Corporate Services. Jude has recently been appointed to that position and she has oversight of the finance—

6560 The CHAIRPERSON: But that person doesn't have knowledge of what your savings targets are for your department?

Mr BRAXTON-SMITH: I'm pretty sure we could dig into the documents and find you the answers.

6561 The CHAIRPERSON: Do you have a director of finance within the department?

Mr BRAXTON-SMITH: Correct, we do, His name is Bill Cagialis and he reports to Jude Formston.

6562 The CHAIRPERSON: Why isn't he here today?

Mr BRAXTON-SMITH: That was a misunderstanding between ourselves as to who was expected to attend, but I am happy to arrange for him to come back if you wish to ask questions of him.

6563 The CHAIRPERSON: We might need to do that. This isn't a question; it's just a statement. It might be easier for this—

Mr BRAXTON-SMITH: We can attempt to answer some questions.

6564 The CHAIRPERSON: Other departments often go through and have one member of the team looking for the answer as questions carry on. That might be something you wish to do.

Mr BRAXTON-SMITH: Okay.

6565 The CHAIRPERSON: It does get frustrating. Again, this is a statement, not a question, Mr Braxton-Smith—

Mr BRAXTON-SMITH: Sorry? Say that again.

6566 The CHAIRPERSON: It does get frustrating. I think answers that you have given have tended skirt around or deflect from issues. Earlier on, when we asked questions for an estimate as to the Darlington problem, you told the committee that you could ask your team if there is an estimate. That was clearly leading us to believe you hadn't already done that. It took four more questions to reveal that there are estimates in your department, you are just not prepared to give them.

It would work much better if you answered honestly and truthfully when it's first asked so that we don't have to keep going back to questions. Again, you said you couldn't provide an answer but it turned out in the next question that you could provide an answer. If you can provide something, this is a committee that examines the budget and finance of departments, it would be helpful if you could. Just turning back to—

Mr BRAXTON-SMITH: Thank you for your performance feedback, Mr Maher.

6567 The CHAIRPERSON: What is the estimate for the South Road problem?

Mr BRAXTON-SMITH: Can I just state for the record, I am well aware of the need to answer questions truthfully. My understanding of my requirement is to provide evidence to the committee. Evidence, to me, actually has a threshold test. I am quite happy to take further advice as to what that means because I do not want the friction or the frustration that is clearly evident in your conduct towards me.

6568 The CHAIRPERSON: Indeed.

Mr BRAXTON-SMITH: I would prefer to be here as a public servant, respectfully providing the evidence that is being asked for by this committee.

6569 The CHAIRPERSON: With great respect, Mr Braxton-Smith, it's not up to you to decide what evidence should be provided to this committee if you have that information. It is up to us to decide what to do with that information. It's not up to you to decide whether we are clever

enough to understand the nature and effect of that information. Are you able to provide the estimate of the fix for the South Road problem with the concrete falling off?

Mr BRAXTON-SMITH: There has been no formal estimate. There has been talk of a potential range of what it could cost.

6570 The CHAIRPERSON: And what are those potential ranges?

Mr BRAXTON-SMITH: Anywhere between \$5 million and \$25 million.

6571 The CHAIRPERSON: So \$5 million to \$25 million is the estimated range of the fix.

Mr BRAXTON-SMITH: No, that is not an estimate, Mr Maher. This is my point. An estimate is a word that denotes that a formal mechanism has been done to determine what the estimated quantities and costs are associated with those quantities—

6572 The CHAIRPERSON: Talk of what it could possibly cost could be \$5 million to \$25 million.

Mr BRAXTON-SMITH: —to be able to give you a number with some level of confidence. That is what we term an estimate, not just talk around a table about what you think the cost might be.

6573 The CHAIRPERSON: My point still remains. When I first asked this question, you said you could get someone to come up with a number when you already had this number. It does become difficult. If I just go back to privatisation—

6574 The Hon. T.J. STEPHENS: Chair, \$5 million to \$25 million is hardly a number.

Mr BRAXTON-SMITH: If I can be clear—

6575 The CHAIRPERSON: With other departments, \$1 billion to \$2 billion was an estimate for the Women's and Children's Hospital that Health gave us. Other departments don't seem to have your problem of thinking we are not capable of interpreting numbers that are not formal estimates and leave it up to us to do that. But I am glad we have done that now.

Mr BRAXTON-SMITH: So I would characterise these as guesstimates.

6576 The CHAIRPERSON: Excellent. So the guesstimate is \$5 million to \$25 million. Thank you, and if I ask you questions—

Mr BRAXTON-SMITH: Because there has been no desktop study to provide an estimate. Sorry, but I use different language. Perhaps that's why we are having a bit of a difficulty here but to me—

6577 The CHAIRPERSON: Now what are the guesstimates for the savings for the rail privatisation?

Mr BRAXTON-SMITH: I think I have explained the process. I don't have an estimate in front of me.

6578 The CHAIRPERSON: Just to be clear for your evidence, there is no guesstimate, no number that varies from multiples of five for rail privatisation that you are aware of, Mr Braxton-Smith. Is that your evidence today?

Mr BRAXTON-SMITH: In round terms, from public transport, we are seeking to deliver savings that are equivalent to \$10 million per annum by the end of all initiatives that we take.

6579 The CHAIRPERSON: So if a substantial portion of that, as was the evidence that you gave last time, will come from the rail privatisation, do you expect the savings to be between \$5 million and \$10 million a year from privatisation then?

Mr BRAXTON-SMITH: I would anticipate at this stage, on the basis of the benchmarking that has been done, between what we term the rail transformation program, the recontracting of bus services and a range of other initiatives that we are able to exceed the overall savings target and invest what we have in excess of that back into improved public transport services.

6580 The CHAIRPERSON: So you anticipate in excess of \$10 million per year savings from the tendering of the rail network and the bus contract.

Mr BRAXTON-SMITH: From the rail network, the bus contract and other initiatives that are being undertaken.

6581 The CHAIRPERSON: Do you have an estimate of what proportion you might expect from the current tendering of the rail and bus contracts?

Mr BRAXTON-SMITH: No, I do not.

6582 The CHAIRPERSON: Just to be clear, you are not aware of any estimate for that in your department—or guesstimate?

Mr BRAXTON-SMITH: I am aware of a benchmarking study that was produced—

6583 The CHAIRPERSON: What does that reveal?

Mr BRAXTON-SMITH: —and that benchmarking study was used to inform a cabinet decision in accordance with the principles of cabinet in confidence.

6584 The CHAIRPERSON: So cabinet are aware of the benchmarking study?

Mr BRAXTON-SMITH: We have provided them with information as to what the benchmarking study says and that has informed their policy decision.

6585 The CHAIRPERSON: To be clear, you are claiming, cabinet in confidence, that you won't reveal this number?

Mr BRAXTON-SMITH: Correct.

6586 The CHAIRPERSON: So the benchmarking study was prepared exclusively for the use of cabinet? That was why it was undertaken?

Mr BRAXTON-SMITH: It was for the predominant purpose of informing cabinet about its policy decision in relation to the future of the management of the rail network.

6587 The CHAIRPERSON: Can you explain to me, whether it be for freedom of information or revealing to a parliamentary committee, what's required for cabinet in confidence? Is the test predominantly produced for it, is it?

Mr BRAXTON-SMITH: Because I'm relatively new to South Australia, and because I'm not the expert in this area, I turn to other people for exactly what is the test. So I'm using a word 'predominantly', which is a word I use. I'm not using it in a legal sense.

6588 The CHAIRPERSON: Okay, but you won't answer the amount being saved even though you have the amount?

Mr BRAXTON-SMITH: I can't think of another purpose that we have used that benchmarking information for, so I think I would say to you on reflection that that information was gathered and produced for the purpose of informing a cabinet decision.

6589 The CHAIRPERSON: And \$10 million per annum is from public transport and you are confident that with the privatisation, including the current bus tender and with other measures, you will exceed the \$10 million savings?

Mr BRAXTON-SMITH: That is the target that we have, which is an existing savings target, including some carryovers from a couple of years ago. I have every reason to believe that in aggregate we will be able to deliver on those targets based on the existing service we provide to customers and have something to invest in better services.

6590 The CHAIRPERSON: Where do savings come from when you privatise a rail network? Where do the savings occur; how do you get these savings?

Mr BRAXTON-SMITH: It would be my anticipation that private sector operators bring their skills and expertise in running rail networks to actually find better ways to deliver the outcomes that we require from it.

6591 The CHAIRPERSON: Sure, and they are great statements, but where—

Mr BRAXTON-SMITH: Productivity gains, efficiency gains.

6592 The CHAIRPERSON: What does that actually mean? There has to be something that under government ownership it's been paid for that is no longer being paid for, otherwise there are no savings—what specific areas of the operations do these savings come from with these efficiencies and productivities?

Mr BRAXTON-SMITH: Different management and work practices in some.

6593 The CHAIRPERSON: So work practices—what do you mean by work practices? Could it be that there will be fewer workers if it's more productive? Where exactly do the savings come from?

Mr BRAXTON-SMITH: From productivity and efficiency gains. I'm kind of not quite sure where you are driving at.

6594 The CHAIRPERSON: But in what area of the operations do we see these productivities and efficiencies?

Mr BRAXTON-SMITH: If I could use a couple of examples, alright, by way of concrete examples. Rail maintenance—and I might add, parenthetically, maintenance is already outsourced—you have different ways of organising rail maintenance. One way of organising it is to set a schedule in what's known as an A, B, C, D service, which is based on doing the whole of the maintenance task by taking a piece of rolling stock out of operation for a defined period of time, which could be anywhere between two days and two weeks. That would therefore affect the overall availability of rolling stock.

There are alternative ways of organising rail maintenance for rolling stock, which in this day and age are increasingly being used, where you take an A service, a B service or a D service and you break it down into its component parts and do it in stages over an extended period of time. The effect of that is to smooth the demand for labour and generally provide more rolling stock availability during peak periods of service.

As a consequence of that you get a productivity gain, net, and more efficiency from your rail network. However, that relies on a lot of skill and expertise in performing the risk assessment and the engineering analysis associated with a shift of a rail maintenance regime. So that is one example of how you might get more out of an existing asset for a lower cost.

6595 The CHAIRPERSON: If we know all this and these are ways you can save money, why don't we do that when we own it as a government?

Mr BRAXTON-SMITH: It requires a level of skill capability and expertise, and the depth and the knowledge of parties who have this experience elsewhere is generally greater than one little jurisdiction like us might be able to harness. The systems that are used nowadays, there are big complex bits of software where there are economies of scale for operational planning and scheduling which allow you to schedule more efficient use of resources.

6596 The CHAIRPERSON: I think this is where I am getting at. I have heard comments that back-end operations can be done more efficiently if you've got someone who has these sorts of operations elsewhere in the world; they don't need to duplicate back-end operations.

Mr BRAXTON-SMITH: And elsewhere in Australia.

6597 The CHAIRPERSON: Indeed. I think the wording you used was 'smooth the demand for labour'. That means you don't need as many people?

Mr BRAXTON-SMITH: Well, it smooths the demand for labour. The labour quantity might not change but it might not be as peaky, so you might have a different composition to your workforce and you might have less overtime. As to the terms and conditions—because that's where I think your question is going—we have had it determined that it's a transfer of business and therefore the current enterprise agreement will be copied over to the private sector operator.

6598 The CHAIRPERSON: Just on that, will an enterprise agreement be concluded before this transfer of business that you speak of?

Mr BRAXTON-SMITH: We have an enterprise agreement in place; we have six, in fact. They expire at different dates. Our intent is to renegotiate and conclude a new enterprise agreement before transfer because we think it's in the best interests of all parties.

6599 The CHAIRPERSON: May there be job losses once this transfer of business occurs? If we are smoothing the demand for labour, could that lead to job losses?

Mr BRAXTON-SMITH: We are in the process of consultation at the moment with our workforce, and one of the things we are consulting about is any continuity provisions. There is nothing been decided and—

6600 The CHAIRPERSON: So there's no guarantee workers will keep their jobs?

Mr BRAXTON-SMITH: It would be premature to make any definitive statements about what arrangements might be in place.

6601 The CHAIRPERSON: And if workers don't lose their jobs or this smoothing the demand for labour that you talk about isn't instituted, where else will you find savings?

Mr BRAXTON-SMITH: Sorry?

6602 The CHAIRPERSON: Apart from the workforce, where else will you find savings?

Mr BRAXTON-SMITH: It will be the contractor that bids a price, which we will have a comparison to what it costs government to continue to operate. We will know that in more detail once we have had the proposals from the contractors to be able to compare what we do now to their proposals.

6603 The CHAIRPERSON: Are contractors in a much better place to smooth the demand for labour than the government is?

Mr BRAXTON-SMITH: We would expect that contractors have a broader range of experience in other jurisdictions and more depth of skill in contemporary maintenance techniques, and therefore they might propose to us different ways of delivering the outcomes that we specify.

6604 The CHAIRPERSON: A lot of words but, yes, they might smooth the demand for labour.

Mr BRAXTON-SMITH: Potentially. I have provided you an example of—

6605 The CHAIRPERSON: There were recent meetings of the workforce that caused the closure of our rail system. Did the minister attend those meetings?

Mr BRAXTON-SMITH: No; those meetings were called by us for the purpose of commencing the process of consultation.

6606 The CHAIRPERSON: Was there discussion with the minister or the minister's office about how those meetings would run or occur?

Mr BRAXTON-SMITH: We sought the minister's approval for us to put in place alternative transport arrangements and, therefore, to conduct the meetings in that manner. We did not discuss with the minister anything to do with the content of the meeting or the matters that would be discussed because it is between us, as the employer, and the workforce.

6607 The CHAIRPERSON: Just to be clear, none of the content of the meeting that you had with the workforce, these big public meetings, was discussed with the minister at all? He didn't ask a question about: what are you going to tell the workers? There was no discussion about the content of the meeting with the minister? Is that your evidence?

Mr BRAXTON-SMITH: We set out our advice to the minister, what it was that we proposed to do—

6608 The CHAIRPERSON: So there was discussion about the content of the meetings?

Mr BRAXTON-SMITH: No, no; please. There was a minute that went to the minister, which set out what we proposed to do and provided the justification for why it was necessary and beneficial to organise the consultation in that manner, and we sought his approval. I think the minister

had enough information on the basis of what we put to him in writing for him to sign it off, and therefore there was no discussion that I can recall.

6609 The CHAIRPERSON: Is discussion a minute that the minister signs off for approval; it doesn't form part of discussion about a matter? What does discussion mean, then?

Mr BRAXTON-SMITH: A discussion, I think, is an exchange between us verbally, whereas a minute is something I provide you in writing that you provide back.

6610 The CHAIRPERSON: I like your use of words. It makes it very difficult to get to the bottom of things. How many trains were impacted as a result of the shutdown?

Mr BRAXTON-SMITH: The shutdown was done in the period of off-peak to minimise the impact on trains. Train services are generally half hourly in that period. I don't have the details at hand.

6611 The CHAIRPERSON: During the stop work meeting on 20 August, it was reported that TV news reporters were told that they couldn't be there and that their presence might make train drivers and others anxious. Are you aware of these reports?

Mr BRAXTON-SMITH: I am aware of the reports, but I am not certain how that information was transmitted to them or by whom.

6612 The CHAIRPERSON: Just to be clear then, you are not aware of any directive that the television media shouldn't be present?

Mr BRAXTON-SMITH: No, we were clear that there was to be no media in the room.

6613 The CHAIRPERSON: And outside the room? There was no directive issued that television media should not be around outside the room?

Mr BRAXTON-SMITH: I can't recall the detail. I was focused on other things.

6614 The CHAIRPERSON: Do you recall anything of that nature, or a directive being given, and who gave that directive? Was it the department or the minister?

Mr BRAXTON-SMITH: It wasn't me. It was probably, if a directive was given, either the venue manager, which is Adelaide Convention Centre, or the security people or it may have been one of the DPTI people. I don't know.

6615 The CHAIRPERSON: Just to be clear, you are aware of the media reports that such a directive was given, but you have done nothing to follow it up or see if anyone from your department gave such a directive?

Mr BRAXTON-SMITH: No; correct.

6616 The CHAIRPERSON: It doesn't concern you if someone from your department is giving a directive to journalists that you are not aware of?

Mr BRAXTON-SMITH: From my perspective, I think journalists follow a protocol where they actually seek, through the appointed media people, opportunities to be present to ask questions. That's handled by people who handle our media.

6617 The CHAIRPERSON: So you weren't aware of it and you have taken no interest or sought any—

Mr BRAXTON-SMITH: No, not particularly.

6618 The CHAIRPERSON: Okay, fair enough. At the two stop work meetings, you mentioned that the minister approved the content that was delivered to the workers at that meeting by way of a minute that he signed back.

Mr BRAXTON-SMITH: The minister was made aware of what we were going to be consulting on, but he did not approve the content. He approved stopping the services and providing replacement bus services.

6619 The CHAIRPERSON: Did that minute include an outline of what the content was going to be?

Mr BRAXTON-SMITH: Yes.

6620 The CHAIRPERSON: And he approved that minute?

Mr BRAXTON-SMITH: He approved the minute, but he approved the request.

6621 The CHAIRPERSON: Does anyone have a copy of that minute in their papers with them today?

Mr BRAXTON-SMITH: No, we wouldn't.

6622 The CHAIRPERSON: Would you be able to provide the committee with a copy of that minute then?

Mr BRAXTON-SMITH: If that's permitted. I am not quite sure. Is department advice to—

6623 The CHAIRPERSON: Absolutely, unless you are claiming that it's predominantly done for cabinet view that you provided before. Is there a reason you don't want to provide that minute?

Mr BRAXTON-SMITH: As I explained, I have been here for nine months. Previously, my first and only experience in government was in New South Wales. I am not fully conversant with requirements or the scope here, so that's why I ask the question. I am still in the learning phase. You have provided me with some helpful feedback today, and I will do my best to follow that feedback.

6624 The CHAIRPERSON: Alright. So, you will or won't provide that minute?

Mr BRAXTON-SMITH: If that's permitted under the rules here, then absolutely.

6625 The CHAIRPERSON: I can absolutely assure you it's—

Mr BRAXTON-SMITH: I just don't know what the rules are. In another jurisdiction, the rules were different. That's all I am saying.

6626 The CHAIRPERSON: So other jurisdictions don't allow their departments to provide minutes to them?

Mr BRAXTON-SMITH: Advice to ministers, I think, but I don't know if it's a rule or a convention.

6627 The CHAIRPERSON: Has any concern in the workforce of train and tram drivers about the future and what it holds for them, given the privatisation talks, come to your attention?

Mr BRAXTON-SMITH: Yes, there has been an amount of feedback from them.

6628 The CHAIRPERSON: What formal steps and structures has the department put in place to support the workforce?

Mr BRAXTON-SMITH: We have a number of formal arrangements in place.

6629 The CHAIRPERSON: What are they?

Mr BRAXTON-SMITH: We have an ongoing employee assistance program where, if workers are feeling under pressure or stress, they or their families can contact the employee assistance program. We have provided every worker affected with a booklet which sets out what is proposed in terms of the arrangements and the options that they have available to them.

6630 The CHAIRPERSON: Can you provide to the committee a copy of that booklet, please?

Mr BRAXTON-SMITH: Yes, very happy to provide a copy of the booklet and all of the information we have provided to the workforce. We have established a consultative forum, I think it's called, with their union representatives. I have met with their union representatives myself. There are further sessions that are being planned. In the booklet that we will provide to you, we have actually asked them by virtue of a survey what support they would like through this process.

6631 The CHAIRPERSON: Will the Footy Express buses and train services continue under the newly-tendered buses or the privatised rail system?

Mr BRAXTON-SMITH: The Footy Express service has, of course, been provided by a private sector operator for 20 years on the bus network.

6632 The CHAIRPERSON: Will they continue under the new arrangements?

Mr BRAXTON-SMITH: That has been specified as a continuing requirement.

6633 The CHAIRPERSON: Just to be very clear, the Footy Express service will continue for the 2020 AFL season?

Mr BRAXTON-SMITH: Correct.

6634 The CHAIRPERSON: Will it continue in its current form?

Mr BRAXTON-SMITH: It will continue in accordance with the game schedule, whatever that is, and in accordance with its current form.

6635 The CHAIRPERSON: Will there be any reduction to services in 2020?

Mr BRAXTON-SMITH: No, there's a process that's established between us and the Stadium Management Authority, where they tell us what level of crowd they anticipate and we respond with a service provision.

6636 The CHAIRPERSON: Under the new arrangements, can you guarantee that footy fans won't have to pay for that service?

Mr BRAXTON-SMITH: There is an arrangement at the moment between—well, I think there's something in the legislation which regards how the footy services are funded. There's no contemplation of any change to those arrangements.

6637 The CHAIRPERSON: So it will remain free for passengers to get the Footy Express services in the 2020 season? Is that your evidence?

Mr BRAXTON-SMITH: Correct. Yes, the current arrangements will apply.

6638 The CHAIRPERSON: Is there any proposal to charge the AFL clubs—Adelaide and Port Adelaide—or for them to contribute to that Footy Express service.

Mr BRAXTON-SMITH: Our negotiations are ongoing with the football clubs in relation to them meeting their obligations established in legislation in 2014.

6639 The CHAIRPERSON: Is there any chance that the football clubs will have to pay more for the Footy Express service?

Mr BRAXTON-SMITH: We are in negotiations with the football clubs about them meeting the costs of the provision of the service—they and the Stadium Management Authority—in accordance with the provisions of the legislation.

6640 The CHAIRPERSON: Does the government contribute anything to the Footy Express at the moment, and have they in the past?

Mr BRAXTON-SMITH: I presume they are meeting the funding gap at the moment.

6641 The CHAIRPERSON: Approximately how much?

Ms FORMSTON: I don't know how much.

6642 The CHAIRPERSON: So there is a gap between what the SMA or the clubs pay and what it costs to provide the services that the government currently pays for; is that correct?

Ms FORMSTON: Correct.

Mr BRAXTON-SMITH: Correct.

6643 The CHAIRPERSON: Is it proposed that that gap will continue to be subsidised in that form or is it proposed that others will pay for that service?

Mr BRAXTON-SMITH: I think the legislation establishes as a principal that where event transport is provided then the cost is recovered from the organisations that are staging that event. In every instance, with the sole exception of the AFL, provisions have been put in place for

cost recovery in accordance with the legislation. We are now in negotiation with the football clubs and the Stadium Management Authority as to them meeting the costs in accordance with the legislation.

6644 The CHAIRPERSON: So the intention is that the government will no longer pay that subsidy and it will be met by the clubs or the SMA. Is that the intention?

Mr BRAXTON-SMITH: Yes, it's full cost recovery as established in legislation, in that everyone else pays.

6645 The CHAIRPERSON: So that the Adelaide Football Club and the Port Adelaide Football Club may be paying more for their fans to come to Adelaide Oval as of next season, or is it sometime else in the future?

Mr BRAXTON-SMITH: Well, we are in negotiation with them at the moment. Nothing has been agreed.

6646 The CHAIRPERSON: So it could be as of next season. Do the Adelaide and the Port Adelaide football clubs have a view about contributing more to get their fans to the oval?

Mr BRAXTON-SMITH: They have made their views known to the minister, yes.

6647 The CHAIRPERSON: What are those views?

Mr BRAXTON-SMITH: They don't like it.

6648 The CHAIRPERSON: Are they opposed to increased costs for the clubs to get their fans to the footy?

Mr BRAXTON-SMITH: They are, yes.

6649 The CHAIRPERSON: Are you aware of whether either the clubs or the SMA have expressed a view that ticket prices for the football may rise if these costs are not paid by the government?

Mr BRAXTON-SMITH: I am aware in general that they have made a variety of claims as to what might occur.

6650 The CHAIRPERSON: You are aware of that as a specific claim?

Mr BRAXTON-SMITH: I'm not a football follower so I don't recall specific—

6651 The Hon. T.J. STEPHENS: You save yourself a lot of pain not being a football follower.

6652 The CHAIRPERSON: Mr Braxton-Smith, you could get on the tiger train, but that's just a view of some of us around this table. To be clear, are you aware of any suggestion, either from the SMA or the clubs that ticket prices may have to rise if they are to meet what is currently subsidised by the government? Are you aware of any claim?

Mr BRAXTON-SMITH: They have made claims and assertions about ticket prices, about financial viability, about a range of issues that might occur.

6653 The CHAIRPERSON: Two minutes ago you said you were not aware of any such claims. You are now aware of such claims? It is getting exceedingly difficult to get straight answers. Are you aware of any such claims?

Mr BRAXTON-SMITH: Look, you will forgive me—and maybe I am imagining this—but I am feeling a little bit badgered here. You are talking about a meeting I attended which was between the minister and the football clubs, I think several months ago, and a range of things were said. It may or may not be the case that they said ticket prices would increase. I don't recall. It is probably the case that they have. I might have seen something in the newspaper but I am not quite sure where this goes in terms of providing evidence to the Budget and Finance Committee.

6654 The CHAIRPERSON: No. Even though you are not a football fan, as you tell us, you would understand that many South Australians would keenly anticipate whether a decision of the government—that is, to stop the subsidy—could have the impact of increasing the cost of them to go to the football. I am sure that you could appreciate that.

Mr BRAXTON-SMITH: I can understand that football fans would be concerned about the price of the tickets, absolutely. Likewise I can understand, because I am from the private sector, that a business facing cost pressures will make commercial decisions about the pricing of its product. But whether you can draw a straight line between item A and decision B is actually not something that I am qualified to talk on, particularly in the case of football, because I don't understand how the financials work. But I will seek advice.

6655 The CHAIRPERSON: This might be the easiest thing to do: if there is full cost recovery, are you able to rule out that tickets to the football will increase as a result?

Mr BRAXTON-SMITH: That's not my job. I don't set the prices for tickets.

6656 The CHAIRPERSON: What increase in patronage is expected from rail privatisation?

Mr BRAXTON-SMITH: We haven't got a forecast.

6657 The CHAIRPERSON: No work has been done on that? Has the minister ever said that he expects the privatisation to increase patronage? Are you aware?

Mr BRAXTON-SMITH: Our focus for the—

6658 The CHAIRPERSON: Just answer that question: are you aware if the minister has ever claimed that privatisation will increase patronage?

Mr BRAXTON-SMITH: That's a question you should direct to the minister.

6659 The CHAIRPERSON: You are not aware of him making that claim.

Mr BRAXTON-SMITH: To be clear, I don't keep a mental catalogue of what claims the minister may or may not make, so that's a question you had best direct to the minister.

6660 The CHAIRPERSON: Again, you haven't answered the question, with respect, Mr Braxton-Smith. Are you aware if the minister has made that claim?

Mr BRAXTON-SMITH: Again, because I don't keep a mental catalogue of the minister's statements—

6661 The CHAIRPERSON: You can just say you are not aware. You are allowed to answer no.

Mr BRAXTON-SMITH: I cannot recall whether the minister has made a claim that directly says because of the rail franchising we will increase patronage.

6662 The CHAIRPERSON: So to be clear—

Mr BRAXTON-SMITH: What I can say is that the intent is to maintain the existing schedule and to look for ways to improve the service delivery and, as a consequence of that, our objective is to increase patronage.

6663 The CHAIRPERSON: But there has been no work done towards establishing what that may look like yet. Is that your evidence?

Mr BRAXTON-SMITH: It is too premature to do that work. It will be dealt with in the specification of the requirements for provision of service and we will ask the proponents to respond with their proposals for how they might improve service delivery and increase patronage. Generally, for commuters, commuters are interested in the net travel time. So, if the rail operator is able to provide us with credible proposals which would improve journey time or improve frequency, then it would be reasonable to expect that that might result in an increase in patronage. Studies in other jurisdictions would tend to indicate that.

6664 The CHAIRPERSON: Why were security guards removed from train services?

Mr BRAXTON-SMITH: There was a change to the deployment of security guards to provide better security on public transport. Bus services: there has been a longstanding history of some security incidents and, the way that security guards were deployed previously, it was identified that this could be changed and improved to provide improved security on bus services with no material impact to the security on the rail network—better use of existing resources.

6665 The CHAIRPERSON: Have security guards been removed from particular lines?

Mr BRAXTON-SMITH: There is a change to the security posture and deployment, so the answer to your question will be yes.

6666 The CHAIRPERSON: They have been removed.

Mr BRAXTON-SMITH: They have been redeployed. They have been redeployed to bus services.

6667 The CHAIRPERSON: To be very clear, there has been no reduction in the amount that the government spends on security services for its public transport network then. Is that your evidence, if they have been redeployed?

Mr BRAXTON-SMITH: No, we have delivered on some efficiency targets.

6668 The CHAIRPERSON: So there have been reductions in the amount of security guards provided to our public transport system. When you say they have been redeployed, the impression you want to create for us is there hasn't been a reduction in any number; they have simply moved from trains to buses. How much is the saving for security on our public transport network then?

Mr BRAXTON-SMITH: I will take that question on notice.

6669 The CHAIRPERSON: You can understand the frustration when we get one answer and then immediately it's a different answer?

Mr BRAXTON-SMITH: I can understand you're frustrated.

6670 The CHAIRPERSON: So there has been a reduction in security services on our public transport network. Can we guarantee the level of security services that will be provided once it's privatised?

Mr BRAXTON-SMITH: The security requirements will be specified in the new contract. We have to conduct and complete a due diligence exercise.

6671 The CHAIRPERSON: Can we guarantee they won't be further reduced?

Mr BRAXTON-SMITH: We have to specify the service requirements on the deployment.

6672 The CHAIRPERSON: So can we guarantee they won't be further reduced?

Mr BRAXTON-SMITH: I think the best way to put it is—

6673 The CHAIRPERSON: A simple answer would be great. Can we guarantee that they won't be reduced under privatisation?

Mr BRAXTON-SMITH: What I can put you is that the specification for security requirements that we have today will be the specification for the security requirements that are in the contract. But we haven't yet performed the contract due diligence to understand specifically how we will translate from current arrangements to the contract. Now, I know that you like really short, simple answers—

6674 The CHAIRPERSON: I sure do.

Mr BRAXTON-SMITH: —and you get frustrated when I can't give them to you, but I'm dealing with some complexities—

6675 The CHAIRPERSON: You choose not to.

Mr BRAXTON-SMITH: —in the construction of the existing contract and how it translates into the new contract arrangements.

6676 The CHAIRPERSON: Okay. So there won't be a reduction in the security services provided on our public transport network?

Mr BRAXTON-SMITH: Our intent is to specify the current requirements in the contract, so it's like for like.

6677 The CHAIRPERSON: So you can guarantee there won't be a reduction?

Mr BRAXTON-SMITH: I think you are asking an open-ended question. If we change the service provision, we will change the security deployment. If we have security issues in different places, we will change the security deployment. If events occur in the future where there is a different government policy setting, we will change the security deployment. But right now and right here our intent is to specify the current requirement for security in the new contract arrangements subject to completing our due diligence of the current contract to understand how we would transition from existing arrangements to new arrangements.

6678 The CHAIRPERSON: The intention is there, so you would expect it to be maintained as it is existing today?

Mr BRAXTON-SMITH: That would be my expectation.

6679 The CHAIRPERSON: Okay. During the last evidence you gave, there were questions about meetings that either you or the minister have had with Keolis Downer and also Transdev. I think you weren't quite sure of the timing of those meetings. Do you have better information about the timing of when either you or the minister met with those two companies this year?

Mr BRAXTON-SMITH: Both myself and the minister met with Keolis Downer in November last year and, I believe, Transdev around the same time—or late last year. The minister and I were present in Newcastle in June this year—I can't remember the date—

6680 The CHAIRPERSON: And met with Keolis Downer?

Mr BRAXTON-SMITH: —to look at what light rail had done in Newcastle, once it was up and operating, and how it operated.

6681 The CHAIRPERSON: So you met with Keolis Downer in Newcastle in June?

Mr BRAXTON-SMITH: Yes, correct. During that trip they took us for a tour of their operational control centre and we walked part of the alignment for light rail and travelled on a light-rail vehicle for the rest.

6682 The CHAIRPERSON: Was there a meeting with the company at that time?

Mr BRAXTON-SMITH: That was the meeting.

6683 The CHAIRPERSON: Did you just go up to get on a train or were there further discussions?

Mr BRAXTON-SMITH: We went up to look at the urban transformation that's occurred in Newcastle, which I was very keen for the minister to have a look at because it's something that hasn't yet happened here where we have built light rail lines. We had quite a conversation with the local mayor about some settings there. We also had a meeting with Keolis Downer in their operational control centre where they showed us both how they are managing an integrated network of bus and tram operations and where they showed us what they are doing with on demand transport. Transit Systems Australia you haven't asked about. Transit Systems Australia are another proponent. I think we also went to their operational control centre in about November last year.

6684 The CHAIRPERSON: But not in June?

Mr BRAXTON-SMITH: No; in November last year.

6685 The CHAIRPERSON: Can you remember when in June that Newcastle trip was?

Mr BRAXTON-SMITH: I can't remember the precise date; but did we not provide that to you in questions on notice?

6686 The CHAIRPERSON: I can't see it, but we only got these yesterday, so I haven't thoroughly, forensically examined all the pages yet. One thing from the answers that were provided was that industry briefings about the bus service procurement were held on 17 May with major operators being Adelaide Coachlines, Busways SA, Transdev, TranSystems, TransGroup Australia, ComfortDelGro and Keolis Downer. Is that right?

Mr BRAXTON-SMITH: Yes; so all of the proponents for bus.

6687 The CHAIRPERSON: You had meetings with. And at that meeting—

Mr BRAXTON-SMITH: No; that was not a meeting; that was an industry briefing.

6688 The CHAIRPERSON: And then there were one-on-one meetings between May and 6 June with each proponent?

Mr BRAXTON-SMITH: That was from Peter Andrews, who is the program director.

6689 The CHAIRPERSON: From the information you provided, at those one-on-one meetings at the end of May and very early June the following questions were raised with those one-on-one proponents: 'There has been a lot of press on privatisation franchising. What are your thoughts on the privatisation franchising and what opportunities exist to improve integrated transport in Adelaide and are there advantages in integrated contracts?' So it was raised at those meetings at the end of May early June with these proponents, then, asking for their views about integrated contracts, that is, further privatisation. Is that right?

Mr BRAXTON-SMITH: About integration of other services into bus services contracts.

6690 The CHAIRPERSON: We saw that come to fruition with the tender for tram services with the bus services. It was raised. What did they think about other integration? Obviously, that is rail services. What else could it mean?

Mr BRAXTON-SMITH: At the risk of causing you frustration, that was information that was gathered for the purpose of informing a cabinet decision.

6691 The CHAIRPERSON: I think in answers from questions on previous page 729, paragraphs 6082 to 6084, there were one-on-one briefings where there were discussions about further integration of public transport, one-on-one with all of these companies.

Mr BRAXTON-SMITH: From memory, the project director sought answers to those questions.

6692 The CHAIRPERSON: Is that person a departmental employee, who conducted this?

Mr BRAXTON-SMITH: No, he's not a departmental employee; he is a very specialist contractor that's been engaged to conduct the procurement process on behalf of the department.

6693 The CHAIRPERSON: These were questions that he was raising with these companies one-on-one, the questions I have just been through?

Mr BRAXTON-SMITH: The process known as market sounding, yes.

6694 The CHAIRPERSON: You said they were done to inform cabinet deliberations, so the minister was aware that these questions were being raised with these individual ones?

Mr BRAXTON-SMITH: Post the fact.

6695 The CHAIRPERSON: So there was these market deliberations occurring, is your evidence, without the minister knowing that they were occurring until after they happened?

Mr BRAXTON-SMITH: I wanted a question asked of the parties involved in the procurement process for buses of their views on the potential for the inclusion of other services in scope.

6696 The CHAIRPERSON: And you did that without getting the approval of the minister to do that.

Mr BRAXTON-SMITH: Through the procurement process. I am the authorised officer to conduct the procurement process and it was my assessment that it would be prudent to understand the market's view and appetite prior to making recommendations to cabinet.

6697 The CHAIRPERSON: And again, so that we can be very clear, your evidence is that the minister was not aware that these companies were going to be asked these questions. Is that your evidence—by a discussion or a minute or a briefing note or any form whatsoever?

Mr BRAXTON-SMITH: I would need to review all of the documentation and my records to provide you an answer on that, so I will take that question on notice.

6698 The CHAIRPERSON: You are not sure?

Mr BRAXTON-SMITH: I will take that question on notice. If I had a firm answer for you, I would give it to you now, but I will take the question on notice.

6699 The CHAIRPERSON: The problem is you did have a firm answer and it was no, but when being asked to clarify you are not sure.

Mr BRAXTON-SMITH: I will take the question on notice.

6700 The CHAIRPERSON: So when you and the minister went to Newcastle in June, I assume, given these one-on-one industry briefings, these industry soundings, as well as the industry briefing in mid-May, would have likely occurred, given all the one-on-one briefings were concluded by 6 June, were Keolis Downer aware and had been asked these questions by the time you met them in Newcastle?

Mr BRAXTON-SMITH: I think if you look at the response to the question on notice those questions were asked through the procurement process, and I'm pretty sure our meeting in Newcastle was kind of late June.

6701 The CHAIRPERSON: Late June?

Mr BRAXTON-SMITH: So the great probability is the questions have been asked of Keolis Downer, and their representatives who are participating in the procurement process, in May. We were in Newcastle in June, so I think you can reach the conclusions yourself.

6702 The CHAIRPERSON: So Keolis Downer were asked questions by the person the department appointed to do these market-sounding one-on-one briefings. They were asked questions about the possibility of further integration—that is, rail privatisation—and, subsequent to that, the minister met them in Newcastle; is that correct?

Mr BRAXTON-SMITH: One event occurred after the other, yes.

6703 The CHAIRPERSON: And there was no thought given, I think, from your answers and your clarifications last time, about whether that raised probity issues or made the need to seek probity advice.

Mr BRAXTON-SMITH: Absolutely, because no conversation could occur about a procurement process that was on foot. It was very clear that we were going to Newcastle for two reasons: one, at my urging, for the minister to see how development occurs around light rail, because there has been a lot of talk about light-rail extensions here. The business case for an extension of light rail has to be founded on urban uplift, and I wanted the minister to see a practical example of how that occurred.

Secondly, there was an opportunity to look at an operations control centre for integrated service delivery of both light rail and buses, and also to understand about on demand transport, which is another area of keen interest from government. They were the three things we were going to talk about. It was abundantly clear that there could be no conversation about a procurement process; therefore, there was really no need to seek the detailed probity advice. The minister and I were there together.

6704 The CHAIRPERSON: In retrospect, was having a meeting with the company who only weeks before were asked about further privatisation of our public transport system a wise thing, given the appearance of a conflict?

Mr BRAXTON-SMITH: We need to continue with business as usual while we conduct the procurement process. I have no difficulty with having had that meeting or anything associated with it.

6705 The CHAIRPERSON: Are you aware that Torrens Transit are providing funding for the Carols by Candlelight, to continue some sort of sponsorship arrangement?

Mr BRAXTON-SMITH: I was made aware of that over the weekend, yes.

6706 The CHAIRPERSON: This is presumably from the profits that Torrens Transit generate. They have decided to sponsor this South Australian event.

Mr BRAXTON-SMITH: Torrens Transit is a private sector operator that operates here in South Australia and is part of a company called Transit Systems Australia that has contracts around Australia, in Singapore and I think now in London. They have made a commercial decision to invest where they see fit. I have learnt about it through the announcement that I think was in the newspaper—

6707 The CHAIRPERSON: Just so we are very, very clear, does the government provide, as a matter of course or for special purposes, any funding to companies like Torrens Transit to allow them to undertake these sponsorships?

Mr BRAXTON-SMITH: No, there is no contractual requirement and no—

6708 The CHAIRPERSON: Yes, you don't have to have a contractual requirement to do that. Was there any funding—

Mr BRAXTON-SMITH: No, there is no contractual requirement. There is no provision of any funding.

6709 The CHAIRPERSON: None whatsoever?

Mr BRAXTON-SMITH: No.

6710 The CHAIRPERSON: In terms of passenger vehicles—mini-vans and such—is each of those sorts of vans licensed to carry a certain number of passengers or weight? Are you aware of what regime operates?

Mr BRAXTON-SMITH: Passenger vehicles for?

6711 The CHAIRPERSON: A private mini-van, for example. Are they licensed to carry a certain number of passengers or a gross weight? Is there a regime that DPTI administers for that?

Mr BRAXTON-SMITH: There is a regulatory framework for the carriage of paid passengers, yes, so it will be part of the point-to-point legislation.

6712 The CHAIRPERSON: Does any of your team know what a coachline would have a maximum capacity of? Is it done on number of passengers or the weight of the vehicle?

Mr BRAXTON-SMITH: I think we will have to take the question on notice. It's a technical question, and I don't think any of us—

Ms FORMSTON: I think it's on gross mass.

6713 The CHAIRPERSON: It's on gross mass? So a Premier Stateliner bus or whatever the companies are now that provide services will have a maximum weight that that bus is allowed to have, but there is no maximum restriction on the number of passengers on that bus?

Ms FORMSTON: It depends on the set-up of the bus. If it's a bus with seats, like an interstate travelling bus, yes, you have to be seated compared to if you are talking about a bus that we are carrying with Adelaide Metro where, again, the people have to be behind a line. There are rules around where people need to stand.

6714 The CHAIRPERSON: So if it's a private bus with a certain number of seats, it's generally the case that you can't exceed the number of seats on the bus as well as the weight capacity?

Ms FORMSTON: It's more around the safe carriage of the passengers, if there is something to hold onto. It really depends on how the bus is configured.

6715 The CHAIRPERSON: Would that sort of coachline be restricted by the weight or the number of passengers, or both?

Ms FORMSTON: It would be on weight, but the carriage of passengers would be on safety. When you are talking about some of these coachlines, there is also baggage. So you have to take into consideration the baggage and the people for the weight.

Mr BRAXTON-SMITH: If it would help, we will get the detailed information.

6716 The CHAIRPERSON: That would be great. Is it the same regime for public transport, on train and tram carriages? Is there a gross weight that cannot be exceeded by some sort of licensing regime?

Mr BRAXTON-SMITH: In the rail network it tends to be dealt with on the basis of what the carrying capacity is of the rolling stock. Engineers will do calculations but generally they are engineered to carry up to—because they are designed off a standard platform—what in the industry is referred to as a particular crush load, which is generally four people per square metre. Most rolling stock, when you procure it, would be specified for that as a requirement.

6717 The CHAIRPERSON: Just to be clear, unlike a private operator of an interstate coachline where that bus will have a maximum capacity that it can carry, for an individual train or tram carriage, there is no maximum weight or maximum number of people: it just depends on how big the engine is effectively and if you can haul that; is that right?

Mr BRAXTON-SMITH: No. It's dealt with in the rail safety framework. There must be an engineering assessment done as to the maximum safe load that the vehicle can carry, and then there are generally quite generous safety factors that are applied beyond that for what is reasonably foreseeable as a failure. If for instance suspension fails, or something like that, it still must be able to—

6718 The CHAIRPERSON: Would a particular rail carriage have a maximum weight that is regarded as safe?

Mr BRAXTON-SMITH: Yes, they will all have maximum weights.

6719 The CHAIRPERSON: Each carriage will have a maximum weight that—

Mr BRAXTON-SMITH: Yes, but it's determined by the engineering and the specifications of it.

6720 The CHAIRPERSON: For our rolling stock in South Australia, are you able to provide the maximum weight that each carriage is—

Mr BRAXTON-SMITH: Certainly. I am happy to take that on notice.

6721 The CHAIRPERSON: Is there an enforcement regime that the department undergoes in terms of checking that it is not exceeded? I know your department has weighbridges and other ways of setting up temporary weigh stations for trucks or other things, but is there a regime of enforcement for this with public transport?

Mr BRAXTON-SMITH: I will take the question on notice. I would say that there is unlikely to be, because generally the way rail rolling stock is engineered is that they engineer it for standards that are well in excess of what you could actually fit into the railway carriage practically.

6722 The CHAIRPERSON: So we check private operators but we don't check ourselves as a government?

Mr BRAXTON-SMITH: Well, we check through the accreditation process. The Rail Safety Regulator will check through the accreditation process, so I think if you are particularly concerned about who checks us, then I would say it is the Office of the National Rail Safety Regulator.

6723 The CHAIRPERSON: They actually do check. They occasionally come and check that the carriages—

Mr BRAXTON-SMITH: The Office of the National Rail Safety Regulator has a regulatory regime where they periodically review all aspects of our documentation and paperwork.

6724 The CHAIRPERSON: But in terms of weighing a carriage like they weigh trucks?

Mr BRAXTON-SMITH: Again, I will take the question on notice if I can because it is a technical question about how we ensure compliance.

6725 The CHAIRPERSON: I have a question on the requirement for medical certificates for drivers over 70 to continue their licence, which I am pretty sure the Hon. John Darley might like to ask some questions on as well. There has been some media attention around this recently.

Mr BRAXTON-SMITH: Yes.

6726 The CHAIRPERSON: Is it the case that drivers need an annual check-up if they are over 70 years old?

Mr BRAXTON-SMITH: Let me just check to see if I have my notes on that. Regrettably, I didn't bring my notes so I don't have the detail. Jude, do you have any information that you can share?

Ms FORMSTON: No, I haven't got my notes.

6727 The CHAIRPERSON: I might give you some background information that might help you answer the questions. Yesterday, I spoke to Archbishop John Hepworth, who told me that earlier this year—I think on 27 February—he sent in his documentation to Service SA with his medical certificate for his annual check-up to certify that he can still drive. He was sent a letter saying that he hadn't sent it in and that he might lose his licence in two weeks' time if he doesn't send it in. He told me that he spoke to someone on the phone at the Service SA centre who said that there is up to a six-month wait for these letters to be processed. Are you aware of complaints or any procedures that relate to that?

Mr BRAXTON-SMITH: I am aware of complaints.

6728 The CHAIRPERSON: What have you done about it?

Mr BRAXTON-SMITH: As a consequence of hearing those complaints, I have ascertained from the people who manage Service SA, who report to me, what the current status of arrangements is. There is a backlog and there has been a persistent backlog since 2017.

6729 The CHAIRPERSON: What sort of time frame is the backlog at?

Mr BRAXTON-SMITH: The backlog has varied in terms of its duration. It's currently around 12 weeks.

6730 The CHAIRPERSON: So three months people will wait, with their certificates being sent in, and sent threatening letters saying they are going to lose their licence, notwithstanding that they have certificates.

Mr BRAXTON-SMITH: The threatening letter is an unfortunate administrative oversight where I don't think our team has fully thought through what would be an appropriate arrangement to put in place.

6731 The CHAIRPERSON: I know Bishop John Hepworth said he asked for an apology which was not forthcoming. Are you apologising to people who are sent threatening letters?

Mr BRAXTON-SMITH: I would offer my apology to anyone who has received a letter—

6732 The CHAIRPERSON: Have you thought about sending—

Mr BRAXTON-SMITH: —who has already made a submission, who has already lodged their documentation. I can assure them that I am working with the team responsible for Service SA to find ways to better resource that part of the business so that we can reduce the backlog.

6733 The CHAIRPERSON: When do we expect that to happen? When would you be confident that these are dealt with in a timely manner?

Mr BRAXTON-SMITH: It is difficult to predict because what we have experienced is a sharp uplift in the number of certificates that are being submitted. They have increased by about 50 per cent in the last two years. We are dealing with a growing issue and we are trying to get it under control.

6734 The Hon. J.A. DARLEY: Thank you for fixing mine.

Mr BRAXTON-SMITH: I will take it on notice but I do understand that this is causing some frustration for members of the community and would be a bit upsetting for them. I will see what we can do to address the issues.

6735 The CHAIRPERSON: What is DPTI's role in the audit of combustible composite cladding on both government-owned buildings and other buildings?

Mr BRAXTON-SMITH: DPTI is responsible for the management of the audit process using a tool called SALSA, the South Australian Life Safety Assessment Tool. It has managed the assessment of the government-owned buildings and it has done that in collaboration with the relevant fire safety authorities.

In the case of privately owned buildings, councils have been required to administer the process. We have supported and assisted them, generally through their building fire safety committees, and again, with the relevant fire safety authorities. So they are two separate paths, one for South Australian government-owned buildings, one for privately owned.

6736 The CHAIRPERSON: Are there any problems with the cladding on the Convention Centre?

Mr BRAXTON-SMITH: The whole process started in 2017. We were asked to identify buildings that may have combustible cladding, then investigate them and then respond. It is quite a big program. We have reviewed thousands of government-owned buildings.

6737 The CHAIRPERSON: The Convention Centre?

Mr BRAXTON-SMITH: We have identified 54—I am getting to your question—where there was combustible cladding potentially present and needed a life safety assessment. We have completed the life safety assessment. On the scale, anything that is low or moderate is deemed to be currently suitable for fire life safety. In the event of a combustible cladding fire, the assessment indicates to us that the current arrangements in place preserve life safety.

In the case of the Adelaide Convention Centre, there has been some ongoing concern expressed about whether or not that is adequate. The fact is that the assessment tool which has been developed in consultation—it is the same assessment tool which was developed for Victoria—has been adapted for South Australia. It has been revised with the fire safety authorities. It has been independently validated. Everything says that the tool is an appropriate way to assess life safety. The way the tool works is where there is doubt about a particular material, it assumes the worst. So the rating of the Adelaide Convention Centre is moderate and, therefore, life safety would be preserved during a fire event. That is what the tool is telling us.

6738 The CHAIRPERSON: Is it PE, or black core? Is that the material on the Convention Centre, are you aware?

Mr BRAXTON-SMITH: I am aware that people refer to various materials that have a particular sort of core that is a different colour that would affect its flammability. I don't have detail about what is installed on the Convention Centre. I have heard that there is a concern that it may be there. But even if it were there, the SALSA tool, assumes the worst case. It assumes that flammable material is there.

6739 The CHAIRPERSON: Are you aware of concerns that emergency services have raised about, in particular, the Convention Centre, and particularly a level of complacency or comfort due to the provision of sprinklers in the building?

Mr BRAXTON-SMITH: In relation to the concerns, I met last week with the chief executive of SAFECOM and the Metropolitan Fire Service chief, and we have had an internal conversation about what is appropriate for the Convention Centre. The Convention Centre are keen for us to provide them with our advice and recommendations, which we are just finalising, but we think it prudent, in the case of the Convention Centre, that more work be done to understand the nature of the materials that are installed.

6740 The CHAIRPERSON: So you don't fully understand the nature of the materials?

Mr BRAXTON-SMITH: The assessment tool is designed on the basis that, where you do not have full information about the material, you assume that it is the worst sort of material—

6741 The CHAIRPERSON: Has there been actual testing of the material itself that's the cladding?

Mr BRAXTON-SMITH: That is going to be one of our recommendations. The material hasn't yet been tested.

6742 The CHAIRPERSON: This is ostensibly desktop, based on what's in the drawings and the advice? It's not an actual testing of the cladding?

Mr BRAXTON-SMITH: It's based on the design documentation for the building.

6743 The CHAIRPERSON: Are you aware of any concern from emergency services, particularly fire services, dating back to the middle of last year that there should be testing to ascertain exactly what it is and, again, complaining about a level of complacency in relation to doing that?

Mr BRAXTON-SMITH: I'm not aware of what you are referring to there because that predates my arrival in South Australia. So I think, as I have just described to you, what I'm aware of arises out of my meeting last week with the chief executive of SAFECOM.

6744 The CHAIRPERSON: Would you mind if I could pass this over to you so you can have the benefit of the same document that I'm looking at. Are you aware of the document which is being passed to you? I seek leave to table the document so it can go on the public record.

Mr BRAXTON-SMITH: I have not seen this document.

6745 The CHAIRPERSON: Having a quick look at particularly paragraph 7, which starts with, 'At a meeting held with minister Knoll', and this is on 22 June 2018, 'the minister then instructed DPTI to conduct a sample testing on the major government-owned buildings to establish what the cladding was.' So this is at a meeting on 22 June 2018. Is your evidence that that sample testing has not yet occurred, a year later?

Mr BRAXTON-SMITH: Yes. To the best of my knowledge the testing is yet to be undertaken. My understanding is there was a conversation, but until now I haven't had this detail. There was some suggestion that testing be done, but testing at the time—I believe there was only a limited number of laboratories that could do it and there was a large backlog. That's information that came to me last week in the course of the conversation with the people that I have referred to.

6746 The CHAIRPERSON: To be clear, before last week you were not aware that there was a desire from our emergency services that the Convention Centre cladding be tested? You only became aware of it last week?

Mr BRAXTON-SMITH: There was a minute that we did to the minister in about February/March this year—

6747 The CHAIRPERSON: Would you be able to provide that on notice to the committee, please?

Mr BRAXTON-SMITH: I am happy to provide that minute on notice.

6748 The CHAIRPERSON: Are you able to outline what that minute said?

Mr BRAXTON-SMITH: Sorry, what was your question again?

6749 The CHAIRPERSON: I thank you for agreeing to provide that minute. Can you outline what the advice in the minute was to the minister?

Mr BRAXTON-SMITH: The advice to the minister was—I might hand to you, Mike. Are you able to provide information on the detail of that?

Mr BURDETT: Yes. The details of that minute were about the Convention Centre itself. It gave the background of the SALSA tool itself, what it was trying to achieve, what the outcome of that report was indicating. As Tony has indicated, it indicated that the life threat for the Convention Centre was within the range that has been deemed to be safe.

6750 The CHAIRPERSON: That's based on the materials that they specify in the documents as being used and not any testing of the actual materials; is that correct?

Mr BURDETT: That's right. The process for the cladding audit is a three-step process. This concludes the phase 2 process, which is the investigation, so the assessment of the tool directly on life safety. It then hands over for a response to that, and that is one where the indication was to continue discussions with the MFS so that the response to that could be determined.

That is the discussion that we have had: that the MFS, closely involved in the process, would be involved in the third phase in responding.

6751 The CHAIRPERSON: I have a question that relates to the answer you've just given. Are you aware that as far back as June of last year the fire authorities were concerned and recommended testing to be undertaken?

Mr BURDETT: I was not.

6752 The CHAIRPERSON: So you've had no knowledge that fire authorities are concerned about this?

Mr BURDETT: I point out that I was not involved in the building policy area at that time.

6753 The CHAIRPERSON: Is the department considering doing anything to speed up the testing that hasn't been done since the fire authorities appeared to have raised it more than a year ago?

Mr BRAXTON-SMITH: So, to—

6754 The CHAIRPERSON: Just before that, Mr Braxton-Smith, were you aware of how long this concern has been ongoing for, not just the meeting from last week, that the fire authorities wanted the testing of the Adelaide Convention Centre?

Mr BRAXTON-SMITH: Again, I sighted the minute that Mike makes reference to. I can't recall the extent to which testing was mentioned in that minute or not, so it may be there, it may not; I can't recall. However, I do recall that there was a workshop to be held between the building owner and DPTI and the fire services to determine, on the basis of the assessment completed to date, what would happen next.

I think that workshop occurred sometime after that, and that is the response phase that Mike alludes to. The Convention Centre is managed by Adelaide Venue Management, and as the building owner they are the ones that would be responsible for performing the testing. So where we are at the present time is our recommendation will be to undertake that testing but it will be theirs to respond to, between them and the fire authorities.

6755 The CHAIRPERSON: So DPTI won't undertake the testing?

Mr BRAXTON-SMITH: The testing will be done by Adelaide Venue Management as the building owner.

6756 The CHAIRPERSON: So DPTI won't do any testing themselves?

Mr BRAXTON-SMITH: The venue?

6757 The CHAIRPERSON: Yes.

Mr BRAXTON-SMITH: The building owner is responsible for doing the testing. The testing is therefore done by Adelaide Venue Management. I think you have the answer.

6758 The CHAIRPERSON: Yes, which again is quite peculiar, given dot point 7 says the minister then instructed that DPTI conduct a sample testing of the major government-owned buildings. They've got that completely wrong? DPTI won't be doing any of this?

Mr BRAXTON-SMITH: I don't understand the author of this document, the context, any of the detail here. I haven't seen this document until now, so it is difficult for me to provide you with any evidence of this with what I am trying—

6759 The CHAIRPERSON: Will you take on notice and provide to the committee all documents, discussions, minutes—every form of communication—that DPTI has had either with the minister, internally or with other departments about the issue of combustible cladding?

Mr BRAXTON-SMITH: That's an interesting question. I'll take that on notice.

6760 The CHAIRPERSON: But if you can, you will provide those?

Mr BRAXTON-SMITH: Like I say, I will take the question on notice. I will provide what I am advised that I can provide.

6761 The CHAIRPERSON: Unless you are advised there's something you can't provide, you will provide all those documents?

Mr BRAXTON-SMITH: Why would I not?

6762 The CHAIRPERSON: I don't know. A simple yes would probably be the easiest way to go. John, do you have a question?

Mr BRAXTON-SMITH: I am somewhat perplexed by the question.

6763 The Hon. J.A. DARLEY: Just quickly to the Valuer-General: could you provide us details of the target areas for 2019-20 and 2020-21? Can you also provide a copy of the exception report where your valuation exceeded 90 per cent of the sale price or asking price of any property in South Australia? Could you also provide information as to why your office told the Unley city council that hotels in that area would not be revalued, nor will the Showgrounds be revalued?

Ms BARTOLO: I can certainly answer them on notice.

6764 The CHAIRPERSON: I think we are now a few minutes over the allotted time, so I thank you for sticking around, as you did before, past the two hours of allotted time. I think there is significant interest, public as well as from members of parliament, in DPTI and all the things they do, so I thank you for your appearance again. I know there were some other questions we didn't get to so, given the level of interest, we might get you back again sooner rather than later. Thank you for your appearance here today. The transcript will be forwarded to you for clerical corrections. There were a couple more questions. We might have you back soon rather than trying to table stuff.

6765 The Hon. C.M. SCRIVEN: I move that the documents that have been tabled be received and published.

Seconded by Hon. J.A. Darley.

Carried.

THE WITNESSES WITHDREW

DEPARTMENT OF PLANNING, TRANSPORT AND INFRASTRUCTURE

LEGISLATIVE COUNCIL BUDGET AND FINANCE COMMITTEE

27 AUGUST 2019 HEARING

QUESTIONS ON NOTICE

ACP CLADDING - MINUTE

In reply to the **Hon. K. J. Maher MLC** who asked the following questions.

Refer draft HANSARD page 796, number 6747

6746 *The CHAIRPERSON: To be clear, before last week you were not aware that there was a desire from our emergency services that the Convention Centre cladding be tested? You only became aware of it last week?*

Mr BRAXTON-SMITH: There was a minute that we did to the minister in about February/March this year-

Question

6747 *Would you be able to provide that on notice to the committee, please?*

Answer: The minute and its contents is subject to the condition that documents will be made available to be viewed in camera on request as referred to in the letter issued by Mr Braxton-Smith to the Committee Chair dated 24 September 2019.

DEPARTMENT OF PLANNING, TRANSPORT AND INFRASTRUCTURE

LEGISLATIVE COUNCIL BUDGET AND FINANCE COMMITTEE

27 AUGUST 2019 HEARING

QUESTIONS ON NOTICE

BUSES

In reply to the **Hon. K. J. Maher MLC** who asked the following question.

Refer draft HANSARD page 792, number 6712 and 6715

Question

6712 *Does any of your team know what a coachline would have a maximum capacity of?*

Is it done on number of passengers or the weight of the vehicle?

Answer:

There is no legally prescribed limit to passenger numbers in a vehicle, rather the maximum number of passengers in a bus or coach is restricted by the gross vehicle mass limit of the vehicle. The Australian Design Rule (ADR) allowance for passenger mass is 68kg per person and the ADRs also specify minimum seat spacings and aisle widths.

The maximum statutory mass limit for a bus with two axles at the rear with dual tyres on all rear axles is 22.5 tonnes. However, the number of passengers that can be accommodated within that limit depends upon the mass of the empty vehicle, and vehicle features, such as the provision for luggage, a toilet, whether the bus has one or two decks and so forth.

6715 *Would that sort of coachline be restricted by the weight or the number of passengers, or both?*

Answer:

Route service (metro) buses may carry standing passengers but only where straps and handrails are provided. There is no legally mandated formula for calculating the maximum number of persons standing, apart from the gross vehicle mass limit.

DEPARTMENT OF PLANNING, TRANSPORT AND INFRASTRUCTURE

LEGISLATIVE COUNCIL BUDGET AND FINANCE COMMITTEE
27 AUGUST 2019 HEARING
QUESTIONS ON NOTICE

VEHICLE REGISTRATION

In reply to the **Hon. J.A. Darley MLC** who asked the following question/s.

Refer draft HANSARD page 764, number 6422 and 6423

Question

6422 *When did DPTI advise existing people who were paying by direct debit that they could pay by 12 monthly?*

Answer: Information is displayed on the DPTI internet site that describes the direct debit scheme. Any client who accesses their mySA GOV Account, which is used to administer direct debit and a range of other services will also be shown the various registration renewal period options available for their vehicle. Registration renewal notices also advise of the ability to pay registration by direct debit monthly, or for any of the other periods shown on the notice.

Further advice regarding this option will be included in broader communications around the range of online services available for clients to undertake registration and licensing transactions.

6423 *I have three vehicles that are registered that way and we haven't been advised about the options on insurance at this stage...and all vehicles were previously registered in August and April of the year.*

Mr Braxton-Smith: Rather than take the particulars of your vehicles, if I may I will answer the question in the general by finding what information we provided to customers and if there is anything more we should do, in which case we will do it.

Answer: On 30 May 2019, an email was sent to every client with a vehicle currently registered under the direct debit scheme. This advised of the ability to choose a Compulsory Third Party (CTP) Insurer by accessing their mySA GOV Account. It also included a link to the CTP Insurance Regulator's internet site for additional information about the new CTP scheme.

On the anniversary of a client first enrolling a vehicle on the direct debit scheme, an email is sent to them reminding them that they can now choose their CTP Insurer. The message includes brief instructions on how to choose an insurer via their mySA GOV Account, and a link to the CTP Insurance Regulator's site for more information.

DEPARTMENT OF PLANNING, TRANSPORT AND INFRASTRUCTURE

LEGISLATIVE COUNCIL BUDGET AND FINANCE COMMITTEE

27 AUGUST 2019 HEARING

QUESTIONS ON NOTICE

RIDESHARE INDUSTRY

In reply to the **Hon Kyam J Maher MLC** who moved the following questions – *inserted into the official transcript without having been read.*

Supplementary Question 47

- 47) DPTI appears to have developed a cosy relationship with a disruptive organisation like Uber, that makes a point of entering markets to break existing regulation, at the expense of the taxi industry, which was very well regulated. Do you believe that is the case?

Answer:

DPTI has previously and continues to work with representatives of the taxi, chauffeur and rideshare industry on the regulation of the point to point passenger transport industry. Since the 2016 industry reforms, this industry continues to be well regulated.

Supplementary Question 48

- 48) If not, why then the disinterest in pursuing compliance at the same level that existed with the taxi industry?

Answer:

If an offence is detected by or reported to DPTI the appropriate action is taken regardless of the offender. This includes taxi, chauffeur, rideshare, special purpose and large passenger drivers, operators and booking services.

Supplementary Question 49

- 49) What was the highest price paid for a taxi plate in the year Uber came to town?

Answer:

In 2014 the highest price paid to DPTI for a general taxi licence was \$361,000.

Taxi Licences can be sold privately, and these sales do not involve DPTI and so DPTI therefore cannot accurately report the highest selling price.

Supplementary Question 50

- 50) What was the highest price paid for a taxi plate in the past 12 months to 30 June 2019?

Answer:

As part of a 2016 Taxi and Chauffeur Vehicle Reform, a five-year freeze was placed on the release of any further taxi licences. Accordingly, DPTI has not sold any taxi licences since 2015.

Taxi licences can be sold privately, and these sales do not involve DPTI and so DPTI therefore cannot accurately report the highest selling price.

Supplementary Question 51

- 51) How much of the \$1 trip levy has been collected since it was introduced?
How much is being held by DPTI?
How many taxi plate owners have received compensation payments from the fund and what does it total?

Answer:

Since commencement of the levy to 31 May 2019, the total raised through the levy is \$19.4m.

The levy is collected to recover costs relating to Taxi Industry Assistance Packages. These costs have not yet been fully recovered.

Taxi Industry Assistance Packages were paid to 686 taxi licence owners with a total of \$30,990,000 paid. Licence owners were eligible to apply for Industry Assistance Packages valued at \$30,000 for each taxi licence owned on 12 April 2016.

As some taxi plate owners have multiple plates, some owners were paid a larger amount. There are 1,033 plates that have received the Industry Assistance Package. These plates are owned by a total of 686 people.

Supplementary Question 52

- 52) Are you satisfied in the integrity of the collection of the levy from Uber and other ride share operators, or are there concerns some may be avoiding paying it?

Answer:

All rideshare Centralised Booking Services (CBS) have paid the levy for all assessment periods to date. Rideshare booking systems enable the collection of the levy on all bookings through the rideshare CBS.

Supplementary Question 53

- 53) Will the \$1 levy continue to be collected after compensation payments are completed, and if so, what will it be used for?

Answer:

Since the (\$1) Point to Point Service Transaction Levy was introduced there has been no end date legislated.

In addition to funding the Industry Assistance Packages the levy can and is being used to fund decreased fees to industry (including free driver accreditation), a lifting fee paid to drivers for the loading and unloading of wheelchair or scooter bound passengers, and additional compliance officers.

Supplementary Question 54

- 54) Was DPTI at any time instructed by the government or relevant Minister of the day to go easy on Uber?

Answer:

DPTI is not aware of any instruction to go “easy on Uber”. Reforms to the Taxi and Small Passenger Transport Industry, which included legalising rideshare services, were intended to help promote competition and improve customer service and were implemented following the recommendations of the 2016 Independent Taxi and Chauffeur Vehicle Industry Review.

Supplementary Question 55

- 55) My FOI request is also seeking information and figures on DPTI's compliance enforcement since Uber entered the market - legally and illegally - however these figures are also not forthcoming. Why is this the case?

Answer:

The FOI process is prescribed by the FOI Act. Any information either released or not released is done so in accordance with the FOI Act.

Supplementary Question 56

- 56) Was Uber - or Uber X as it was known - operating illegally at any time?

Answer:

Uber was accredited as a Centralised Booking Service (CBS) on 28 April 2017 after being required to meet conditions of accreditation. DPTI worked with Uber to ensure all passenger transport regulatory requirements were understood, agreed and met, just as DPTI has done with all other applicants for CBS accreditation. Compliance and enforcement activities were undertaken in accordance with the law.

Supplementary Question 57

57) Are you familiar with the term "greyballing"?

Answer:

Yes.

Supplementary Question 58

58) I understand it is sophisticated software that was being used by Uber here and interstate to thwart or frustrate inspectors in their duty to monitor compliance through mobile phone use. Uber could detect who was actually calling them and then evade detection of any illegal activity. Was your department aware of this practice?

Answer:

DPTI does not comment on law enforcement activities and methodology. Disclosure of any specific enforcement activities could jeopardise current and future investigations.

Supplementary Question 59

59) Did DPTI do anything to try and overcome this type of unethical and deceptive conduct?

Answer:

DPTI does not comment on law enforcement activities and methodology. Disclosure of any specific enforcement activities could jeopardise current and future investigations.

Supplementary Question 60

60) Did DPTI see a need to buy and use untraceable mobile phones to try and counteract this, and if so, at what cost and what results were achieved?

Answer:

DPTI does not comment on law enforcement activities and methodology. Disclosure of any specific enforcement activities could jeopardise current and future investigations.

Supplementary Question 61

61) Was this deceptive and misleading conduct reported to one of the state's integrity bodies? If it wasn't, what were the reasons for that?

Answer:

DPTI reports all matters to the state's integrity bodies as required by law.

DEPARTMENT OF PLANNING, TRANSPORT AND INFRASTRUCTURE

LEGISLATIVE COUNCIL BUDGET AND FINANCE COMMITTEE

27 AUGUST 2019 HEARING

QUESTIONS ON NOTICE

TRAINS

In reply to the **Hon. K. J. Maher MLC** who asked the following question.

Refer draft HANSARD page 793, number 6720, 6721 and 6724

Question

6720 *For our rolling stock in South Australia, are you able to provide the maximum weight that each carriage is?*

Answer: The tare weight (unloaded) of our diesel railcars is between 46.5t (3100 Class) and 47.5t (3200 Class). The allowable total/gross weight as per manufacturers specification is 62.0t (3100 Class) and 63.7t (3000 Class) respectively. The number of standing passengers required to exceed that load limit assuming all seats are occupied is well above the practical industry application of 4 passengers per square metre.

Fundamentally, it is not practically possible to get sufficient passengers on board to overload the railcar.

6721 *Is there an enforcement regime that the department undergoes in terms of checking that it is not exceeded? I know your department has weighbridges and other ways of setting up temporary weigh stations for trucks or other things, but is there a regime of enforcement for this with public transport?*

Answer: Railcars are weighed and tested at manufacture. This is undertaken by the use of a load cell, similar to those used in heavy road vehicles. Any modifications to the railcars are designed and monitored to ensure there is no impact to the tare weight of the railcar. This is validated by a load cell if the change is significant enough such as the recent repowering of the diesel railcars.

Testing of the railcars occurs with extraordinary loads above the gross weight.

6724 *But in terms of weighing a carriage like they weigh trucks?*

Answer: See answer above

DEPARTMENT OF PLANNING, TRANSPORT AND INFRASTRUCTURE

LEGISLATIVE COUNCIL BUDGET AND FINANCE COMMITTEE

27 AUGUST 2019 HEARING

QUESTIONS ON NOTICE

SAVINGS TARGETS FOR PUBLIC TRANSPORT

In reply to the **Hon. K. J. Maher MLC** who asked the following question.

Refer draft HANSARD page 777 and 788, number 6556 and 6668

Question

6556 *I think in your evidence last time, at paragraph 6052, you answered a question that the savings from the privatisation - and I think you chose to use 'outsourcing' as a word to describe it - will substantially contribute to the savings target for public transport. What are the savings targets for public transport?*

Answer: Savings targets applied to public transport in the 2018/19 budget process across the forward estimates are:

2019-20	2020-21	2021-22	2022-23
\$000's	\$000's	\$000's	\$000's
14,791	15,160	15,540	15,928

Due to a growth in historic savings targets there is a requirement to over-achieve the above targets, the extent to which will be dependent upon the related tender processes.

6668 *So there have been reductions in the amount of security guards provided to our public transport system. When you say they have been redeployed, the impression you want to create for us is there hasn't been a reduction in any number; they have simply moved from trains to buses. How much is the saving for security on our public transport network then?*

Answer: At this stage no material savings are expected. The security contract was executed in August 2017. The new contract combined public transport, key DPTI buildings and assets security into one contract. The new security contract has a risk based approach which allocates security resources to areas of greatest need across the public transport network including bus. Roving patrols rather than fixed guards are now used on some rail lines. This methodology was approved as part of the new security contract.

DEPARTMENT OF PLANNING, TRANSPORT AND INFRASTRUCTURE

LEGISLATIVE COUNCIL BUDGET AND FINANCE COMMITTEE

27 AUGUST 2019 HEARING

QUESTIONS ON NOTICE

INTEGRATION AND PROCUREMENT OF PUBLIC TRANSPORT

In reply to the **Hon. K. J. Maher MLC** who asked the following question.

Refer draft HANSARD page 790, number 6697

Question

6697 *So that we can be clear, your evidence is that the minister was not aware that these companies were going to be asked these questions. Is that your evidence - by a discussion or a minute or a briefing note or any form whatsoever?*

Answer: There was no communication with the Minister relating to the questions asked by the project team to understand the market's perspective on matters in press coverage regarding privatisation. This includes the period prior to and since the date of the interactive sessions.

DEPARTMENT OF PLANNING, TRANSPORT AND INFRASTRUCTURE

LEGISLATIVE COUNCIL BUDGET AND FINANCE COMMITTEE

27 AUGUST 2019 HEARING

QUESTIONS ON NOTICE

PROPERTY VALUATION

In reply to the **Hon. J. A. Darley MLC** who asked the following questions

Refer draft HANSARD page 798, number 6763

Question

6763 *Just quickly to the Valuer-General: could you provide us details of the target areas for 2019-20 and 2020-21?*

Can you also provide a copy of the exception report where your valuation exceeded 90 per cent of the sale price or asking price of any property in South Australia?

Could you also provide information as to why your office told the Unley City Council that hotels in that area would not be revalued, nor will the Showgrounds be revalued?

Answer:

i. The areas are detailed in Appendix B as per the Valuer-General's Project summary published 3rd September 2019. *It is important to note that the annual General Valuation of all property across the State continues and that the Revaluation Initiative enhances the accuracy of those valuations.*

ii. The Audit team within the Office of the Valuer-General have the ability to run numerous exception reports. Specific to this question, a Sales Ratio Study report can be run as part of the Audit process to identify statistical measures which provide insights as to where valuations lay relative to recorded sales. See Appendix C.

Best practice and having regard to International Valuation Standards, provides an acceptable range for Mean Sales Ratio of 0.9 – 1.0 – with some variances for certain property classifications. Additionally, a Coefficient of Dispersion in the near vicinity of 10 is also considered acceptable.

Appendix C has been run to demonstrate, at a State level, the outputs for 2019 to date.

iii. The Revaluation Initiative (RI) aims to improve data which in turn improves the accuracy of the annual General Valuation(s). Each and every property within the Valuation Roll(s) is valued every year. As part of that annual valuation process, some property types, such as hotels, shopping centres etc. are revalued in a manner similar to that undertaken within the RI program. As a result and in order to make best use of the funding available, some of those property classifications are excluded for the RI project – noting that their annual valuations continue.

Appendix B

As at 3 September 2019

Cycle 1 in effect for 2019-2020 FY <i>COMPLETED</i>	Cycle 2 in effect for 2020-2021 FY	Cycle 3 in effect for 2021-2022 FY
City of Adelaide*	City of Adelaide*	City of Adelaide
Unley	Burnside	Campbelltown
Walkerville	Charles Sturt	Marion
Adelaide Plains**	Holdfast Bay	Mitcham
	Norwood, Payneham & St Peters	Port Adelaide Enfield
	Prospect	Adelaide Hills
	West Torrens	Onkaparinga†
	Primary Production and Rural Living	Tea Tree Gully†
	Light	Playford†
	Alexandrina	Salisbury†
	Barossa	Primary Production and Rural Living
	Kangaroo Island	Gawler
	Victor Harbor	Mount Barker
	Yankalilla	Onkaparinga
		Playford

* Due to the complexity of this Area, research and analysis is ongoing and will be delivered in Cycle 3

** Primary production and rural living only

† Initial testing has suggested that the majority of Residential Site and Capital Values in these areas already lay within reasonable tolerances and as such, for these areas, Commercial and Industrial properties form the primary focus

Appendix C

Extract Summary									
Sale Period	Sale Count	Consideration (Min)	Consideration (Max)	Median Consideration					
Jan 2019	2729	\$0	\$8,875,000	\$400,000					
Feb 2019	2433	\$5,000	\$18,300,000	\$386,050					
Mar 2019	3007	\$5,000	\$23,402,500	\$390,000					
Apr 2019	2767	\$11,000	\$35,147,500	\$393,000					
May 2019	3188	\$2,100	\$15,000,000	\$382,000					
Jun 2019	3016	\$3,000	\$8,047,000	\$370,000					
Jul 2019	2765	\$4,500	\$12,060,000	\$395,000					
Aug 2019	1617	\$18,500	\$2,500,000	\$370,000					
Sep 2019	17	\$69,000	\$2,100,000	\$278,000					
OVERALL	21539	\$0	\$35,147,500	\$385,000					
Accuracy Measures									
Sale Period	Sale Ratio (Min)	Sale Ratio (Max)	Mean Sale Ratio	Median Sale Ratio	Mean/Median Sale Ratio	Weighted Mean Sale Ratio	Median Percentage Error	Percentage High Values	
Jan 2019	0.26	2.71	0.92	0.91	1.00	0.90	8.03%	36%	
Feb 2019	0.13	3.24	0.91	0.91	1.00	0.88	8.47%	35%	
Mar 2019	0.18	6.69	0.91	0.91	1.00	0.87	8.30%	36%	
Apr 2019	0.27	5.06	0.91	0.91	1.00	0.85	8.23%	37%	
May 2019	0.07	3.52	0.91	0.91	1.00	0.88	8.52%	37%	
Jun 2019	0.16	4.37	0.91	0.91	1.01	0.88	8.38%	35%	
Jul 2019	0.14	6.36	0.92	0.91	1.01	0.88	8.20%	37%	
Aug 2019	0.17	1.89	0.92	0.91	1.00	0.90	7.71%	36%	
Sep 2019	0.67	1.18	0.89	0.89	1.00	0.83	8.66%	29%	
OVERALL	0.07	6.69	0.91	0.91	1.00	0.88	8.27%	36%	
Uniformity Measures									
Sale Period	Average Absolute Deviation	Standard Deviation	Coefficient of Dispersion (Median)	Price Related Differential	Coefficient of Variation (Mean)				
Jan 2019	0.092	0.133	10.0	1.02	14.5				
Feb 2019	0.098	0.143	10.8	1.04	15.7				
Mar 2019	0.103	0.178	11.3	1.04	19.5				
Apr 2019	0.102	0.163	11.2	1.07	17.9				
May 2019	0.103	0.152	11.3	1.04	16.7				
Jun 2019	0.101	0.165	11.2	1.04	18.0				
Jul 2019	0.103	0.177	11.3	1.04	19.3				
Aug 2019	0.094	0.136	10.3	1.02	14.8				
Sep 2019	0.084	0.113	9.4	1.07	12.6				
OVERALL	0.100	0.158	11.0	1.04	17.3				

DEPARTMENT OF PLANNING, TRANSPORT AND INFRASTRUCTURE

LEGISLATIVE COUNCIL BUDGET AND FINANCE COMMITTEE
27 AUGUST 2019 HEARING
QUESTIONS ON NOTICE

REVALUATION IN THE CITY OF ADELAIDE

In reply to the **Hon. J.A. Darley MLC** who asked the following question.

Refer draft HANSARD page 777, number 6548

Question

6548 *Have you provided Treasury with any estimate of the impact of that third cycle?*

Answer:

In June 2019, upon provision of a data set from the Department of Treasury and Finance (DTF), the Office of the Valuer-General provided the below estimates for site value. Those estimates were provided specific to the data set provided which included a portion of the whole Valuation Roll(s) only, and in accordance with the Project Plan in place at that time.

The estimates provided below relate to the accumulative value levels for each cycle by property classification for private property. The table below shows the financial years that align with cycle two and three, with the difference between the two being the estimate relevant to the change in value associated with the third cycle.

Property Classification	2020-21	2021-22
Residential	\$8,460,668,555	\$ 8,644,868,431
Commercial	\$2,760,711,026	\$ 2,820,103,251
Industrial	\$ 154,670,135	\$ 165,757,164
Rural	\$ 5,584,747	\$ 20,147,889
Vacant Land	\$ 322,937,925	\$ 377,896,919
Rural Living	\$ 167,065,929	\$ 190,881,146
Other	\$ 177,945,375	\$ 185,599,945

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1319/19

DEPARTMENT OF PLANNING, TRANSPORT AND INFRASTRUCTURE

LEGISLATIVE COUNCIL BUDGET AND FINANCE COMMITTEE

27 AUGUST 2019 HEARING

QUESTIONS ON NOTICE

PROPERTY VALUATION

In reply to the **Hon. J. A. Darley MLC** who asked the following questions

Refer draft HANSARD page 798, number 6763

Question

6763 *Just quickly to the Valuer-General: could you provide us details of the target areas for 2019-20 and 2020-21?*

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Could you also provide information as to why your office told the Unley City Council that hotels in that area would not be revalued, nor will the Showgrounds be revalued?

Answer:

- i. The areas are detailed in Appendix B as per the Valuer-General's Project summary published 3rd September 2019. *It is important to note that the annual General Valuation of all property across the State continues and that the Revaluation Initiative enhances the accuracy of those valuations.*
- ii. The Audit team within the Office of the Valuer-General have the ability to run numerous exception reports. Specific to this question, a Sales Ratio Study report can be run as part of the Audit process to identify statistical measures which provide insights as to where valuations lay relative to recorded sales. See Appendix C.

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Walkerville	Charles Sturt	Marion
Adelaide Plains**	Holdfast Bay	Mitcham
	Norwood, Payneham & St Peters	Port Adelaide Enfield
	Prospect	Adelaide Hills
	West Torrens	Onkaparinga†
	Primary Production and Rural Living	Tea Tree Gully†
	Light	Playford†
	Alexandrina	Salisbury†
	Barossa	Primary Production and Rural Living
	Kangaroo Island	Gawler
	Victor Harbor	Mount Barker
	Yankalilla	Onkaparinga
		Playford

* Due to the complexity of this Area, research and analysis is ongoing and will be delivered in Cycle 3

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1319 119

DEPARTMENT OF PLANNING, TRANSPORT AND INFRASTRUCTURE

LEGISLATIVE COUNCIL BUDGET AND FINANCE COMMITTEE

27 AUGUST 2019 HEARING

QUESTIONS ON NOTICE

OFFICE OF THE VALUER-GENERAL STAFF

In reply to the Hon. J.A. Darley MLC who asked the following question/s.

Refer draft HANSARD page 775, number 6530

Question

6530 *We have received an organisation chart from your organisation. What I would like to do, if you could take it on notice, is provide details of the job specification for each of those positions. Perhaps you could just go through it and indicate the sorts of jobs that these people do.*

Answer:

Valuer General

- Statutory Officer responsible for developing and implementing valuation and land administration policy and services that support the economic development of the State and integrity of the State's Land Valuation system by:
 - Being accountable for the independent administration of the *Valuation of Land Act 1971* and associated Statutes;
 - Ensuring the quality, integrity and impartiality of property valuations, services and objection processes;
 - Managing relationships with key stakeholders within and outside of Government.

Deputy to the Valuer General

- Provide high level strategic and policy advice to the Valuer-General and Service Provider on matters relating to delivery of valuation and land administration services across the State, including throughout the general valuation, objection and review processes.
- Ensure the delivery of relevant, timely and accurate information to meet the requirements and statutory obligations of DPTI and the Valuer-General, in accordance with the *Valuation of Land Act 1971* and other relevant legislation, particularly with regards to the Service Provider.

Senior Advisor – Governance

- Establishing and maintaining effective communication links with LSSA, Statutory clients and the general public;
- Assisting in the quality assurance compliance monitoring of the contractual arrangements with LSSA in accordance with relevant legislation (particularly the *Valuation of Land Act 1971*), regulations, valuation practices, guidelines and departmental policies;

Project Manager

- Coordinated management of the Revaluation Initiative (RI)

Senior Valuer – Governance

- Compliance oversight and Quality Control of valuations undertaken by LSSA;
- Providing decisions and recommendations regarding valuation objections and reviews.

Governance Valuer

- Preparing complex/sensitive advice and valuation compliance reports on valuations;
- Participating in and provision of professional advice on projects and reviews.

Senior Advisor – Statutory Compliance

- Developing and coordinating correspondence, reports, briefings and advice for Cabinet, Parliamentary, Ministerial, Departmental, Executive and Valuer-General submissions.
- Overseeing and managing statutory compliance and grievance matters, particularly in relation to SACAT matters.

Senior Statutory Officer

- Preparing correspondence, reports and advice for SACAT, Cabinet, Parliament, Ministerial, Departmental and Executive submissions;
- Assisting in the processes required to ensure statutory compliance and grievance matters (which includes SACAT hearings) are efficiently conducted.

Customer Services Officer

- Researching valuation records and valuation roll information to prepare information to satisfy customer, staff and stakeholder requirements;
- Liaising and negotiating with stakeholders to address concerns associated with panels established for valuation reviews.

Statutory Services and Administrative Officer

- Providing administrative support to the statutory grievance function;
- Creating valuation records and maintaining tracking systems;
- Preparing, processing and interpreting valuation information and reports.

Principal Advisor – Audit

- Leading and managing a specialist team engaged in providing a regulatory oversight of the State's land valuations;
- Managing the audit and progressive assurance process for general valuation.

Senior Audit Valuer

- Assisting in the provision of a regulatory oversight of the State's land valuations as a member of a specialist audit team;
- Undertaking audit and progressive assurance processes and reporting;

Audit and Data Officer

- Assisting in the audit and progressive assurance process for statutory and non-statutory valuations;
- Providing information, reporting and analysis to assist in the development of effective audit measuring systems and reporting processes.

Chief Valuer – Advisory

- Leading and managing a specialist team engaged in providing a specialist valuation service in regard to procedures required for "requested valuations";
- Undertaking sensitive or complex property research and investigation on valuation reports, audits and current industry best practice to identify opportunities to improve the State valuation system.

Senior Valuer – Advisory

- Providing a specialist valuation service in regard to processes and procedures required for non-statutory valuations (e.g. insurance, asset, acquisition and other specialised valuations);
- Undertaking sensitive or complex property research and investigation on valuation reports, audits and current industry best practice to identify opportunities to improve the State valuation system.

Procurement and Audit Valuer

- Undertaking property research and investigation on valuation reports, audits and current industry best practice to identify opportunities to improve the State's valuation system;
- Developing business strategies to assess commercial viability options for the service;
- Maintaining and enhancing effective working relationships with LSSA, Government and statutory groups and other stakeholders.

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13/9/19

DEPARTMENT OF PLANNING, TRANSPORT AND INFRASTRUCTURE

LEGISLATIVE COUNCIL BUDGET AND FINANCE COMMITTEE

27 AUGUST 2019 HEARING

QUESTIONS ON NOTICE

SERVICE SA BACKLOG

In reply to the **Hon. K. J. Maher MLC** who asked the following question.

Refer draft HANSARD page 794, number 6733

Question

6733 *When do we expect that to happen? When would you be confident that these are dealt with in a timely manner?*

Answer: Through a combination of changes to improve processing efficiency and reallocation of resources within Licence Regulation, the backlog of medical certificates for fitness to drive has been significantly reduced. As of early September 2019, there is no backlog of medical certificates to be processed for light vehicle class licences. For clients who have heavy vehicle licence classes, who must meet more stringent medical requirements, there is a four week backlog.

DPTI continues to work on this issue, and it is anticipated that, by the end of October 2019 there will be no backlog of heavy vehicle class licence medical certificates.

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1319 119

DEPARTMENT OF PLANNING, TRANSPORT AND INFRASTRUCTURE

LEGISLATIVE COUNCIL BUDGET AND FINANCE COMMITTEE

27 AUGUST 2019 HEARING

QUESTIONS ON NOTICE

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FREEDOM OF INFORMATION

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1319 / 119

In reply to the **Hon Kyam J Maher MLC** who moved the following questions –
inserted into the official transcript without having been read.

Supplementary Question 44

44) Has DPTI changed its policy in responding to FOI requests from MPs?

Answer:

No. DPTI's policy does not distinguish between different applicant types.

Supplementary Question 45

45) Do you think it is reasonable for a request (from Frank Pangallo MLC) to be still sitting with your FOI officer after seven months?

Answer:

DPTI's FOI Unit progresses applications as quickly as it is able to. In the case of applications from Frank Pangallo MLC, two applications were received on 27 March 2019 that related to the taxi industry. Combined, the two applications requested documents relating to 14 separate sub-topics. The FOI Unit attempted to re-scope the applications to a more manageable level with Mr Pangallo and did not receive a response until 17 June 2019. The revised scope still includes nine separate sub-topics and both applications are complex. Since that time, the FOI Unit has been working closely with the internal business unit to locate all documents in scope and finalise the determination. Mr Pangallo has been kept abreast of the progress.

Supplementary Question 46

46) Why is DPTI making it difficult - if not impossible - to get information about the Department and the government's dealings with Uber going back to 2015?

Answer:

Since 2015, DPTI has received eight applications relating to Uber and has released 78 documents in full or in part via these applications. Current applications relating to Uber continue to be progressed.