



HOUSE OF ASSEMBLY

PUBLIC WORKS COMMITTEE

PORT RIVER EXPRESSWAY

Constitution Room, Old Parliament House, Adelaide

Wednesday 5 September 2001 at 2.55 p.m.

(OFFICIAL HANSARD REPORT)

PARLIAMENT OF SOUTH AUSTRALIA

MEMBERS:

Mr I.P. Lewis MP (Presiding Member)

Mr G. Scalzi MP

Ms M.G. Thompson MP

WITNESSES:

TIM O'LOUGHLIN, Chief Executive, Department of Transport, Urban Planning and the Arts, Level 9, Roma Mitchell House, 136 North Terrace, Adelaide 5000; JON STEELE, Director, Strategic Projects, DAVID BARTLETT, Project Manager, Port River Expressway, and PAUL GELSTON, Project Manager, Port River Expressway, Transport SA, 33 Warwick Street, Walkerville 5081, called and examined:

1 THE PRESIDING MEMBER: Good afternoon everybody. Thank you for appearing before the Public Works Committee this afternoon. Before proceedings begin there are some formalities that I need to bring to your attention. Sections 28 and 31 of the Parliamentary Committees Act outline the privileges, immunities and powers of the committee. Witnesses should note the hearing is a lawful function of parliament and as such it warrants the same respect as parliament itself demands.

The proceedings are open to the public, except when the committee is deliberating on evidence it has received or if witnesses request that part of their evidence be given in private for reasons of justifiable confidentiality. Unless witnesses request that evidence be received in camera, evidence which is taken in this hearing is available to the public. All the evidence presented to the hearing is recorded by *Hansard* reporting staff and a copy of the transcript will be forwarded to witnesses to check for accuracy.

May I ask if you would begin by introducing yourselves, and including your titles and qualifications for the record. The committee would like you to then summarise your submission, adding any further details or facts which may be relevant to the inquiry and noting any changes or omissions. Questions will then be asked by members of the committee in order to clarify aspects of the proposition, to seek additional information, or perhaps to enable points to be amplified. The committee will provide an opportunity to make statements off the record.

Before I ask you to commence, though, there are three questions that I need to get on the record. First, as a point of clarification, could you please advise the committee whether the proposition that you have put before it today is exactly the same as the

proposal submitted to it and approved by cabinet and, if not, in what precise way it differs? Are there any errors or omissions in your submission that you would like to draw our attention to?

The second question is: are you aware that you must make a quarterly report to the committee, so that work is proceeding according to an approved proposal? This report must detail any instance where there have been any variations in project cost, target time frames or design features.

Thirdly, the committee would also very much appreciate—though I doubt that the members of the committee at present will be the members of the committee when the time arrives—a statement advising at least eight weeks in advance when the work will be dedicated, commissioned, or whatever it is you do to expressways. Do you have any questions?

MR O'LOUGHLIN: No. Presiding Member, would you like us to begin by introducing ourselves?

2 THE PRESIDING MEMBER: Yes.

MR O'LOUGHLIN: I am Tim O'Loughlin, Chief Executive Officer of the Department of Transport, Urban Planning and the Arts, joined today by Jon Steele, Director, Strategic Projects, Transport SA, by David Bartlett, Project Manager, Port River Expressway, Transport SA, and by Paul Gelston, Project Manager, Port River Expressway, Transport SA.

In terms of the three questions that you have put to us, the first response is: the proposal submitted to you is the same as that approved by cabinet. Perhaps so it is clear: the original proposal went to cabinet; the cabinet did ask for some additions to be made for it and deputised the Premier to approve those additions on behalf of the cabinet; the additions were made and were approved by the Premier; and on Monday that fact and the completion of that process was noted by cabinet.

3 THE PRESIDING MEMBER: Those additions are included in this or not?

MR O'LOUGHLIN: Yes, they are. Second, we are aware of our obligations to furnish a quarterly report and that will be met, and, thirdly, yes we are aware of the eight weeks notice period before commissioning, and that will be provided to the committee.

I have just a short introductory statement for the committee. Obviously after a very long period we are pleased to be here today to present for your consideration our submission for the construction of the Port River Expressway project. This project is unique and exciting and will provide a much needed improvement to transport infrastructure for South Australia's major trade gateway at a time when other related developments are being progressed, such as the new grain handling facility at Outer Harbor, the Port waterfront

redevelopment and, of course, the Alice Springs to Darwin railway line.

The significance of the area is evidenced by the estimated 200 businesses located there, providing road and other transport services to Adelaide and beyond. Another indication of its significance to industry is the level of exports that go through the Port; for example, about 1 million tonnes of grain per year, 380 000 sheep and 340 000 cattle.

However, the transport links to the Port are indirect and congested and these roads represent an impediment to the competitiveness of the general transport infrastructure centred around that area. This impediment can only be exacerbated by further economic growth. The Port River Expressway project has been developed to overcome these deficiencies by providing more direct links from the national highway and freight systems for the major freight and shipping facilities to Port Adelaide and Outer Harbor.

The project will not only reduce congestion but will achieve significant reductions in travel time. The results of the economic cost benefit analysis included in the report show a very considerable benefit of 3.7 to 1 for the combined stages 1 and 2, and 1.2 for stage 3.

The project will have a substantial social benefit, as well as economic benefit, by diverting heavy commercial traffic from around the Port Adelaide residential and business centre. The project will assist the Port to realise its potential in terms of urban regeneration, tourism and recreation.

The project is being undertaken at the same time as a major urban renewal project—the Port Waterfront Redevelopment Project, which aims to transform the Port area into a key visitor and lifestyle destination for metropolitan Adelaide. The project itself will contribute directly to community amenity, with recreational shared bicycle and pedestrian paths along the entire length of the road and bridge, and provision made for commuter cyclists on the road.

Innovative funding methods characterise the delivery of this project, which is a joint federal and state government initiative, which we expect to be supported by the private sector. The state government has committed funds as outlined in the report and the federal government has committed funds under its roads of national importance program. For the first time in South Australia private sector funding will be sought for a major transport infrastructure investment with the private sector being invited to participate in construction of the road and rail bridges under a build/own/operate/transfer scheme.

As this is the first project of this type in South Australia, Transport SA has engaged the expertise of Price Waterhouse Coopers, who advise how to optimise the project delivery package and the financial structure of the project and assist with the evaluation of the expression of interest and subsequent tender processes. We have approached those with knowledge of interstate roads, particularly the Roads and Traffic

Authority of New South Wales, which has extensive experience in this area. Price Waterhouse Coopers has also market tested the project to identify issues about which the private sector may have an interest or view and to increase the profile of the project. The documents drafted so far for the expression of interest reflect the feedback received from that process.

4 THE PRESIDING MEMBER: As it stands presently, can you elaborate for us the difference between the net present value of the project with and without tolls?

MR O'LOUGHLIN: The economic benefit analysis was required by the committee. We have had a separate financial modelling report done by Price Waterhouse Coopers and we are happy to make that report available to the committee. The net present value calculations were done without tolls by Price Waterhouse Coopers.

5 THE PRESIDING MEMBER: In explaining as you did to me on the bus, can you put on the record why we have come to the conclusions we have and what the spread of risk is for each of the two alternatives with tolls on the one hand and without tolls on the other?

MR BARTLETT: The impact of tolls is that there is assumed leakage of people from the expressway on to the network and it is assumed at 40 per cent. We have done traffic modelling based on a non-toll solution as that is the potential traffic. We assume that 40 per cent of those people may make a decision not to cross the bridge and pay the toll.

6 THE PRESIDING MEMBER: Why did you assume that it would be 40 per cent or from what authoritative study elsewhere in Australia has it been possible to determine that it is likely to be as high as 40 per cent?

MR BARTLETT: In South Australian there is no experience in tolls. We have engaged someone from the main traffic model on the Citylink project. He has been the adviser on the Sydney expressways and tollways. We have taken him around the network and shown him the traffic modelling. We have also used the PPK traffic consultant who was part of the benefit costs work. We have looked at the sort of diversions they are getting on Citylink and the Sydney tollways. Generally interstate they are running at around the 15 to 30 per cent mark. We have said that Adelaide in terms of savings in time for this link and its acceptance, based on advice we have from PPK and Maunsell McIntyre, is in the vicinity of 40 per cent. Our logic and the way we built up that number was reasonably well supported by both the Maunsell and PPK people. The PPK report is reproduced in the economic evaluation. They differentiate between various users, which is fine, but the main user and benefits are from the private vehicles and we have assumed that 40 per cent of private vehicles would be the number.

MR O'LOUGHLIN: The purpose of this modelling is, first, to arrive at a view as to what the project would cost the government if the government went ahead and did it

without private sector involvement, but with tolls. The second purpose is to attempt to estimate the sort of contribution the private sector may wish to make. In order to work out the cost to the government we have taken this deliberately conservative approach by assuming higher levels of leakage. We have assumed a higher level of leakage than applied to Citylink in Melbourne, which is comparable because Melbourne did not have experience with toll roads whereas Sydney has been paying tolls since the 1920s.

7 MS THOMPSON: We are talking of stage 1 only?

MR O'LOUGHLIN: We are talking of stage 2 predominantly, which is the road bridge with the toll.

8 MS THOMPSON: That is what I wanted to clarify. The expressway is stage 1 and there is no toll, but stages 2 and 3, if it is practical to toll a railway, we are not dealing with at the moment. We need to deal with the case of stages 2 and 3 not going ahead: where does stage 1 stand by itself? How do you go along the publicly funded expressway and get off it without paying the toll to go across on the bridge?

MR STEELE: There are access points along the length of the expressway so you can get off it.

MR BARTLETT: There is a disused rail corridor to the south of the pivot plant in Port Adelaide, which accesses St Vincent Street.

9 THE PRESIDING MEMBER: The pivot plant is near the corner of which two carriageways?

MR BARTLETT: On the corner of Ocean Steamers Road and Francis Street. The toll will apply. There is an exit just prior to the toll booth. There is a free expressway to give access into Port Adelaide.

10 MS THOMPSON: This hearing is about stage 1 only and if stages 2 and 3 proceed there will be another hearing—is that your assumption?

MR O'LOUGHLIN: This hearing is about the tender for stage 1 and its going to expression of interest for stages 2 and 3.

11 THE PRESIDING MEMBER: Yes, understood.

MR BARTLETT: The point that Peter made: we have assumed that 40 per cent of people make a decision that to get to this point here via this route, rather than—

12 THE PRESIDING MEMBER: Sorry—Mr Bartlett, can I tell you that in 30 or 40 years time an engineering student who wants to read this evidence again will need to know

what it is that you are referring to. We have to make it possible for someone who is not familiar with the geography of Port Adelaide at the present time to read this document anywhere on earth at any time in the future and understand, when they look at a map or a plan, what it is we were talking about. If you could just use some existing and likely easily discovered landmarks, like the name of streets, to define the approximate location to which you refer in the course of your remarks.

MR BARTLETT: We have assumed for financial modelling purposes that 40 per cent of people will make a decision to leave the expressway in Francis Street via the disused rail corridor to the south of Pivot, travel via St Vincent Street across the Birkenhead Bridge and onto Victoria Road.

13 THE PRESIDING MEMBER: Just before you go any further—that will presuppose that we allow some vehicles to use the Birkenhead Bridge. As I understood it during the course of our site inspection earlier this afternoon, the Birkenhead Bridge may be restricted to light vehicular traffic and, anyway, it is a heritage bridge and the longer it lives presumably the greater will be the likelihood of the weight restrictions imposed on vehicles using it.

MR BARTLETT: That is correct. There is a very strong likelihood that we will put an eight tonne, or something similar—

14 THE PRESIDING MEMBER: Make it five.

MR BARTLETT: A five tonne load limit on the Birkenhead Bridge which, again, increases its life.

15 THE PRESIDING MEMBER: Yes, quite considerably, to drop it from eight to five I imagine would extend its life enormously.

MR BARTLETT: And we may well have it one lane in each direction, rather than the current configuration as well.

MR STEELE: And that approach, of course, is very consistent with trying to promote the urban regeneration of the inner Port area, by keeping heavy traffic out of that central area of the Port.

16 THE PRESIDING MEMBER: So the couriers and parcel freight would be able to get across it, but any other commercial freight would need to go way back south somewhere, if you didn't cross on the toll bridge?

MR STEELE: Yes. It would have to go over the Jervois Bridge south of the Birkenhead Bridge.

17 MS THOMPSON: I wanted to get a better understanding of what the parameters of today's exercise were, and what were the options for users of the expressway, but in a previous answer mention was made of access points, and I do not think we have seen that in the documentation. Are there access and exit points on the expressway?

MR STEELE: Yes, there is the access that was mentioned on the tour of Hanson Road, and then South Road. So basically the access via Hanson Road, into South Road, and also at Eastern Parade. You might recall we stopped at that point and we were talking about the fact that there will be an overpass there but there will also be access and egress to the expressway way at that point, and then at the point previously mentioned, too, by David, to connect in St Vincent Street.

18 MS THOMPSON: The other point I had not picked up is: what is the length of the expressway?

MR BARTLETT: Approximately seven kilometres from where it joins Victoria Road in the west to where it comes off South Road in the east.

19 MS THOMPSON: And does that include that extra section of developing Hanson Road?

MR BARTLETT: Hanson Road is an additional kilometre on top of that.

20 THE PRESIDING MEMBER: The other big question from me concerns greenhouse gas emissions. Would it be possible to accept the assumption that if we construct the expressway completely all the vehicles which could use it will use it, and then provide for the committee what is estimated will be saved in the way of fuel, and therefore atmospheric carbon emissions, by comparing the amount that is likely to be used with the expressway, knowing that we can toddle along there at probably at least 80 kilometres an hour or 100, as opposed to going along the arterial roads and streets through Port Adelaide and waiting our turn to go through the Black Diamond Corner and turn up on to the Birkenhead bridge, and so on? So we can explain to people that there are other benefits accruing to the world at large by the construction of the tollway.

The second part of the question is: what is likely to be the amount of fuel used in the construction of the tollway, and therefore the greenhouse house emissions that will be involved in that construction process, so that we can then do a calculation of the net benefits in reduction of greenhouse gas emissions for—and this is the other area for you to be looking for in that—the next 50 years? I do not expect you to make an extrapolation of what the traffic will be like beyond 50 years; that at best guess for the next 50 years we can get somewhere within 30 or 40 per cent of what it is likely to be. We know that South Australia's development is going to be limited by emissions of industry that can use the amount of water that we have at our disposal, in the final analysis. And I do not want you to make any assumptions about water sources from desalination or anything else that will affect gross

population numbers here and therefore the traffic densities that will be using that carriageway.

MR O'LOUGHLIN: We would be happy to respond to the committee on those points. Can I just be clear about the first part the request. As I understand it, the request is to compare fuel usage and associated greenhouse gas emission on the basis that all of the traffic that could possibly go over the bridge will; and, then, that none of it will—compare all possible traffic going over it with the case that none of it will.

21 THE PRESIDING MEMBER: Yes, because if we do not build it none of it can.

MR O'LOUGHLIN: I was just going to suggest that in the submission there is a model number for what—we go from 24 800 vehicles per day in the Port Adelaide centre down to 11 500 per day. It does not have to be an either/or, but I wonder whether the committee would also value the modelling to be done to that basis.

22 THE PRESIDING MEMBER: Yes, we can look at the number of deaths that are likely to be caused by cancer from the incomplete combustion of diesel fuels and diesel fuel gases that will be left hanging around in the more densely populated parts of Port Adelaide, too, if you like. I think it runs into about three and half people a year. If you take it over 50 years—it is not only going to save lives from vehicular collisions but also it is going to reduce the level of exposure of people who are living and/or working in the Port Adelaide area to partially combusted exhaust gases, and that is not insignificant. I know that no-one is supposed to put a dollar value on life but, hell, early death has a price.

MR O'LOUGHLIN: Well, we certainly put dollar values on life and injury for the purposes of, as you know, the cost benefit analysis of road—

23 THE PRESIDING MEMBER: I assumed that was taken into account when we arrived at net present value figures at the present time.

MR BARTLETT: It has been.

24 THE PRESIDING MEMBER: Yes, that is how I read it, anyway.

MR BARTLETT: Yes. Also in the environmental report we have a table that shows the changes in air quality. I am not an expert in that field, but it shows levels of CO₂, NO_x, and PM₁₀, and there is a significant improvement in all of that.

25 THE PRESIDING MEMBER: Yes, all I want you to do is go the extra step.

MR BARTLETT: Yes, I think we have a lot of the data that we could go to the next step.

26 THE PRESIDING MEMBER: Yes, it is not going to be hard. I would not have asked otherwise; I would have checked with you first to see if you did have access to that data. The very fact that you have included that indicated to me that it would not be hard for us to get a table from you along those lines. I know already from national Public Works Committees conferences that New South Wales is doing these calculations on the expressways they are building and that in consequence of their having done that other Public Works Committees are examining those aspects of new transport corridor constructions in their respective states and constituencies to quantify those benefits that accrue to society from the investment of capital and so on. We can easily fall into line with that and allow the public to understand that if you build a tollway you are not killing shingle back lizards by removing their habitat with no benefit to anybody or anything. There are greater benefits than just the convenience of motorists, be they truck or car drivers, commuters or freight carriers. There are benefits far greater than convenience and the public mind needs to have those benefits placed before it because it is in the public interest to understand it that way. That is my view and I believe the rest of the members of the committee share that concern.

27 MS THOMPSON: My first question is about how this fits into an overall transport management plan. We have just had the Adelaide-Darwin railway people in here and if you listen to them there will be one truck and you will be sending your grandchildren out to look at it because it will not come very often. The enthusiasm in the Northern Territory about the extent to which the rail corridor will replace freight transport is quite overwhelming. In the evidence on the railway that we have heard so far, that enthusiasm was not nearly as abundant as in the Northern Territory, but there was a lot of talk about the extent to which rail would replace freight. The clear impression was given that freight transport is at the very least not going to expand. On that basis why would we build a road that does anything to keep trucks on the roads?

If they are on those roads they are on a lot of other suburban roads and a lot of other roads where they will run into people. Trucks and B-doubles are more dangerous than trains. Why would we build a road that encourages trucks to stay here instead of putting them on the railway and is there a government policy framework that articulates the relationship between road and rail? Recently all members of parliament were lobbied strongly by the Australian Road Freight Association urging us not to take away the subsidies they are getting and the fact that they are getting any subsidies at all was in complete contrast to the view of getting things onto the railways. I am not feeling that there is a clear state or national view about what we want to do about getting things onto the railways. Various community groups want us to put everything on the railways, including our walking down to the corner. This is a big road that will support local vehicular traffic, but it seems that the reason for needing to consider it is big freight. Freight trucks have to get material to the rail terminals but I am not getting a picture of what is happening here.

MR O'LOUGHLIN: I will make a couple of prime comments. Minister Laidlaw has spoken publicly about her desire to see more freight being carried by rail as opposed to road. The persistent issue that arises is that of rail competing as one against road. A lot of

competition in rail seems to be intrarail and your comments about representations from the road industry suggest that the rail industry, which has its own organisation to do that, also needs to make its voice heard. Secondly, there are increases in traffic projected in the studies mentioned in the report. The increases are relatively modest, given the impact you would expect from the additional infrastructure investments within the port. The third observation is that the rail bridge itself is expected to make that mode of freighting more attractive.

28 MS THOMPSON: Why do not we just build the rail bridge?

MR O'LOUGHLIN: You then will not get the urban outcomes we are looking for in the Port centre without the road bridge.

MR BARTLETT: The heavy vehicle percentages on the expressway are of the order of 7 to 9 per cent. Although there are freight tasks in that area, it is relatively low in terms of total traffic volume. The benefits of the project as outlined in the economic evaluation only show 9 per cent in hours saved but 16 per cent in traffic costs accruing to the freight industry where the more significant benefits are because of the larger number of users of private vehicles, light commercials and business vehicles.

MR STEELE: It is important that it be explained that the rail component of this project is a very key component. It is an essential component for many of the reasons you have given. At the present time, freight access to the peninsula is very difficult because the freight traffic has to take that rather convoluted loop around the central port area and it also interacts with the passenger traffic. By building the bridge, effectively you provide a significant benefit to rail traffic in getting to the peninsula, and particularly if we are looking at the development of the grain terminal and the increase in rail traffic which we are anticipating.

The rail project of itself is a key focus of the project, and certainly the project will not deliver the real benefits to the state without including the rail. Notwithstanding that, a percentage of traffic always needs to go—and we are talking just freight traffic for the moment—via the road. For example, we have been advised by AusBulk that it will be taking the bulk of the grain traffic to the new terminal via that rail network. It will be bringing it in from Gladstone, Bowmans, Tailem Bend, or wherever, via rail, but it has also advised us that some of it will still have to come by road from locations that are not covered by rail. As much as we are trying to promote the rail system as such, there will always be a need for access via road.

29 MS THOMPSON: I am getting more and more confused. My recollection of the debate in parliament centred around the value of this whole project for freight; and given the sensitivity of introducing a toll (which has not been the pattern in South Australia), my recollection was that outcome of the debate was that we have consulted with industry and industry is happy about paying the toll. As some of you know, due to the double hearing today, I have not studied the detail of my documentation as well as I usually do, but now we

are hearing that most of the benefit of the expressway is for private vehicles and the saving of private time. I am still not clear. What are we building? Are we building something for the people of the peninsula which is one thing—and it has its merits (they deserve to get home the same as I)—or are we building something that is primarily directed at the freight industry; or do we not know?

MR STEELE: The short answer is both. There are significant savings to industry: be it rail or road freight, significant savings will be generated to them by the project. At the same time, there are also significant benefits to the average motorist, if you like, in terms of time saved, if they are not planning on stopping in the centre of Port Adelaide. In terms of the comments that Mr Bartlett made, you always have the case—and I would say that this applies to 90 per cent of roads, anyway—where, while it may be a very important freight route, by far the biggest volume of traffic will be the motor car. Consequently, when you do a calculation of savings, you will always find that the savings involving the private cars far outweigh the savings involving the freight vehicles simply because of the numbers involved.

30 THE PRESIDING MEMBER: It is in gross value.

MR STEELE: Yes.

31 MS THOMPSON: What do we know about the traffic habits of the people on the peninsula? Where do they go that they would be wanting to use the expressway; and how often?

MR STEELE: We have done origin and destination surveys, and we are about to do another one where we check the movements of traffic. We have to do that sort of analysis to try to work out just what you have said; that is, where people are going and how many people are potentially likely to use the bridge. You go through a traffic modelling process which enables you to say, 'Okay, given that we know where people currently are moving, these are the numbers that are likely to use this new facility.'

32 MS THOMPSON: From the diagrams you have provided—and I refer to the locality and network context plan figure 1—it does not appear that parents would be dropping their kids off at school in such a way that they would use the expressway four times a day. Is that a correct presumption?

MR STEELE: It is not very likely. I do not know the details of where the schools are in the area, but there are schools on the peninsula. I cannot see it being used for that sort of traffic.

33 THE PRESIDING MEMBER: However, there are people who will make a choice—if not living on the peninsula now, to go and live there—and commute to some employment, perhaps in the Salisbury-Elizabeth area.

MR STEELE: Yes.

34 THE PRESIDING MEMBER: And there are also other people likely to travel in the opposite direction if the nature of society, as I have seen it elsewhere, is any guide. So that the provision of the expressway enhances the amenity value between the commercial and social communities at either end of it for commuting between each such communities. Never not happened anywhere else, so it is highly likely that it will happen here. I think that is the point you are making.

MR STEELE: Yes.

35 MR SCALZI: My understanding is that it is not a matter of a road. The purpose of the expressway is to complement each other; am I correct?

MR STEELE: Yes, very much so.

36 MR SCALZI: From the earlier statements that you made about the Birkenhead Bridge and the requirement to lower the tonnage if the expressway was not built, what would need to be done to that bridge in order to keep it viable?

MR BARTLETT: Currently the Birkenhead Bridge is not available to permit type vehicles, the road trains and the B-doubles. The larger vehicles circuit Port Adelaide via Bower Road and Causeway Road, in effect, circling the Port Adelaide centre.

37 MR SCALZI: Leaving that aside, given that there are other developments in that area, would the increase in general traffic require expenditure on that bridge?

MR STEELE: Undoubtedly future increases in traffic will increase the maintenance cost of that structure. I think that it was pointed out today that the lifting span is a problem in that it has these timber tiles which soak up water and give us various maintenance problems. Without being able to say specifically, 'It will cost X dollars', clearly given the fact that we are talking about a structure which is 60 years old now and which has to lift up and down on a regular basis, the maintenance costs will increase.

38 MR SCALZI: Given that the expressway goes through, there is an external benefit to amenities such as the Birkenhead Bridge and the ability for traffic flow, apart from the heavy vehicles, to the general community in that area.

MR STEELE: Very much so. If you look at the Birkenhead Bridge and the way in which it operates at the present time, it is a road traffic bridge: it is there to move vehicles. Now, if we are talking about the amenity of the area and the redevelopment of the inner harbour area, clearly it is very much in the interests of the amenity of the area to get that heavy traffic off the bridge and, if you like, make it a pedestrian friendly bridge or a bicycle

friendly bridge, which, clearly, it is not at the present time with these semis rumbling across it.

39 THE PRESIDING MEMBER: You have to breathe the same air as they do, too.

MR STEELE: Yes.

MR BARTLETT: Currently that bridge costs the department between \$300 000 and \$500 000 a year to operate. That will only increase in the future as it gets older and the traffic volumes build-up.

40 THE PRESIDING MEMBER: That was brought to account in the net present value calculations, as I recall.

MR O'LOUGHLIN: Going back to Ms Thompson's point, in the light of that discussion, the way in which I see the purpose of the whole project is to de-bottleneck the road and rail infrastructure around the port and serving the port, while, at the same time, keeping the traffic around the port centre to as much local traffic as is possible.

41 MS THOMPSON: I am trying to sort out a couple of themes. One is the relationship between road and rail and the other is the issue of the toll which brings in something different for the people of the peninsula. They have as much right as I do to move freely to wherever they want to go without having to wait 20 minutes due to trains holding them up, and that they should not have to pay for it.

42 THE PRESIDING MEMBER: They chose to live there after all. They know what it is now; it will only get better if the expressway is built.

MR O'LOUGHLIN: From the policy point of view—and as you said previously—these matters were debated when the legislation was before parliament and there was very strong support for that.

43 MS THOMPSON: Very strong support for the people of the peninsula having a third river crossing. As I said, my recollection of the debate is that people were not going to use it: it would be a bit of a luxury for them to choose to pay the toll. The toll is mainly destined for freight and the freight people were happy to pay the toll. I need to look at the original debate.

MR O'LOUGHLIN: My recollection is that there was support for the toll generally.

MR STEELE: An essential element of any toll structure or an equity issue, if you like, is to ensure that people do have a free alternative, which, of course, will remain for light traffic. They still have other options of getting around that, if they want. People will

have to make their own decision in terms of whether they think the savings in fuel and time by using the toll structure outweigh the cost of paying the toll. That is an individual decision which people can make.

44 THE PRESIDING MEMBER: If they want to, they can swim around Pelican Point.

45 MR SCALZI: Is the cost of the toll regardless of the tonnage?

MR STEELE: No.

46 MR SCALZI: In other words, it is scaled according to the weight.

MR STEELE: The intention is that we will have a toll regime. There will be three levies: one rate for a light vehicles; another rate for semitrailer type vehicles; and a higher rate for the permit type vehicles, that is, for A and B trains.

47 MR SCALZI: Under that regime the residents of the area are not disadvantaged to the point that one would imagine; in other words, it is scaled to the vehicle that they have. It is not as though they are getting penalised as the semitrailer is.

MR O'LOUGHLIN: The principal disadvantage is for through traffic, and the heavier the through traffic the greater the disadvantage, if you like.

48 MS THOMPSON: The issue relates to what local traffic measures are put in place to encourage people to use the toll road. There has been much discussion in Melbourne about how roads have been artificially closed to force people onto the Citylink even for short distances so that they have to pay a toll—they cannot take their kids to school without paying a toll. I would not like to see a situation where someone has to pay \$4 a day to take their kids to school. I cannot see \$4 worth of saving in fuel costs.

MR O'LOUGHLIN: A number of things are referred to in the submission about traffic management on the free alternatives, which are all predicated on the free alternatives being available and being free, and obviously that is the intention.

49 MS THOMPSON: They are not clear about what the traffic management plans aim to do. It says, 'Yes, there will be a free alternative', but it can be a free alternative if you are prepared to queue and wait three hours for the traffic signals to change. This job makes one a bit cynical at times.

50 THE PRESIDING MEMBER: Honestly, what they did in Victoria though was deliberately block off streets so that people were forced to use it, or drive many miles further than they would otherwise. That is the not the intention in this place.

MR O'LOUGHLIN: Victoria was even more extreme in that they removed the clearways in Toorak, which meant you could not go faster than the tram because you could not pass the tram, and that is if you could get onto Citylink.

MR BARTLETT: In terms of the local traffic management, the briefs we have had from some consultants looking at the range of possibilities have been signed off with council. We had a draft brief prepared. We went through a range of senior council staff—not the elected members I might say—to sign off on the range of things we were looking at.

51 MS THOMPSON: But there is a bit of a problem between the Port Adelaide council staff and the council, is there not?

MR GELSTON: One of the main aims of our traffic management scheme is to make that Port Adelaide centre more pedestrian friendly and more suitable for the people who want to shop there. Those shops that we saw closed today will not be closed if it is much more easier for the locals to gain access to them, to park their vehicles—just to make it a more pedestrian friendly environment, because we have all the heavy vehicles out on the expressway. One of the major aims, which we are working through with council, is changing that environment.

52 THE PRESIDING MEMBER: Can you tell us about the problem (it was not clear to me; maybe I missed it in reading last night) regarding the clearance of vessels beneath that bridge, why we cannot lift the bridge another metre or so and what the cost of so doing would be, to enable those inner harbour pleasure cruises and other vessels unrestricted access beneath the bridge—almost unrestricted in that, if there is a very high spring tide, there might be some awkwardness and people might have to wait a couple of hours for it to go down a bit, if it happened to coincide with their desire to travel—and not have to open the expressway, just let the two stand permanently?

MR STEELE: With respect to the issue of clearance, the figure of six metres has arisen primarily because that is the current order of clearance under the existing Birkenhead bridge. So, if you have something farther up from the Birkenhead bridge, if it cannot get through that anyway, there is no point in having a different clearance on the road bridge. It then becomes a matter of how high you go.

Obviously, the ideal solution would be to have a bridge high enough so that it never had to open—so it was a closed bridge. The trouble is that, with the foundation conditions that exist in that area, it ends up being horrendously expensive. I cannot remember the figure off the top of my head, but we are talking about a figure two or three times the construction costs that we are currently talking about. So, we cannot lift the structure high enough to get absolutely everything underneath it. We could go a little higher, and that would reduce the number of openings. I cannot tell you the figure for the road bridge off the top of my head, but it would be of the order of at least \$1 million a metre for every additional metre you go up.

The other point that I think that is relevant to note is that we do not intend to specify absolutely what the clearance would be on the road bridge. We would be saying to potential bidders for this scheme, 'This is the minimum clearance that you must provide.' Because they will be responsible for operating the bridge as well as building it, they can then look at it themselves and say, 'Hang on a minute, will we be better off financially by raising the bridge another half a metre, opening it less, gaining more revenue—hopefully—from the traffic using it, and reduce operating costs?' They can balance out all those sometimes conflicting requirements themselves to come up with an optimum solution, provided it meets our minimum requirement of giving that six metre clearance.

MR BARTLETT: Also, most of the height of those restaurant boats is in their masts and aeriels and periphery that would appear not to be critical. So, there may be some options to reconfigure some of those boats as a cost rather than building the bridge higher.

53 THE PRESIDING MEMBER: That was one of the questions I wanted to ask. It might be cheaper to pay them to reconfigure their super structures rather than to spend the money on the bridge.

MR BARTLETT: Yes.

54 THE PRESIDING MEMBER: What law needs to be changed to enable the operators of the bridge to charge a toll for every time it is opened to prevent people from, in the future, frivolously creating a nuisance by just going back and forth underneath the bridge and stopping it from providing a free flow of traffic?

MR STEELE: In fact, the approach that we are adopting there (and this is still a matter for negotiation with the key stakeholders) is that we already restrict the opening hours on the Birkenhead bridge, and we will also be restricting the opening times on the new bridge. So, basically, in conjunction with the key users, we will be working out when are the critical times for them, and then come up with a regime that limits the times that the bridge will be open. We will be saying that (and I am only quoting these figures as an example) between the hours of 6 a.m. and 8 p.m. the bridge will only open at 9 to quarter past 9 and 12 to quarter past 12, and some other couple of times. So, we will be very specific about the opening regime.

55 THE PRESIDING MEMBER: Can I say to you that what we authorise as a consequence of today's hearing when we submit our final report will exclude permission to proceed to build the bridge until we have some further evidence at a later date on that point—that is, stages 2 and 3. You could call for expressions of interest, but you will have to come back.

MR O'LOUGHLIN: Yes, and we will resubmit a report.

56 THE PRESIDING MEMBER: Something else was unclear to me in reading the

submission—which is a good submission; I do not want you to get the mistaken impression that the committee is unduly critical of it. Can you quantify in separate groups to the nearest million how much the land values will improve as a consequence of putting that crossing there? That has a substantial bearing that I think is being overlooked in the debate at the present time, in the sense of local government, when it is arguing about that. There will be increased revenue, no doubt, to the Port Adelaide Enfield Council as a consequence of the enhanced land values, even if the government sells not one extra square centimetre of land; then there will be benefits to the state's taxpayers as a consequence of the increased value of the land which currently belongs to the Crown, which is really surplus to what the Crown needs—at least in some considerable measure—so that, when the time comes to dispose of that land, it will have a much higher return to taxpayers to enable those funds to be used, presumably, for other capital purposes in the state's development and economic growth, but it will be the prerogative of the government of the day as to whether it is used for debt retirement, or whatever. Whilst I might like to see it used for debt retirement, that is a political argument. That figure is not absolutely clear to me.

I guess the third part of all that is then the benefit to the citizens who own land—that is, businesses as well as individuals. They may say, 'I do not want my land to go up in value, because it will cost me more in rates, and I am not thinking of shifting, anyway,' notwithstanding that they have enhanced valuations of their estates without having done anything more or less than any other citizen in South Australia. That arises as a direct consequence of building this expressway. I would like us to be able to include those figures—this is the expressway, all stages—for the public benefit in our report stage 1. I would like you to get that information—as I said, it only needs to be to the nearest whatever; I do not mind if it is more than a million out, but I would like to know specifically what it is. I can see that it will be substantial.

MR O'LOUGHLIN: We will take that on notice and provide a report.

MR STEELE: There is one issue around that. We have already debated, to a certain extent, the increased value of the land. The problem is, how far do you take that? Some of the land is, in fact, remote from the project. For example, with respect to the peninsula, all that land that is currently vacant further out on the peninsula will have an increased value.

57 THE PRESIDING MEMBER: Yes, it will.

MR STEELE: It is very hard to quantify that amount.

58 THE PRESIDING MEMBER: Let me think about that, having regard to the work that I did about 25 years ago for AFCC—six kilometres to the south and all the peninsula. It was the government land west of Port Wakefield Road in which we were then interested. I think that puts a reasonable boundary on it. There is no question about the fact that all the land will increase in value: capital gain will accrue to everyone who owns it there

as a consequence of it.

What other services will be able to use that structure—such as the reticulation of electricity cables, communications cables, water and sewerage and so on? What benefit accrues to those utilities, if any, as a consequence of the crossing going in?

MR BARTLETT: The answer to that is probably none. In terms of the opening structure, it is very difficult to be done. With stage 1 of the expressway, we are already talking to the SEAGAS group and United Water, which are putting in the Port Adelaide effluent scheme through to Bolivar. We talked to them about giving them corridors for service, which would be cheaper because of not having to cross the range of services and other constraints on existing roads. We have thought through that issue, and we do not believe, because of the opening mechanisms, that it will be possible to do that.

59 THE PRESIDING MEMBER: No, but along the rest of the corridor there is benefit, presumably?

MR BARTLETT: Yes—and Paul has been talking to SEAGAS and United Water in recent times.

60 THE PRESIDING MEMBER: Are there any further questions?

61 MS THOMPSON: I have quite a few questions, so I will read them into the record. It will save Keith writing to you afterwards. The issue of the commonwealth funding: today it sounded as though it is clarified, but from the report it did not seem as though it was finalised. Can you give us an update?

MR O'LOUGHLIN: The report says that that advice is imminent. We will provide it to the committee as soon as we have received it.

62 MS THOMPSON: On page 6 there is a statement that the Ports Corp sale and the proposed grain terminal have put significant pressure for the bridge. I can understand about the grain terminal being a pressure for the bridge, but what is the relevance of the sale of Ports Corp? So if you can answer that later.

On page 10 there is talk about delays of up to 20 minutes at one of the crossings. I just want to know what times of day that occurs and how often, because I can see how it might happen.

On page 14 there is talk about the Aviation Museum needing to be moved and the minister's undertakings in relation to that. Can you tell us what is happening, what the cost implications seem to be at the moment, and, similarly, the Heini Becker Motorcycle Park was mentioned on the bus trip, that there has to be an evaluation of the situation? Is it cheaper

to leave them there or move them? That is not in the evidence, so if we could have something for the evidence on that.

We have already talked about whether we do need to provide equity between rail and freight modes or not. The risk assessment is included in the I papers—I think it is at page 36. We have been asking for an indication of what the risks are for a project, so can you provide us with more information about the risk assessment both for the project and the construction stage?

MR O'LOUGHLIN: A large part of that will be in the Price Waterhouse Coopers report, which I indicated earlier in the hearing we would be providing. But we will draw your attention to it. My colleague has reminded me: we would be grateful if the contents of that report could be kept confidential, for the same reason that we have had 'confidential' marked on those two pages of the submission.

63 THE PRESIDING MEMBER: Yes.

64 MS THOMPSON: My next question relates to one of those pages, but I think we can do it without breaking the confidentiality—just indicate to Hansard if we cannot. There is an amount of \$3.8 million marked for expenditure in 2000-2001. What is that about? Has it been spent?

MR STEELE: Yes, that was for many of the activities associated with getting to this stage.

65 MS THOMPSON: On pages 40 and 47 there are issues about the consultation. It says that the location of the bridge was confirmed by cabinet and therefore not subject to change by consultation. It was not totally clear from the papers as to the reasons for that being an immutable decision and, again, given the press clippings, etc. that we have had previously about this not being the right place, we need to be really clear about it being the right place—so a bit more information about that.

On page 21 of 48, I think it is called, but I think it becomes page 45 of 46, there is discussion about the communication specialist. Can you tell us about the communication plan? You mentioned about the expressway using the 1300 number, but my recent experience with the Southern Expressway Stage 2 gives a very personal understanding of why a communication plan is needed, and I just want to know whether that is going to be external or internal. I mean, it is not going to have the same impact as it does not have the same number of houses that it is going through, but I have a better understanding and sensitivity there.

On page 31 is the heading 'Consultants', and I could not remember whether I had actually seen another list of consultants with some disbursements against them—I got confused between our two hearings today. But, in any case, Maunsell McIntyre

is not mentioned there, and yet they are mentioned in the body of the report as having been consulted. So how does that come together?

MR BARTLETT: We have an updated list of those consultants.

66 MS THOMPSON: Does that include Maunsell McIntyre?

MR BARTLETT: It does.

67 MS THOMPSON: I think they were the main things I wanted to note. Thank
you.

68 THE PRESIDING MEMBER: Thank you. That concludes this hearing.

THE WITNESSES WITHDREW