

HOUSE OF ASSEMBLY**Tuesday, 2 August 2016****ESTIMATES COMMITTEE A****Chair:**

Ms F.E. Bedford

Members:

Hon. S.W. Key

Ms N.F. Cook

Mr S.K. Knoll

Mr A.S. Pederick

Mr P.A. Treloar

Ms D. Wortley

*The committee met at 09:00**Estimates Vote***DEPARTMENT OF PRIMARY INDUSTRIES AND REGIONS, \$127,885,000****ADMINISTERED ITEMS FOR THE DEPARTMENT OF PRIMARY INDUSTRIES AND REGIONS,
\$3,989,000****Minister:**

Hon. L.W.K. Bignell, Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Tourism, Minister for Recreation and Sport, Minister for Racing.

Departmental Advisers:

Mr S. Ashby, Chief Executive, Department of Primary Industries and Regions South Australia.

Prof. M. Doroudi, Deputy Chief Executive, Department of Primary Industries and Regions South Australia.

Mr W. Zacharin, Executive Director, Biosecurity South Australia, Department of Primary Industries and Regions South Australia.

Mr S. Johninke, Director, Finance and Prudential Management, Department of Primary Industries and Regions South Australia.

Mr M. Williams, Manager, Budget Strategy Unit, Department of Primary Industries and Regions South Australia.

The CHAIR: Good morning, everybody, and welcome to committee A. The estimates committees are a relatively informal procedure and, as such, there is no need to stand to ask or answer questions. I understand the minister and the lead speaker for the opposition have agreed an approximate time for the consideration of the proposed payments, which will facilitate a change of departmental advisers as necessary. Can the minister and lead speaker for the opposition confirm that the timetable I have in my possession for today's proceedings previously distributed is accurate?

The Hon. L.W.K. BIGNELL: Yes.

Mr PEDERICK: As long as it gives us 2½ hours this morning.

The CHAIR: Changes to committee membership will be notified as they occur. Members should ensure that the Chair is provided with a completed request to be discharged form. If a minister undertakes to supply information at a later date, it must be submitted to the committee secretary by no later than Friday 28 October 2016. This year, estimate committees responses will be published during the 15 November sitting week in corrected daily *Hansard* over a three-day period.

I propose to allow both the minister and the lead speaker for the opposition to make an opening statement of about 10 minutes each, should they wish. There will be a flexible approach to giving the call for asking questions based on about three questions per member, alternating each side. Supplementary questions will be the exception rather than the rule.

A member who is not part of the committee may ask a question at the discretion of the Chair. Questions must be based on lines of expenditure in the budget papers and must be identifiable or referenced at the beginning of the question, and we do ask for cooperation in that matter. Members unable to complete their questions during the proceedings may submit them as questions on notice for inclusion in the assembly *Notice Paper*.

There is no formal facility for the tabling of documents before the committee; however, documents can be supplied to the Chair for distribution to the committee. The incorporation of material in *Hansard* is permitted on the same basis as applies in the house, that is, that it is purely statistical and limited to one page in length. All questions are to be directed to the minister and not the minister's advisers. The minister may, of course, refer questions to his advisers for a response.

During the committee's examinations, television cameras will be permitted to film from both the northern and southern galleries, and we do ask for cooperation in keeping the noise down, although it is very exciting in here sometimes. I declare the proposed payments open for examination and refer members to the Agency Statements, Volume 4. I call on the minister to make an opening statement if he wishes and then to introduce his advisers.

The Hon. L.W.K. BIGNELL: Thank you very much, Chair, and good morning to you and the committee members. It is my pleasure to provide information about the programs and work conducted by the Department of Primary Industries and Regions South Australia or, as we all fondly know the organisation, PIRSA. I would like to introduce the members of the department who are with me today.

Firstly, on my immediate left is Chief Executive, Scott Ashby. Next to Scott, we have Stephen Johnke, Director of Finance and Prudential Management. My right-hand man is Professor Mehdi Doroudi, Deputy Chief Executive, to my immediate right. Behind me are Mark Williams, Manager, Budget Strategy, and Will Zacharin, Executive Director, Biosecurity SA.

PIRSA is a key economic development agency with an important role in ensuring the prosperity of the state's primary industries and regions. To begin, I will provide an overview of our industries. Crop performance for the 2015-16 season has exceeded farmers' expectations and has been confirmed as the seventh successive crop above the long-term 10-year average. PIRSA's final Crop and Pasture Report for 2015-16 shows 7.2 million tonnes of grain were produced, with a farm-gate value of \$1.6 billion.

The 2016-17 season started well, with significant opening rains falling in mid-May, accumulating between 20 and 100 millimetres by the end of the month across the cereal zone of South Australia. Further significant rains occurring in June, particularly in the west and central part of the state's cereal zone, have consolidated the season's start. Seeding operations are now mostly complete across the state, with early crops well established and growing well. While there is some way to go yet, the start of the 2016-17 cropping season provides some confidence that yet another good crop production year is in store for our state.

In 2014-15, South Australia's food and wine industries generated \$18.2 billion in revenue, employed about 144,000 people and accounted for 46 per cent of the state's merchandise exports. Gross food and wine revenue increased by \$1.07 billion, or 6 per cent, with significant increases in revenue generated by the meat and livestock industry. Food and wine grape production, measured in farm-gate values, increased by \$525 million, or 11 per cent, due to solid growth in the value of

livestock, grain and horticultural production. Finished food and wine values grew by \$781 million, or 10.5 per cent, to reach record levels of \$8.2 billion due to significant increases in the wholesale value of processed meat and more moderate growth in the value of fruit and vegetable processing and packing.

Total overseas exports of food and wine increased by \$397 million, or 8 per cent, to reach a record \$5.2 billion, or 46 per cent of total merchandise exports. Food exports were worth \$4 billion, with field crops accounting for \$2 billion of this, followed by livestock and dairy with \$1.4 billion, seafood with \$245 million, and horticulture with \$225 million. Finished food and wine exports increased by \$466 million, or 17 per cent, to \$3.25 billion, driven mainly by increases in meat and almond and exports.

The rapidly increasing global demand for high quality food and wine, combined with South Australia's strong reputation for food safety, biosecurity and product integrity, create significant opportunities for the state. The state government has made premium food and wine produced in our clean environment, and exported to the world, one of our 10 economic priorities. The priority is about ensuring our agriculture, food and wine industries continue to grow through opening the door to new ideas, new opportunities, new people and new businesses.

We are therefore focusing on ensuring unrestricted access to new and existing export markets, increasing our market share and boosting profit margins—for example, by maintaining the state's strong and effective biosecurity system, undertaking international trade and investment missions, maximising the production of value-added and differentiated food and wine and realising increased value for our premium products.

This year's budget includes \$452,000 per year for the next four years to further enhance South Australia's clean green image, through the implementation of biosecurity measures in the horticultural industry. Working closely with peak industry bodies, this initiative will establish and maintain an on-farm biosecurity accreditation scheme based on market phytosanitary requirements, supported by surveillance and commodity-specific codes of practice to target high value market opportunities.

Endorsement of new pest-free areas on the northern Adelaide Plains and in the Adelaide Hills will be sought through interstate certification agreements, and with the commonwealth, allowing producers to access international markets without pest treatment, as well as improving the quality of the product in premium markets. This will facilitate access to high value domestic and international markets under new free-trade agreements, and it will underpin growth in production. The value to the state of an effective biosecurity system cannot be underestimated. The rapid response by Biosecurity SA, a division of PIRSA, in liaison with the Australian Department of Agriculture and Water Resources, in containing and destroying a detection of Khapra beetle in the state earlier this year, thereby protecting Australia's trade status, is clear evidence of this.

Keeping South Australia free of fruit fly protects the commercial production of horticultural produce vulnerable to fruit fly infestation, including fruit, vegetables, wine grapes and almonds, which have an estimated farm-gate value in 2014-15 of \$1.1 billion. Our fruit fly free status also secures access to lucrative citrus export markets, such as Japan, Thailand, the United States and New Zealand, worth approximately \$40 million in 2014-15.

Biosecurity South Australia has considerable experience in managing fruit fly, with a 100 per cent success record in eliminating isolated outbreaks. The current outbreaks of Mediterranean fruit fly in the metropolitan area are the first detection of Med fly since March 2014, and there were no Queensland fruit fly outbreaks declared in South Australia during 2015-16.

To further protect South Australia from the threat of fruit fly, we are building a National Sterile Insect Technology Facility in Port Augusta. It was terrific, when we are up there turning the first sod, that members of this committee, the members for Hammond and Flinders, were there for that important first stage. I am looking forward to opening that SIT facility later in the year. Once completed, the facility will produce 50 million sterile male Queensland fruit flies each week, which will be released to mate with wild females, collapsing wild populations in fruit fly affected horticultural growing regions.

The SIT facility is supported by SITplus, a national research and development effort, which also includes involvement from PIRSA's research division, the South Australian Research and Development Institute (SARDI), and it now has a combined program budget of \$45 million. I would like to place on the record my thanks to the Victorian agriculture minister, Jaala Pulford, who has committed \$900,000 from the Victorian government to help the whole nation in the fight against fruit fly.

As part of the Agribusiness Accelerator Program, PIRSA and industry delegates have participated in a multitude of outbound and inbound missions targeting key international markets, including China, Hong Kong, South-East Asia, India and the United States. There has been a particular focus on establishing market access with China. In fact, since the establishment of the China Agribusiness Initiative in July 2013, PIRSA has facilitated more than 70 inbound and outbound missions between South Australia and China.

During this period, exports from South Australia to China have grown on average by 11 per cent per year, with strong performances recorded in the grain, meat and wine sectors. Direct results for our producers from these missions include the Stehr Group's first order for frozen tuna to China, valued at \$1 million, and Seppeltsfield winery settling a deal to export 1.5 million litres of premium wine to China each year.

In April this year, PIRSA and industry delegates took part in South Australia's largest ever mission to China's Shandong Province, with an agribusiness delegation of 75 representatives, the largest of the five business streams involved in this mission. These missions have been supported by international marketing activities, including showcasing South Australia's premium wine to importers, distributors, restaurateurs and media in Texas and California during the Premier's trip to the US in March. The mission was a fantastic opportunity for members of South Australia's wine industry to strengthen the connections with contacts in the US, which has become the largest consumer of wine in the world.

On 1 July this year, Adelaide officially commenced its membership of the Great Wine Capitals Global Network. Established in 1999, the network is a group of major cities linked to internationally renowned wine regions, and it supports the economic, academic and cultural development of each of the cities. Adelaide was invited to join the global network, which also includes San Francisco in the Napa Valley in the US, Bordeaux in France, Bilbao in Spain, Cape Town in South Africa, Mainz in Rheinhessen in Germany, Mendoza in Argentina, Porto in Portugal, and Valparaiso in Casablanca Valley in Chile.

Adelaide is indisputably South Australia's wine capital, with our growers and winemakers producing 80 per cent of Australia's premium wine from some of the oldest vines in the world. We have 370 cellar doors, 200 of which are within an hour's drive of Adelaide, and we are home to the National Wine Centre, national industry organisations and major wine education, research and development institutions. Membership to the Great Wine Capital Global Network will strengthen South Australia's global reputation for premium food and wine tourism.

AgInsight South Australia was released in August 2015 as a free online portal with a unique combination of agribusiness commodity and economic data and analysis and an interactive mapping function able to show all the relevant climate, soil, land use potential, land value and zoning and infrastructure geospatial detail needed to investigate agricultural potential in South Australia. Since its launch, AgInsight South Australia has been used on overseas missions and at home for investment attraction work with local and overseas businesses, clearly positioning South Australia as an investment enabling state using the latest technologies.

It has recently won two major awards, including the national Australian Government ICT Award for geospatial technology innovation, and the SA Premier's iAward, recognising excellence in public sector innovation at the South Australian leg of the Australian Information Industry Association's iAwards. The portal is under regular development and improvement to ensure it keeps ahead of the game, providing a practical approach to the agribusiness investment attraction task.

The state-of-the-art 40-hectare food park development, called the Northern Adelaide Food Park, will create an area that specifically allows the co-location of food manufacturers and other related service providers. The food park will create an environment for food businesses to unlock

innovation possibilities, increase efficiencies and expand operations into global markets where the demand for premium food and wine continues to grow.

By co-locating and accessing services on the one site, food businesses can improve their competitiveness, drive efficiencies and generate significant collaborative growth opportunities. The food park is one of several initiatives under the Northern Adelaide Economic Plan to support economic growth and jobs in the area. The South Australian government has already committed in the order of \$9 million to the development of the food park.

Concept designs, infrastructure and implementation planning are currently underway to ensure capacity and services meet business needs. A detailed site plan is expected to be released this month. On-ground works are scheduled to commence by the end of 2016, with construction to commence in 2017. More than 70 new and existing businesses have so far registered their interest in potential opportunities presented by the 40-hectare food park at Parafield Airport's Cross Keys precinct. PIRSA, Parafield Airport Limited and Investment Attraction South Australia are working collectively to secure anchor tenants into the food park. This includes a strong focus on identifying and attracting national and international businesses in key markets.

The other PIRSA-led initiative in the northern economic plan is the Northern Adelaide Plains Agribusiness Initiative. We are working with stakeholders to develop stage 1 of this initiative which will drive economic growth and generate jobs in the northern Adelaide Plains by expanding the production capabilities of the agribusiness and food sectors and investing in new 21st-century water infrastructure, storage and distribution networks to ensure that critical assets are used to their full potential. PIRSA has led the establishment of the South Australian Food Innovation Centre, a strategic partnership between PIRSA, SARDI, Food South Australia, the University of Adelaide, University of South Australia, the Australian Wine Research Institute and—

Mr PEDERICK: Point of order, ma'am: I think we are past the 10 minutes.

The CHAIR: It says about 10 minutes, but I believe the minister must be getting near the end of his statement.

The Hon. L.W.K. BIGNELL: Yes, about another eight pages to go.

The CHAIR: I hope not.

The Hon. L.W.K. BIGNELL: Double-sided, too. It is good, though.

The CHAIR: You might have to read some of it during the breaks.

The Hon. L.W.K. BIGNELL: Very positive news for South Australia.

The CHAIR: Well, let's not hold him up. Let's keep going. We can give you another couple of minutes.

The Hon. L.W.K. BIGNELL: It is terrific news. Thank you very much, Chair. I would have been quicker without the interruptions.

The CHAIR: Well, keep going now.

Members interjecting:

The CHAIR: Order! Looking at me. Minister, on task.

The Hon. L.W.K. BIGNELL: Yes, okay. Thank you very much, Chair. Additional support has been received from the Royal Agricultural and Horticultural Society of South Australia, Primary Producers SA, CSIRO, and the Economic Development Board. I want to thank all those people who are collaborating on this very important move forward into that area of innovation.

Mr KNOLL: Only a page and a half to go.

The Hon. L.W.K. BIGNELL: I am just jumping ahead, member for Schubert. Because you guys are whingeing so much, I thought I would jump ahead.

Mr KNOLL: Fifteen minutes of an opening statement.

The CHAIR: Order!

The Hon. L.W.K. BIGNELL: It is an excellent opening statement.

The CHAIR: No quarrels.

The Hon. L.W.K. BIGNELL: It is fantastic news for the state.

The CHAIR: Thank you for curtailing that speech, minister. It is appreciated. You have introduced your advisers, so, member for Hammond, let's get going.

The Hon. L.W.K. BIGNELL: I would just like to place on the record thanks to all the staff at PIRSA for the terrific work they have done over the past year and they continue to do, in collaboration with our primary producers, across so many different areas. The state is in a much stronger position because of the great work the team does, led by Scott Ashby, in this state. I would like to congratulate each and every one of them.

The CHAIR: Sadly, there was nothing on the Russian aphids. You know my interest.

The Hon. L.W.K. BIGNELL: That was on page 24 of my opening statement.

The CHAIR: No, no more. Member for Hammond.

Mr PEDERICK: Thank you, Madam Chair, for giving me the call. I will make a very brief statement. I do not think the \$20 billion plus contribution that agriculture makes to this state is acknowledged enough. Some members of the government only acknowledge it when other sectors fall down.

The CHAIR: No, that is not true.

Mr PEDERICK: Well, they do. I refer to Budget Paper 4, Volume 4, workforce summary, page 14. (That opening statement took about 20 seconds.) The workforce summary table states that PIRSA has 893.4 full-time equivalents in the 2016-17 budget period. Can the minister explain how many PIRSA FTEs provide corporate support to other government agencies? By 'corporate support' I mean any financial, administrative or human resource support services.

Members interjecting:

The CHAIR: Order! The minister has an answer.

The Hon. L.W.K. BIGNELL: I have an 18-page answer for you, member for Schubert, now that everyone has finished their chatting. PIRSA does supply corporate services to other agencies—for example, DSD. We have just come back from a trip to South-East Asia. We work collaboratively across the various agencies. It is on a fee-based basis, so any work and corporate support that PIRSA supplies to any other agency is charged back to that agency.

Mr PEDERICK: Can you give numbers and the amount of financial support from those other agencies? You can come back with that, if you like.

The Hon. L.W.K. BIGNELL: No, we do not do a breakdown of that.

Mr PEDERICK: You do not do any breakdown of what money you earn from outside corporate support?

The Hon. L.W.K. BIGNELL: We do not earn the money: it is just a fee for service. It is not our core business.

Mr PEDERICK: I will go to Budget Paper 4, Volume 4, page 15, and refer to the investing expenditure summary. The revised estimated completion for the Loxton Research Centre redevelopment is June 2017. This is 12 months later than the initial expected completion date of June 2016, as forecast in the 2014-15 state budget. Can the minister explain why this redevelopment has been delayed 12 months?

The Hon. L.W.K. BIGNELL: I have the long answer or the short answer, but it seems you are in the mood for the short answers today. The short answer is that the construction is on track, but what is reflected in the budget papers is the final quarter in which payments will be made. I was up there a few weeks ago and I have to say it is looking terrific: angle grinders throwing sparks out

everywhere, the walls are up, the roof is on and we are on track for an opening up there probably in the first week of February.

Mr PEDERICK: The budget paper clearly states that it is 12 months overdue and you are just saying it is because that is the last payment and nothing to do with the construction?

The Hon. L.W.K. BIGNELL: Yes. I was up there and the construction is fantastic; it is looking really good. It was a bit muddy, but that was because it was a wet day. They have done a terrific job. They are going to have a kitchen in there with celebrity chefs coming in to show off the produce of the area. Of course, there will be a lot of work done there with the national Almond Centre of Excellence, which we won over the Victorians, and it is going to be terrific.

Mr PEDERICK: What other activities take place at the centre? Can you list them all, please.

The Hon. L.W.K. BIGNELL: It is actually going to be part of the existing Loxton Research Centre; this is in addition to that. The work that has always been undertaken up there, which is terrific, will be expanded. As I said in the opening statement, almonds is one of the real growth industries. We are trying to secure some land up there to plant a block of almonds where research can be carried out.

The redevelopment of the Loxton Research Centre is providing new opportunities for collaboration between industry and researchers at a national and international level and supporting South Australia's reputation and market edge as a leader in premium food and wine production from our clean environment. Refurbishment of the existing Loxton Research Centre building is progressing well. The entire front section has now been refurbished and the rest of the building will be upgraded throughout the remainder of the year.

Anyone who has been up there over the years would be completely surprised at the feel when you walk in there now. It used to be a pretty daggy sort of place with 1960s or 1970s decor and now it is a modern building and reflective of the great work that is being conducted there. On 16 February, commencement of construction on the new building was marked with a sod turning ceremony. As I said, I was up there just a few weeks ago. The Minister for Regional Development turned the first sod, but plenty of work has been done since then.

I can tell you about the external organisations that are going to take part and be tenants: Biological Services; Riverland Wine; GrowSmart Training, which is a new tenancy; Wisdom Data and Mapping, another new tenancy; and the Almond Board of Australia have moved in. It is terrific to have the Almond Board in there because the people they have to deal with are now all working in the one area over two buildings. Rural Directions have also moved in there. A number of other organisations have expressed an interest in taking up tenancy at the centre and this is a great indicator of interest in the Loxton Research Centre, with the building already close to capacity.

Mr PEDERICK: In regard to the building, will you be opening that before June 2017?

The Hon. L.W.K. BIGNELL: Absolutely—the first week of February, and I want to go in the dinghy race that is on that same weekend.

Mr PEDERICK: I refer to Budget Paper 4, Volume 4, page 15, the investing expenditure summary and the revised estimated completion for the Sterile Insect Technology Facility is December 2016. This is another one that is 18 months later than the initial expected completion date of June 2015 and the total project cost is \$3.8 million, which is \$0.8 million more than the initial expected project cost. Page 27 of the same budget paper highlights that in 2015-16 the biosecurity sub-program was to commence construction of this facility, while a target in 2016-17 is to commission this facility. Can the minister explain why this project is 18 months late and \$0.8 million over budget?

The Hon. L.W.K. BIGNELL: The \$3 million was the initial money that we put in, but then Horticulture Innovation Australia (HIA) came in with \$800,000 and we were not about to knock that back. That meant additional money that we could put into it. My answer to the previous question about when the final payment is made is relevant to this answer as well. The final payment might be made in a quarter further down the track than when the building will be opened, but it will be opened—I think we are heading up there in October to do the opening. We will send you guys an invitation to come and join us.

The national sterile insect technology (SIT) facility at Port Augusta is nearing completion, with handover scheduled for 1 September 2016. The high-tech, state-of-the-art SIT facility will be utilised to produce sterile, male-only Queensland fruit fly for release in all affected horticultural growing regions of Australia. The South Australian government is proud to have been the catalyst behind the development and design of the new facility. This initiative has been well supported by a national consortium, which includes Horticulture Innovation Australia; the CSIRO Health and Biosecurity Flagship; Plant and Food Research Australia; the New South Wales Department of Primary Industries; Macquarie University; and our own Department of Primary Industries and Regions.

I am also pleased the Victorian government has recently joined the national consortium with a significant investment in the pilot operations of the new facility. This brings the national investment in the SIT facility and R&D to support the program to over \$50 million over five years. This national SIT facility will be a game-changer in how Queensland fruit fly is managed across the Australian landscape. It is anticipated in a few years that sterile fly releases will become the norm rather than just for the odd incursion eradication program. The productivity of affected horticulture and access to the export markets can be significantly improved.

South Australia continues to remain the only mainland state which is fruit fly free. This is despite increased pest pressure from the west and Eastern States. The South Australian government maintains a policy to eradicate any isolated fruit fly incursions and keep South Australia's status as fruit fly free, which is vital to the state's \$1.1 billion fresh fruit and vegetable-growing industry. The SIT facility will play a major role in this program in the future to stop fruit fly from impacting on our production areas and backyard gardens.

I must say that this is not just a national program, but also includes our friends across the Tasman in New Zealand. We were there for the Agriculture Ministers' Forum a couple of months ago and we went out to their equivalent of SARDI. They were going through a PowerPoint presentation—I love those; you reckon my opening speech was long. A slide came up and it was a picture of a SIT facility. They were proudly telling us about how they were building a SIT facility, and I said, 'That looks just like our facility in Port Augusta.' It was our SIT facility in Port Augusta, but they feel such ownership of it through their contribution. I think it is terrific that we work collaboratively with our friends in New Zealand, because they face the same sort of pressures that South Australia does when it comes to fruit fly.

Under the previous Liberal government in Victoria, I must say they totally dropped the ball on fruit fly. They just said, 'It's here now, there is nothing we can do about it,' and they threw their hands in the air. We saw fruit fly go up to really high numbers, and it was probably no coincidence that we had more fruit fly turn up in our metropolitan area. In fact, we had the first fruit fly incursion in 23 years into our pest-free area in the Riverland. Again, I want to congratulate the biosecurity team and everyone at PIRSA who worked with the local community to have that eradicated in record time. Having the Victorians on board with their \$900,000—

Mr KNOLL: Point of order, Chair: I would ask you to bring the minister back to the substance of the question, which was to explain the 18-month delay in the opening of this facility.

The Hon. L.W.K. BIGNELL: I have explained that. There was no 18-month delay.

Mr KNOLL: Point of—

The Hon. L.W.K. BIGNELL: Stop interrupting me, please.

The CHAIR: Order!

Mr KNOLL: Is the minister confirming that there is no delay to the opening of the sterile insect facility?

The Hon. L.W.K. BIGNELL: I said that at the first bit—pay attention.

The CHAIR: I am on my feet. The demeanour of this committee will not descend to this sort of carry-on.

The Hon. L.W.K. BIGNELL: Thank you for your protection.

The CHAIR: I do not know if I am giving you total protection. I am not giving you total protection—

Mr PEDERICK: He is taking the tone down.

The CHAIR: —but I will ask you to wind up about the fruit fly part of it. The member for Schubert needs to try to control himself.

Ms Cook interjecting:

The CHAIR: Order! Has the minister finished his question?

The Hon. L.W.K. BIGNELL: Thank you, yes, Chair.

The CHAIR: Member for Hammond.

Mr PEDERICK: Minister, I have to say that it is either poor planning or poor budget work because you have an 18-month delay. Anyone can read the budget, and anyone reading that knows when these things should be open, and June 2015 was the initial completion date. There is obviously something being poorly managed here in both these projects.

The Hon. L.W.K. BIGNELL: You said it was either (a) or (b). I will give you (c), that it is your poor reading of the budget papers, and I will call on—

Mr PEDERICK: I do not think so, minister. Anyway, my next question is—

The CHAIR: Order!

The Hon. L.W.K. BIGNELL: I can call on Will Zacharin to come up here and give you a detailed explanation of exactly what you question here.

Mr ZACHARIN: We worked on the design of the facility with the International Atomic Energy Agency, which runs these SIT facilities across the world. It was about getting the design right, so we put a lot of time in the planning. It was always going to be delivered in the second half of this year. Some of the intricacies of the design took a lot of work, so that may have extended, I suppose, the time that we worked, particularly on the utilities of the factory, because we had to use a different design for a different type of fly.

This is the first sterile insect technology facility in the world that is actually dealing with Queensland fruit fly, which has a bit of a different ecology from the Mediterranean fruit fly facilities that we went and visited in other places around the world. We are also building the national and international consortium to invest in the facility. Recently, as the minister said, we had the Victorian government—and the Tasmanian government is also just about to come on board—assist us with a three-year pilot project for the facility. We are all on track.

We are going down the path at the moment to identify a SIT facility manager. Applications have closed for that and we will be interviewing shortly. There are another nine positions we need to run the facility over the three-year pilot commercialisation period, and we will obviously be focusing on employment in the Upper Spencer Gulf and in the Aboriginal community with these sorts of positions, particularly with some of the Alinta staff, who we know have expressed interest in this.

We are very confident that we will have the plant up and running this year; as the minister said, there will be an opening later this year. It is going to provide fruit fly solutions for all the horticulture growing regions of south-eastern Australia.

Mr KNOLL: In the 2014-15 budget, the sterile insect facility had an expected completion of the June quarter 2015, so that was two budgets ago. It says very specifically that expected completion was the June quarter 2015. What has happened since that time that has meant that the project was not delivered on the June quarter 2015?

The Hon. L.W.K. BIGNELL: I will ask Mr Zacharin to answer that one.

Mr ZACHARIN: As I have said, it was changes in the design. We also had Horticulture Innovation Australia, which was keen to come on board and assist with the capital for the facility, so the budget was increased from \$3 million to \$3.8 million. We were able to do far more and make it a far better facility with the additional investment.

Mr KNOLL: So there is an 18-month delay.

The CHAIR: I have some questions, I believe, on my right today; is that correct? The member for Ashford has the call.

The Hon. S.W. KEY: My question is in reference to Budget Paper 4, sub-program 1.1, which starts on pages 17 to 19. What I would be interested to know is what we have done to elevate Adelaide in South Australia's membership of the Great Wine Capitals Global Network.

The Hon. L.W.K. BIGNELL: I thank the member for Ashford for that question and acknowledge her great support for the wine industry in South Australia. Adelaide, South Australia, has now indeed joined the prestigious Great Wine Capitals Global Network as Australia's representative. Membership formally commenced on 1 July 2016. The Great Wine Capitals Global Network is a network of internationally renowned wine regions: Bilbao in Spain, Bordeaux in France, Cape Town in South Africa, Mainz in Germany, Mendoza in Argentina, Porto in Portugal, San Francisco in the USA and Valparaiso in Chile.

Inclusion within this exclusive network has taken a number of years to come to fruition and our membership is being led by the founding partners of Primary Industries and Regions South Australia, Brand South Australia, the South Australian Tourism Commission and the South Australian Wine Industry Association, which have formed a steering committee. Membership of the network provides a great opportunity to promote Adelaide, South Australia, as a premium wine destination and increase our international profile, lifting the bar for our state and our individual operators.

It also provides an unprecedented opportunity for key government and industry bodies to work together to develop an agreed program of activities of mutual benefit. More broadly, membership also provides potential benefits to grapegrowers, winemakers, culinary tourism operators, restaurants, food and wine events, and tourism operators across many of the state's regions. Membership of the network is an extension of the existing broader efforts of industry, regional associations and government. It does, however, uniquely blend wine with tourism opportunities and allows South Australia to take ownership on a national level of the increasingly valuable gastronomy traveller.

An annual program of activities is being developed which will maximise the benefits of this membership and assist us to deliver on the South Australian government economic priority of premium food and wine produced in our clean environment and exported to the world. Examples of marketing activities include media partnerships, publicity generation, sponsorships of local and international food and wine events, and the Best of Wine Tourism Awards, run locally and internationally.

This will be a great opportunity for tourism operators in wine regions in South Australia to be able to benchmark themselves against the tourism operators of eight other cities in wine regions around the world, so it really is a big step up. The local version of the awards are already underway, with applications closing on 26 August, so I encourage everyone involved in the industry to make sure that they enter those awards. The finalists, of course, will go into the international competition, which will be held in Porto, Portugal, in early November, the first week of November this year.

In June/July 2016, a series of regional industry workshops were held to engage with wine and tourism industry members, and I was pleased to get along to the one in McLaren Vale. Dudley Brown, winemaker and owner of Inkwell Wines, was there, and I must thank Dudley because it was, I think, about six years ago when he first approached me about joining Great Wine Capitals. He introduced me to Bill Dodd, who at that stage was the county supervisor for Napa Valley. Bill is now in the State Assembly in California and standing for the California Senate. I wish Bill Dodd all the very best for his election for the Democratic Party in November of this year when, of course, the US goes to the polls.

The workshops provided an opportunity to work together with individual industry members to identify the challenges we need to overcome and opportunities we can collectively leverage as part of our membership. On 1 July, a launch was held in Adelaide at *The Advertiser* newspapers. It was a terrific night and it was terrific to see such a great number of people from the media and from the wine and tourism industry getting along there to find out all about Great Wine Capitals.

I must say that it is much more than just buying our way onto a list of top wine-producing areas around the world. I was in Napa about four years ago and I was taken out on a tour with local councillors and the mayors of some of the cities in Napa. We went to a vineyard where the European moth had turned up for the first time in the US the year before. They had never seen this European moth, which is a real pest and a threat to the wine industry.

What they did, through their networks of Great Wine Capitals, was that the equivalent of Will Zacharin got on the phone to his counterparts in Italy and France, whom he knew through Great Wine Capitals, and they managed to hit it quickly. They would not have had the expertise to do it without that interaction, and they had it eradicated within one vintage. I think it is very important that we acknowledge all the contacts that will be developed between our industry, our government and those of the other eight cities included in this very elite network.

The CHAIR: The member for Torrens has a question, I believe.

Mr KNOLL: Not even Hunter did two in a row.

The CHAIR: Order!

Ms WORTLEY: My question is related to Budget Paper 4, Volume 4, sub-program 1.7, pages 28 to 29. Minister, can you go into some detail on the impact of the \$240 million Irrigation Industry Improvement Program, which is the flagship element of the \$265 million SA River Murray Sustainability Program, on the South Australian River Murray region and the agricultural industry?

The Hon. L.W.K. BIGNELL: I did hear an interjection and a complaint from the member for Schubert about our asking questions. I think that if we relied on him asking about the wine industry we would be a long time waiting. I do thank the member for Torrens for her question and I can indeed update this committee on the \$265 million South Australia River Murray Sustainability Program, which includes irrigation, research and regional development competitive grants programs, as well as a redevelopment of the Loxton Research Centre, which we discussed before.

These sub-programs have been designed to support social, economic and environmental outcomes for South Australia under the Murray-Darling Basin Plan. To date, almost \$190 million of funding has been offered through the South Australia River Murray Sustainability Program, with \$177 million of this and the recovery of 35 gigalitres of a 40-gigalitre water recovery target achieved through the Irrigation Industry Improvement Program.

What a success the Irrigation Industry Improvement Program has been so far. More than 85 per cent of the water recovery target has already been reached, and we are only at the halfway point of the program. In addition to the significant water recovery and productivity outcomes being achieved through the Irrigation Industry Improvement Program, these 186 projects will create around 550 long-term direct jobs. That is terrific news for the Riverland and Murraylands because we do not have to go back too far to remember the terrible position people were in there because of the drought and the low flows down the river.

Of course, those 550 long-term direct jobs do not include the flow-on jobs created during implementation of projects or businesses that feel the secondary and tertiary impacts of an increase in the agricultural sector, such as food processors and regional retailers. These flow-on effects will impact on regional employment and economic activity, with the full \$265 million South Australian River Murray Sustainability Program investment expected to generate around \$1 billion of economic activity.

While it is great for the state to see these regional-scale impacts, it is also great to see that the Irrigation Industry Improvement Program is funding projects that range from small family farm turnaround propositions to innovative new proposals and large-scale international corporate ventures. Small family farmers, like Bill and Sandy Efrosinis of Glossop, have experienced business turnaround as a result of the Irrigation Industry Improvement Program investment. Bill and Sandy's business is now resilient to variations in market and water conditions with their fifty-fifty split in permanent and annual plantings and their new processing, packing and cool storage facilities.

Irrigation Industry Improvement Program projects are reshaping the region, including the reconfiguration of irrigation and production systems, changing crop types and increased

value-adding to products. I was pleased to announce the next suite of Irrigation Industry Improvement Program projects in June 2016, with round 3 applicants notified of their assessment outcomes and contracts now being finalised. These projects include great innovations in new crops to the region, such as blueberries, and it was terrific to be out there eating some of the very first blueberries produced in the Riverland.

This is a game-changer for South Australia and something that would not have been possible without the injection of these funds because we have seen, also, an expansion of covered cropping and activation of previously unproductive land. This has all been made possible through the signing of a National Partnership Agreement for the South Australian River Murray Sustainability Program, signed in early August 2013 by then prime minister Kevin Rudd and Premier Jay Weatherill.

On 23 August 2013, the Premier and the then federal water minister, the Hon. Mark Butler, officially announced the South Australian River Murray Sustainability Program during a visit to the Riverland. The program is funded by the commonwealth Department of Agriculture and Water Resources—formerly, by the Department of the Environment and the Department of Agriculture—and is administered by PIRSA through Rural Solutions SA.

The Water Industry Alliance led the development of the original \$240 million River Murray improvement program proposal, the precursor to the Irrigation Industry Improvement Program. Water savings resulting from the implementation of the Irrigation Industry Improvement Program count towards South Australia's share of the Murray-Darling Basin Plan's water recovery target for South Australia.

It is worth remembering, as we look back on the success of this program, that the opposition was prepared to settle for what they called the Mazda solution, while we went after the Rolls Royce. Again, I want to place on the record my appreciation—and the appreciation of the people of the Riverland and South Australia—for our Premier, Jay Weatherill, for going in and fighting the federal government for the very best deal for South Australia, as he does so often in so many sectors.

Mr PEDERICK: I refer to Budget Paper 4, Volume 4, page 17, sub-program 1.1, and also to Budget Paper 3, page 106, which refers to the Great Wine Capitals program. Can the minister provide detail about the exact cost of this program and the proposed length of membership? You can take it on notice, if you like.

The Hon. L.W.K. BIGNELL: No, I can give you an answer off the top of my head, but we are just looking for some other information. To join the Great Wine Capitals, the cost is about €18,000 (a bit over \$20,000), but we want to do more than that. It is more than about being on a list. It is about doing all the work around being on that list and really promoting the fact that Adelaide is a great wine capital of the world and, obviously, the wine capital of Australia.

We are working across a few different agencies, as I mentioned before—namely, PIRSA, tourism, Brand South Australia, and the South Australian Wine Industry Association as well—because we need to have everyone working together on this in a collaborative way to make sure we make the very most of our membership in this elite group. As I said before, I have travelled to Napa, and I have been to Mainz in Germany and met with people there, to see how much money they have put into it. The message I got back was that it will be successful only if everyone works together and really promotes and pushes Adelaide as a great wine capital.

One of the deals we did, though, was tremendously important, and one that we should note. If you look at somewhere like Mainz, it is on the Rhine River. On one side of the Rhine is the Rheingold region and on the other side is the Rheinhessen region. While Mainz is a Great Wine Capital, it can only have one wine region as part of its network membership. San Francisco, which is another one, can only have Napa. Sonoma is just as close. It does not have the same reputation as Napa Valley, but one would think that it could have been included.

What we have done is a deal not to get Adelaide and Barossa or Adelaide and McLaren Vale or Adelaide and Adelaide Hills but to get Adelaide and all 18 wine regions in this state. We have struck a very, very good deal for every wine producer, every tourism operator and every grapegrower in this state to have all those 18 wine regions included.

While Adelaide is the capital, if you are in Langhorne Creek, the Coonawarra, Clare or Kangaroo Island, you should feel equally a part of the Great Wine Capitals' network as those wine regions that hug our city.

Mr PEDERICK: The proposed length of membership was part of the question.

The Hon. L.W.K. BIGNELL: We propose to be in this for the long haul, but there is no contract to say that we have to be in it for a certain number of years. You can leave whenever you like, but I do not think it is in our interest to be leaving. I think it is something that we do a lot of hard work on to make sure that we get the very best value we can out of our membership.

Mr PEDERICK: Can the minister confirm how many PIRSA representatives travelled to France earlier this year in relation to this program, and what was the total cost of that travel?

The Hon. L.W.K. BIGNELL: One person from PIRSA went. The approved total cost of the trip was \$16,543, which includes that person's salary while they were away. I have to say that it was money extremely well spent. There is no point in our joining a network and then sitting home in Adelaide thinking that we know all about it. This is a global network that was established in 1999. While I have been to these areas and spoken to people about it, I think it is very important that we have officers go there as well to form relationships and to learn. These people have been doing it since 1999. We want to hit the ground running. We want to get the very best we can out of our membership in the Great Wine Capitals.

I was in South-East Asia just last week. We did 21 speeches in five days across Singapore, Kuala Lumpur and Bangkok. During every speech, I mentioned our membership of Great Wine Capitals. Our association with places like Bordeaux and Napa and Porto is incredibly important for people in other parts of the world who maybe have not put us in the same league as those places. They think of us as a new world wine country, and it gives us the opportunity to talk about the sort of company that we keep and the high level of premium wine that we produce in South Australia.

Mr PEDERICK: What evidence or modelling exists which details the economic benefit of Adelaide becoming a member of this program, and will that be made public?

The Hon. L.W.K. BIGNELL: I think I have gone through it a fair bit in here today. We have seen what has happened in Napa, we have seen what has happened in places like Maine and Porto. It is up to us now to make sure that we invest wisely in being a member of this program and that we get buy-in from the industry. That seems evident so far that people will get in and support Adelaide's membership of great wine capitals, but it is only going to be as strong as the industry allows it to be, and the indicators we have so far other are that industry is on board and keen to be involved.

Mr PEDERICK: As the minister is aware, Melbourne was a member of this program. Was any information sourced from Victoria as to why they let their membership lapse?

The Hon. L.W.K. BIGNELL: We produce 80 per cent of Australia's premium wine. It probably lapsed because they were the B-graders.

Mr PEDERICK: I refer to Budget Paper 4, Volume 4, page 15. I will go back to the sterile insect facility. Is the minister aware of any site contamination at this location?

The Hon. L.W.K. BIGNELL: Again, I will ask Will Zacharin to answer that question.

Mr ZACHARIN: In the preliminary studies of the site up at Prosser Street in Port Augusta where the facility is being built, as part of the normal building standards we had core samples taken of the ground there before we started building. Unfortunately, after the build had started, they found some contaminated soil on the site.

Records of the site that went back 50 or 60 years had no identified contaminants that had been put there, but the type of material that was removed from a longitudinal section across the site indicated that it was probably one of the old hospitals back in the 30s and 40s where they used to traditionally take out a lot of the hospital rubbish out the back somewhere and burn it off. It looked like that was what was happening because the bottles that were there and some of the other wrappings indicated that they were of a medical nature.

We had that looked at by a soil consultant in the EPA. They came to the conclusion that it was very low grade. It did not cause a problem in terms of the building at the site, but because it had been mixed with a lot of ash they could not compact the soil, so a fair bit of the soil had to be removed from the northern part of the block but did not have to be moved offsite because, as I said, it was considered very low toxicity. It has been moved to the south of the building where it has been incorporated into the landscape design.

At the end of the day, it has not been an issue for the facility. Unfortunately, you can undertake all the testing and precautions you can, but on this occasion they missed it with the original site drilling. Fortunately it was not a major problem at the end of the day.

Mr PEDERICK: Was there any radioactive material found at the site?

The Hon. L.W.K. BIGNELL: I will get Mr Zacharin to answer that question.

Mr ZACHARIN: No.

Mr PEDERICK: In regard to the sterile flies, are the sterile flies created at the centre or are they genetically modified?

The Hon. L.W.K. BIGNELL: Again, I will get Mr Zacharin to answer that question.

Mr ZACHARIN: There is a number of different research lines that are being progressed in relation to how you create sterile flies. Most of the flies that people are using around the world are what they call a bi-sex strain—so, male and female—but you do not want to release any female flies even if they are sterile because they can still sting the fruit. At certain times of the year when the fruit are ripe, you do not want to have sterile females there at all, so what you need to do is determine a way to separate male from female flies.

It is quite innovative. There is a number of ways you can do that. You can use a genetic marker so that the female pupa is a lighter colour and the male pupa is a much darker type of brown. They actually use a rice sorter that is used in the rice industry because the pupae are nearly the same size. You can put this through the rice machine and it flicks the light-coloured ones to the left and it flicks the males to the right. You end up separating the pupae that way, but then you still have to bag up the males.

They go through a fluorescent marking so that when they emerge from the pupae they end up with a bright pink fluorescent mark between their eyes so that in the field you can readily identify sterile males from a wild male. We put them in these large sausages, and then there is a number of ways you can sterilise them. We have chosen to go with a machine out of the United States, called a Rad Source X-ray Irradiator. We can put these bags of pupae into the irradiator. It takes a couple of hours to run through, and they receive about 120 grays of irradiation.

When you think about that, if you have a normal X-ray you will receive about two grays, so we actually hammer these things quite hard to make sure that they are sterile. We do a lot of post-production testing, of course, before they are released, to make sure that we get over 99 per cent because we do not want to be releasing any wild males of our own back into the population. That is the first method.

The second method you can use is to raise the flies with a certain change in the diet. The diet changes the design of the female genome so that there is a temperature-sensitive lethal arrangement in the eggs of the female flies. You can then put those eggs into a water bath, and once you take the water bath over 33° all the female eggs will die, so we are only left with viable male eggs. Then, again, you go through the same process. Those eggs are grown up. We only end up with male pupae, and again, you X-ray them. Those are the two systems which we are looking at at the moment.

The Hon. L.W.K. BIGNELL: I love being around these guys; it is like *The Curiosity Show*. It is fantastic, the things that you learn. I actually suggested the elastrator, but apparently they are too small for that.

Mr PEDERICK: Does any part of the process involve genetic modification, apart from what you just described with the females?

Mr ZACHARIN: No, it is not a modification. It is something that they put into the food that gives them a temperature-sensitive lethal arrangement, so when they go into the water bath they actually do not survive. There is some other work, called CRISPR technology, which they are looking at in other parts of the world. It has been considered by CSIRO, not just for use in sterile insect technology but they are actually using CRISPR technology for plant breeding. That is not considered a GMO, but again there are certain situations where you can splice genes out or you can add genes in. It really depends on the Office of the Gene Technology Regulator in relation to which method you are using and what determination they will make in terms of that technology.

The CHAIR: Member for Flinders.

Mr TRELOAR: This question relates to Budget Paper 4, Volume 4, page 17. I refer to dot point 2, which highlights the completion of a detailed planning process supporting the establishment of the Northern Adelaide Food Park in 2015-16 for \$1.9 million. In addition, dot point 8 refers to \$5 million in new initiative funding for the Northern Adelaide Food Park to grow industries, accelerate major projects and create jobs in 2016-17. Can the minister provide detail around the planning process, specifically if this process involved the preparation of a formal business case?

The Hon. L.W.K. BIGNELL: Thank you very much for the question, member for Flinders. I heard last week that your leader asked our Premier about the Food Park and asked whether a site had been selected. The Premier and I were out there in about November last year at Parafield Airport, naming the site. There is a big sign up there that says that the Food Park is coming to Parafield Airport, to the Cross Keys site, so it seems like he is not paying attention to what is going to be a wonderful development.

The Northern Adelaide Food Park will create an environment for food businesses to unlock innovation possibilities, increase efficiencies and expand operations into global markets where the demand for premium food and wine continues to grow. The state government is working in collaboration with Parafield Airport Limited, Food South Australia, the Economic Development Board, the City of Salisbury and broader industry to develop a detailed concept site, infrastructure and implementation plan for the Northern Adelaide Food Park.

The state government allocated \$1.994 million in the 2015-16 state budget, which has been invested into planning and design of the Northern Adelaide Food Park. Of this, \$690,000 was provided to Parafield Airport Limited through a grant agreement to support engineering and sustainable design, leading to implementation of the food park.

As part of the Northern Economic Plan, the state government has committed a further \$7 million over 2016-17 and 2017-18 to the Northern Adelaide Food Park. These funds will be used to attract anchor tenants to the food park and contribute to the state's carbon neutral and clean energy priorities. The food park is one of several initiatives being considered as part of the Northern Economic Plan, which is being developed to support economic growth and create jobs in the area.

Site planning will be completed in August 2016, after which time a final decision on investment to support tenant attraction and clean energy design will be made. A key priority is to provide a cost competitive environment for international, national and local businesses to undertake business in South Australia. One of the things we discussed with businesses and investors in Singapore, Malaysia and Thailand during our trade mission to South-East Asia last week was around how they might be able to invest in this food park because it is truly the first of its kind in Australia and it is very innovative on the international level as well.

Subject to commercial viability, is anticipated all or part of the \$7 million will be directed towards implementing clean energy solutions which drive the attraction of tenants. This may include the purchase and implementation of clean energy technologies and/or funding for large scale and commercially viable whole-of-park energy assets. The Northern Adelaide Food Park is being promoted as a key investment opportunity throughout the inbound and outbound trade missions this year, in close collaboration with Investment Attraction South Australia and Parafield Airport Limited.

Demand for processed food is expected to increase in coming years, particularly in Asia, and the Food Park will enable greater innovation and industry collaboration to assist South Australia's food industry and international businesses to access key international markets. We must say that

the food park proposal actually came from feedback that the government received from industry. We have seen food manufacturing grow year on year for 17 years in a row and as demand increases so does production.

That is a great story for South Australia in terms of jobs, but what we find is that some of the food producers have outgrown their current premises or others are finding that they are in conflict more and more with neighbours because they are doing longer shifts and having more hours of production. This is something where the government has been out, as always, listening to industry. We heard that one of the solutions to their problem may be to have this sort of collaborative approach through the Northern Adelaide Food Park.

Mr TRELOAR: On the same budget line, has there been any modelling regarding the expected growth of industries resulting from the establishment of the Food Park? I wonder if there is any indication as to how many new jobs are expected to be created as a result of the Food Park?

The Hon. L.W.K. BIGNELL: As I mentioned, we have seen 17 years of year-on-year growth and the inbound and outbound missions that we are taking into China and South-East Asia would indicate that there is going to be no slowing down in that growth. With that growth and increased production, of course, come more jobs. I might pass over now to Professor Doroudi to give some more detail around that.

Prof. DOROUDI: Thank you very much. In general terms, we have done a number of different consultancy works. One was in relation to demand analysis that we have done through Advanced Focus, which up to about 60 companies expressed their interest in. We have gone through that process and the result said that around 10 companies would be ready in terms of moving to the park. In relation to the specific question of whether we have done any preliminary studies in relation to job growth, we did hire SCG in terms of running very preliminary economic estimations.

It has just been an estimation based on whether the park is going to be fully occupied, if the park is going to be occupied at half its capacity, and the different types of companies that could come in. The prediction was that around 500 to 1,500 new jobs could potentially be created in this park. Having said that, as far as we are running this process, there is a need for a reality check about that modelling. It was just based on a desktop study, and based on modelling without having the actual, tangible data incorporated into it.

Mr TRELOAR: Thank you for that. Minister, Budget Paper 4, Volume 4, sub-program 1.1. The description under this sub-program refers to the government's premium food and wine, part of which it attributes to remaining GM free. The minister has often cited South Australia's GM-free status as a reason for producers receiving a premium, yet has failed to produce any economic, statistical or quantifiable evidence. Has the minister or his department commissioned any report or requested any modelling to seriously and accurately quantify the economic benefit to South Australian producers supposedly received due to our GM-free status?

The Hon. L.W.K. BIGNELL: Yes, we have commissioned that work. That report has not come to me yet, but we have had the University of Adelaide do a report on it. From what I understand, they were a bit sceptical at the start about whether there were widespread benefits, and they were pleasantly surprised in their investigations into the benefits of South Australia remaining GM free.

I would love you guys to come along on one of our trips to South-East Asia and China. Every time I mention that we are phylloxera free and fruit fly free, and that we are the only mainland state in Australia where it is illegal to grow GMO crops, there are nods of agreement that go around the room from these people who are spending hundreds of millions of dollars importing food into their markets each year. It speaks to who we are as a state and it speaks to our record on biosecurity.

If we look back to the 1870s, people sat in here and brought in the phylloxera act to keep phylloxera out of this state. It is incredibly important. As a government, we tend to stay out of the way of businesses and let them go about their business without too much government interference. In areas of biosecurity and our reputation as being a clean, green producer of premium food, there is a lot of support from farmers for us to remain GMO free.

I was in Kuala Lumpur last Thursday and launched Australia Food Week at one of the high-end supermarkets. Out of the 21 Australian food companies there, 17 came from

South Australia. I spoke to a gentleman from Keith who has Bannister rolled oats. There are 100 per cent Australian grown and fully traceable. He puts a picture of an oats crop on the front of his packaging, and that picture on the front of each packet of oats is actually a picture of that crop. He includes the details and a batch number, and you can go online to find out which farmer grew those oats, what date they were planted and what date they were reaped.

This is the sort of traceability that is being encouraged more and more in those markets. He said to me, 'Well done on your stance against the growing of GMO crops in South Australia. You need to stick to your guns on that.' That is not an isolated incident; I hear that quite a bit. The member for Flinders, the member for Hammond and I were over at Minnipa last year for the centenary of the centre, and a farmer came up to me and said, 'Stick to your guns on keeping South Australia GMO free.' To get back to your question: there is a body of work that we commissioned, and I eagerly await to see that report.

Mr TRELOAR: When can we expect to see that, minister?

The Hon. L.W.K. BIGNELL: I have not seen it yet, so you will see it once I get it. I have not actually received it yet, but I am really looking forward to seeing it. I am sure you will, too.

Mr PEDERICK: I refer to Budget Paper 3, page 24, table 2.5—operating expenses, selected agencies. The 2016-17 budget figure for PIRSA is \$263 million. Over the forward estimates, this will decrease to \$163 million by 2019-20. In the financial commentary on page 25, it notes this decrease is 'primarily due to reduced expenditure under various grant programs including the South Australian River Murray Sustainability Program'. Can the minister confirm what proportion has the reduction in SARMS funding contributed to this \$100 million reduction in PIRSA expenditure by 2019-20?

The Hon. L.W.K. BIGNELL: The \$100 million decrease in projected expenditure across the forward estimates between the 2016-17 budget and the 2019-20 estimate is mainly due to the timing and planned completion of time-limited specific initiatives within the next four years, so the member for Hammond is right that it does relate to some specific programs. Programs come and programs go, and I have just been through the incredible importance of the SARMS project in delivering \$1 billion in economic activity and creating hundreds and hundreds of direct and indirect jobs.

To get down to the specifics, the commonwealth-funded South Australian River Murray Sustainability Program is ceasing prior to the 2019-20 financial year; that is around \$81 million expenditure in 2016-17. Various regional development grant programs would be fully expended and ceasing prior to 2019-20, including the Jobs Accelerator Fund (that was \$2.3 million expenditure in 2016-17) and the Riverland Sustainable Futures Fund (that was \$1.5 million expenditure in 2016-17). The timing of additional carryover expenditure included in the 2016-17 budget for the Regional Development Fund is \$10.1 million, compared with the base level of funding of \$15 million annually.

Budget initiatives with expenditure in the 2016-17 budget include the Northern Economic Plan Food Park (that is \$5 million expenditure in 2016-17) and an extension of the North-West Indigenous Pastoral Program of \$700,000 of expenditure in 2016-17 being completed before 2019-20. The \$265 million SARMS program is funded by the Australian government and is being delivered by Primary Industries and Regions South Australia over six years to mid-2019, as agreed under the SARMS National Partnership Agreement.

Of the \$265 million, \$177 million of the \$240 million Irrigation Industry Improvement Program and almost the entire \$25 million of the Regional Economic Development component have been committed through the various competitive grants programs and the redevelopment of the Loxton Research Centre. The SARMS program is tracking extremely well, with 35 gigalitres of the 40-gigalitre water recovery target already met. That is over 87 per cent of the target achieved at the halfway point of the program. The program will also achieve around \$1 billion in broader economic benefits across the River Murray region.

Mr PEDERICK: I refer to Budget Paper 4, Volume 4, ministerial office resources, page 14. The department of PIRSA obviously reports to both you, minister, and minister Brock. I note that minister Brock, as part of his regional development budget for the 2016-17 period, was able to secure a further \$10 million for the Regional Development Fund and \$0.7 million for the North-West Indigenous Pastoral program.

In contrast, under the sub-programs of agriculture, food and fisheries, for which you are the responsible minister, only \$452,000 of new initiative funding was secured for the same period for the growth in horticultural production and exports initiative. Can the minister explain why he was only able to secure less than half a million dollars in new initiative funding in the 2016-17 budget, while minister Brock secured in excess of \$10 million?

The Hon. L.W.K. BIGNELL: Off the top of my head, there is \$1.8 million there for the Wine Industry Development Fund, which we will be using to work with all 18 wine regions around South Australia to promote individual wineries, to promote regions and, in fact, to promote collaboration between regions, as well to get out there and make sure our wine industry and the associated tourism industry around that have the resources to be able to spend on the really important job of either providing new infrastructure or marketing of concepts and the wine and wine regions of our 18 wonderful wine regions in South Australia. So, that is just one example of increased funding.

Mr KNOLL: Can I follow up on that, Chair. The money that you talk about, minister, is actually not new money. It is old money; in fact it is not even the amount of old money we had before. It represents about a \$900,000 cut on the previous cellar-door subsidy scheme. I think the member for Hammond's question still stands. The question was about new initiative funding in the 2016-17 budget and what you have talked about there is just a cut from the previous budget.

The Hon. L.W.K. BIGNELL: Once again, the member for Schubert is wrong, but I at least congratulate him on, for the first time in the three years he has been in parliament, actually asking me a question about the wine industry. Can I just say that, as the local member for McLaren Vale, I was up and down—

Mr KNOLL: Chair, could I ask you to bring the minister back to the substance of the question?

The Hon. L.W.K. BIGNELL: —every agriculture minister, every tourism minister, I was asking all sorts of questions. You have not asked me a single question—

The CHAIR: Order!

The Hon. L.W.K. BIGNELL: —on tourism or wine in the three years you have been in this place.

The CHAIR: Order! Let us get back to the nub of the question.

Mr KNOLL: Which is about new money in the 2016-17 budget.

The CHAIR: Which the minister is refuting.

The Hon. L.W.K. BIGNELL: I will be telling the people of the Barossa that this guy has done absolutely nothing for their region. Tourism and wine is such a huge employer and such a huge part of the region and they deserve better than the local member of parliament they have. Can I also say that the member for Schubert is wrong to say this is not new money. This is brand-new money. This is \$1.8 million that the wine industry is very grateful to be receiving.

Mr KNOLL: Can I just follow up—

The CHAIR: It has been refuted, yes.

Mr KNOLL: Certainly. There was a cellar-door subsidy scheme that was \$2.6 million; that is the scheme that has been scrapped in favour of this new \$1.8 million. So it is, in fact, about \$800,000 or \$900,000 less than was previously there. It is the minister's own press release that has said that it is the cellar-door subsidy scheme that is being collapsed into this new program, so there is absolutely no way it can be new money. I think the minister's answer shows the fact that he has not been able to secure any new money in the 2016-17 budget, except for—

The Hon. L.W.K. BIGNELL: Once again, member for Schubert—

The CHAIR: Order!

The Hon. L.W.K. BIGNELL: Do you know where you belong? You belong in the Young Liberals debating society.

The CHAIR: Order!

The Hon. L.W.K. BIGNELL: This is a grown-up—

Mr KNOLL: Chair, I would ask you to bring the minister back to the substance of the question.

The CHAIR: Order!

The Hon. L.W.K. BIGNELL: This is a grown-up forum and the people of the Barossa deserve better than the representation you are providing them.

Mr KNOLL: I am asking questions, as opposed to getting personal.

The CHAIR: I am standing up.

Mr KNOLL: When the minister gets challenged he decides to get personal.

The CHAIR: I am standing up. If the committee descends into this sort of farce it will have to be suspended. I do ask everyone to respect that we answer the question before the next question and we listen to the answer, or give the answer before the next question is asked. So, is there an end to that answer?

The Hon. L.W.K. BIGNELL: This is brand-new money. This money has never ever been there from PIRSA before. This is \$1.8 million for the 18 wine regions in South Australia to access, to be able to make the most of what it is they are doing in their region, to be able to tell the rest of Australia, and indeed the rest of the world, about their wonderful wines and the wonderful regions they come from, and to attract more and more visitors to those areas.

The member for Schubert talks about a cellar-door subsidy which was brought up in the 1990s by all the wine producing states. They have been scrapped in every state. It has been scrapped in South Australia. What we have come up with is brand-new money, \$1.8 million. I might say that the old cellar-door subsidy scheme could only be accessed by less than 10 per cent of the wine industry.

If the member for Schubert thinks it is a bad idea that the many wine producers in the Barossa cannot get access to this \$1.8 million, he needs to go and talk to a few of the people up there who are not that happy with the representation he provides them. He needs to listen to them and find out the benefits they have told me they will receive through this brand-new funding.

Mr KNOLL: Can the minister confirm that there was a cellar-door subsidy scheme with funding of around \$2.6 million that has been cut?

The CHAIR: He has already done that. He has already said there was one.

The Hon. L.W.K. BIGNELL: I did that. It dates back to the 1990s. It was brought in when there were federal tax changes. There were further tax changes in the federal system during the 2000s which made the cellar-door subsidy redundant, but it had continued on. Western Australia scrapped theirs, and other states scrapped theirs; the only place I know where it still exists is in Victoria.

The reason it was scrapped was that it was not actually benefiting the entire industry. What we are about is equality. We are about growing the industry. People do not even know that that money is available. Even some of the recipients we spoke to, when we asked, 'What do you do with your \$50,000 that you get?' said, 'You would have to speak to the accountant. We do not know where that money goes.'

That money did not come from PIRSA: it came from the Attorney-General's Department. This is \$1.8 million of brand-new money we have secured for our wonderful wine industry. I am in there fighting hard for them, and I have been for the past 10 years since I was elected to represent McLaren Vale. I am now doing it as the Minister for Tourism and the Minister for Agriculture, Food

and Fisheries, and I will continue to fight the good fight and make sure we secure more and more funding for our wonderful wine industry.

Mr KNOLL: Can I ask a follow-up question on this new \$1.8 million scheme, minister. The scheme was put in place on 1 July this year, yet up until about four or five weeks before the start of this scheme there was still confusion from the industry—because there was no knowledge that PIRSA was actually going out to another round of consultation—as to what this scheme would actually look like. Have the criteria for accessing money under the scheme been released to the industry?

The Hon. L.W.K. BIGNELL: We have a group of 12 people from the wine industry, and I am happy to see we have magnificent representation from people from many of the different wine regions. I know Barossa, Adelaide Hills, McLaren Vale, Coonawarra, Langhorne Creek and Clare, off the top of my head, are all represented in that organisation. We have people on there from the big growers and we have people representing small growers. I do not want to be the one to tell them the best way to spend that \$1.8 million.

What I know is that these are innovative and creative people. These are people who hold the wine industry dear to their heart and the tourism industry that flows from that. I want them to come up with the sorts of ideas and frameworks around how that money should be spent, rather than me and our officers coming up with an idea that might not be the perfect fit. I want the perfect fit. I want this \$1.8 million that we fought hard to secure being spent in the most efficient way and the best way to promote the 18 wonderful wine regions here in South Australia.

Mr KNOLL: To be clear, minister, consultation was conducted in May and June of last year, then there were nine or 10 months when nothing happened and then there was this new scheme that was announced. It has come into place on 1 July this year, we are already a month into this new year and you certainly have not indicated that you anywhere close to actually releasing any guidelines. When will the guidelines will be released so that people understand how they can actually access this scheme?

The Hon. L.W.K. BIGNELL: Once again, the member for Schubert is wrong, and I will be sending a copy of this *Hansard* to the Barossa Grape and Wine Association because, while he says nothing happened, it just shows how disconnected he is with the wine industry—

Mr KNOLL: Where do you think my information came from?

The CHAIR: Order, member for Schubert!

The Hon. L.W.K. BIGNELL: —because a lot of work has been happening here. We were faced with the removal of the old cellar-door fund, which has been removed in every other state except Victoria. What I did was I went out to industry and we talked about how we could possibly come up with a better scheme. We have come up with the money for it: \$1.8 million. It is going to be a terrific boost for the wine industry. I have to say that if you were out there as much as I was talking to people in the wine industry—

Mr KNOLL: What is the time line?

The CHAIR: Order!

The Hon. L.W.K. BIGNELL: —you would find that they are very happy with it. We have 12 people; they had their first meeting in my office a few weeks ago, and they are getting together again. They will be the ones working with us to develop the guidelines, and we will have them out as soon as possible. But I have to say that there are a lot of industries out there who would love \$1.8 million.

Mr KNOLL: They would also love \$2.6 million.

The CHAIR: Order! Is there any questioning on my right?

Ms COOK: I do have one.

The CHAIR: The member for Fisher.

Ms COOK: In the interests of a fine dining experience, can we go to Budget Paper 4, page 22. How is the South Australian Research and Development Institute (SARDI) assisting the SA oyster industry in response to the disease outbreak in Tasmania?

The Hon. L.W.K. BIGNELL: Thank you very much, member for Fisher. I am sure the member for Flinders has worked closely with us on this and will be aware of what I am about to inform parliament. It is important that people who follow the estimates committees do receive the news about the great work that SARDI has been doing in this area.

SARDI is currently undertaking a range of activities to assist the oyster industry in response to the Pacific Oyster Mortality Syndrome outbreak in Tasmania. Large-scale hatchery production to produce 10.8 million spat in the current production cycle is underway, and spat are the little juvenile oysters. Up until 1 February, when we had to close down any oyster movements between Tasmania and South Australia, we used to rely on Tasmania to provide 90 per cent of the state's spat.

Obviously, our oyster growers were concerned about that, and we went over to Port Lincoln (the member for Flinders came along to the meetings we had there) to work with industry. The oyster growers in Tasmania were decimated. I do not know whether people saw that 7.30 report, but when they went out—

Mr PEDERICK: I saw it on *Landline*.

The Hon. L.W.K. BIGNELL: Yes, the tears in their eyes with everything going out the window, everything they had worked so hard for. Our immediate response was to make sure that it could not come here. It has been in New South Wales for about four years, and of course, with the movement of vessels and other things, it is something that we work hard to ensure that we keep out of South Australia. We also needed to address the problem for growers to access oyster spat.

There are two companies that provide oyster spat to growers, and we had to help them gear up so that they could produce more and more spat. We also have the facilities at SARDI headquarters at West Beach, where we can also produce spat. We have done that in a way that is not going to compete with those existing businesses because the last thing we want to do is undercut them in any way. What we wanted to do was make sure that our growers had access to the spat so that they could continue at their production levels.

SARDI is also conditioning the broodstock of standard farming stock in genetically improved families. That is another thing we know about Tasmania—the oyster stock over there has been the best in the country. The shells of South Australian oysters have been a bit more fragile, and they have had higher mortality rates. Those broodstocks will be used for spat production by SARDI and/or commercial hatcheries in South Australia when required.

SARDI scientists are providing technical advice to our oyster aquaculture industry regarding hatchery and nursery techniques and also providing microalgal stock cultures needed for oyster larval rearing, at the request of the South Australian hatcheries. SARDI is currently in discussions with Australian seafood industries regarding SARDI's assistance to establish a South Australian oyster genetic improvement program in the coming oyster spawning season, which will be over the upcoming summer.

I want to congratulate everyone involved in PIRSA, through SARDI but also through fisheries and aquaculture. They have done a tremendous job. People quite often criticise governments, but when you sit down and see the level of engagement our people have with pretty much all the aquaculture, agriculture, fisheries and forestry segments, it really comes home at times like this, that when faced with a crisis our officers had good relationships with people in the industry and had the trust and confidence of those people in the industry.

It was terrific to sit down in Port Lincoln with the member for Flinders, with people from the department and with people who were genuinely worried about what the future might hold for them post the POMS outbreak in Tasmania. Different views were expressed by different oyster growers within the room, but there was respect for everyone's point of view around the room. I just want to congratulate everyone in the oyster industry on the maturity in the way they have handled this and also all our team within government on the terrific work they have done.

Mr TRELOAR: As the member representing the constituency that provides almost all the oysters in South Australia, I appreciate the efforts of the government during what really has been a pretty difficult time, I would suggest. There is also some effort being made to establish a hatchery at Cowell, I understand, and you might like to talk about that if you are able to. Is there a projected decrease in production resulting from all of this? Obviously, there will be a flow-on effect once the spat are delivered. If there is a shortfall period, that is when the difficult times will be for the oyster growers.

The Hon. L.W.K. BIGNELL: That is one of the concerns because there is always a lag when something like this happens. Consumers would not notice any difference at the moment, but it is down the track. We have to make sure that we will be able to get the numbers back up to where they are so that growers can supply the market. We are out there trying to obviously build the market not just in Australia but overseas as well. I will ask Professor Doroudi to give you some more detail.

Prof. DOROUDI: About 80 per cent of our spat was coming from Tasmania. Since Tasmania declared having the disease there, we put through translocation protocols. We put a stop on importation of any spat from Tasmania to take off, manage the risk and maintain that disease-free status in South Australia. The two hatcheries we have supported in upgrading their gear and infrastructure are going to produce, based on advice, up to about 70 million or 80 million spat. Usually, on an annual basis, the 80 per cent comes to about 100 million spat or 110 million spat.

As an additional support, we provided an upgrade at the West Beach SARDI facility for them to be able to produce more spat. SARDI's capacity is to produce about 10 million spat per run, but they could go up to two or three runs. We are working very closely with SAOGA and the oyster industry to make sure that we do whatever we can to get ourselves to the level of 110 million spat per year. The timing of that is about September/October for the production to come to a result.

On top of all the arrangements that we have put in place, there has been a proposal for Cowell also in terms of the development of a hatchery. My understanding is that one of the two hatcheries in Tasmania decided to invest in South Australia. They are in discussions with the council over there, and the council has been in discussions with the government in relation to streamlining processes to be able to achieve a quicker licence and getting their investment in place. I have to say that I am not across the detail of the business arrangements or how the detail is working between that particular company in Tasmania and the council, but we are working with them and we have seen their proposal as a priority to issue the licence as soon as possible.

Collectively, if you put all of this together, I am convinced that we are not going to have a shortage in spat production. That said, as the minister said, in meetings we have had with industry in the past there is a split: some still desire to import spat from Tasmania and take any risks that are coming with it and others are against that absolutely and completely and want to put more investment into our own state. For an industry the size of \$35 million to \$40 million, it is quite appropriate and, even more than that, from my perspective, necessary for us to have our own capability in relation to spat production in this state.

Mr PEDERICK: I refer to Budget Paper 4, Volume 4, page 18, financial commentary, 2015-16 estimated result, 2015-16 budget, where it states that there is a \$1.6 million decrease in income:

primarily due to reduction in budgeted interest earnings associated with budgeted lending under the Farm Finance Concessional Loans, Drought Concessional Loans and Loans to Cooperative schemes in 2015-16...

Can the minister provide detail around how many loans were successfully administered in South Australia under both the Farm Finance and Drought Concessional Loans schemes?

The Hon. L.W.K. BIGNELL: I thank the member for Hammond for the question. The government has all processes in place to make the Drought and Drought Recovery Concessional Loans schemes available and accessible to farmers in accordance with the Australian government guidelines and eligibility criteria. The uptake of financial assistance has been relatively low for a number of possible reasons. The reasons are unrelated to the South Australian government's prudent promotion and administration of the schemes and more likely the result of the eligibility of those who have applied and a low demand by those otherwise eligible.

On 15 October 2015, minister Joyce and I announced the opening of round 2 of the Australian government's Drought Concessional Loans Scheme for 2015-16, and on 29 January 2016 we also announced the opening of the Drought Recovery Concessional Loans Scheme. On 30 June 2016 I announced an extension of those loan schemes until 31 October 2016 and the opening of the Dairy Recovery Concessional Loans Scheme appended to the drought recovery scheme.

The sum of \$10 million for the Drought Concessional Loans Scheme and \$15 million for the Drought Recovery and Dairy Recovery Concessional Loans schemes for allocation up to 31 October 2016. South Australia was the first jurisdiction to get in and support the federal package for the relief to dairy farmers in South Australia. To date, seven applications have been approved, totalling \$3.7 million, and one declined during the financial year 2015-16 for the Drought Concessional Loans Scheme, and three applications have been approved totalling \$730,000 and no declines during the financial year 2015-16 for the Drought Recovery Concessional Loans. One Dairy Recovery Concessional Loans application has been received and is currently being assessed.

This has resulted in a total of 10 approvals and one declined—an approval rate of 91 per cent. The scheme criteria are set by the Australian government and they are consistent across all jurisdictions. PIRSA staff have been actively engaging with potential applicants face-to-face in the upper South-East, lower South-East and Mid North regions, including many on-farm meetings to promote the schemes and explain eligibility criteria and processes.

Feedback from some viable farmers who may have qualified under the schemes is that they have been successful in negotiating better rates with existing financiers and hence have not applied or have withdrawn. Applicants have had the right to lodge an appeal decision to the Rural Assistance Appeals Committee. To date, only one request for review has been submitted and the review committee determined the applicant was not eligible.

Whilst there has been criticism over the low numbers of applications and approvals in South Australia, they have been reviewed in accordance with the guidelines set by the Australian government. PIRSA submits monthly reports to the Department of Agriculture and Water Resources at the federal level and participates in six monthly performance reviews, and at no stage has the department indicated any concern in the way the scheme is being administered in South Australia.

PIRSA made arrangements for the New South Wales loan administrator to undertake a peer review of a sample of applications. The review concluded that every declined decision made by PIRSA would have been made exactly the same way in New South Wales. Most applications for the schemes have been from the South-East where PIRSA has observed that in the 2000s banks were willing to lend at a higher debt ratio and thus most applications to date have exhibited limited equity, making support difficult to approve.

Some applicants have questioned their assessed property evaluations as being too low and thus diminishing their assessed capacity to repay the loans. Applicants who were declined accepted PIRSA's offer to have an independent property valuation, and the reports confirmed applicants had insufficient equity to provide acceptable security.

The CHAIR: I advise the committee that the lights went off yesterday afternoon, too. It is not a mood-inducing experiment.

Mr PEDERICK: We have to ring Pelican Point. Get Tom on the phone: he will fix it.

The CHAIR: We have actually paid the bill.

Mr PEDERICK: I hope someone has paid the bill.

The CHAIR: Order! Member for Hammond, do you have another question?

Mr PEDERICK: Yes, I do—

The Hon. L.W.K. BIGNELL: I have not finished—

The CHAIR: Order!

The Hon. L.W.K. BIGNELL: I have not finished yet, Chair.

The CHAIR: Sorry, there is more.

The Hon. L.W.K. BIGNELL: The 2016-17 growing season has begun favourably, with autumn and early winter rainfalls mostly being average or above average and the Bureau of Meteorology's seasonal outlook predicting a greater than 50 per cent chance of above average rainfall for most districts. This will likely have an impact on farmer interest in applying for the concessional loans.

Post 31 October 2016, the Australian government has committed to a new national concessional loan scheme of \$250 million per annum for the next 10 years and announced an intention to establish a single, national body to administer the loan schemes. It is now a matter for the Australian government to finalise arrangements and advise states of the final outcomes. I would like to take this opportunity to place on the record my congratulations to our Deputy Prime Minister and federal agriculture minister, Barnaby Joyce. I would like to congratulate him on being reappointed to those roles.

I look forward to continuing to work with Barnaby; he has been terrific to work with. He and I are as one in that we want to get as much of this money out to farmers who most need it as soon as we possibly can. I note that an audit was done earlier in the year of the federal scheme that showed some deficiencies. I am sure he and his department are working to correct those so that for farmers who are still in need of these concessional loans, and for farmers in the future who may need them in times of trouble, we have a system that works very well for all those farmers.

Mr PEDERICK: In regard to these schemes, how much money was made available in total to these schemes by the commonwealth government and how much was actually paid out to farmers under these schemes?

The Hon. L.W.K. BIGNELL: I think I just gave all the answers. It was \$10 million available for the Drought Concessional Loans and \$15 million for the Drought Recovery and Dairy Recovery Concessional Loans. To date, they have approved \$3.7 million and one declined. In the Drought Concessional Loans Scheme, three applications have been approved, totalling \$730,000. I think all that information was provided. I can give you the hard copy, if you want it.

Mr PEDERICK: What was the total cost to the state government and PIRSA involved with administering both loan schemes?

The Hon. L.W.K. BIGNELL: I will ask Scott Ashby to give you that answer.

Mr ASHBY: Thank you, minister. We have been provided, from the 2013-14 year onwards, a total of \$2.65 million over the full life of the programs.

Mr PEDERICK: Sorry?

Mr ASHBY: I will repeat that. Since the 2013-14 financial year, we have been provided with \$2.65 million from the federal agency for the administration of both programs over the full period of their life.

The CHAIR: Member for Torrens, do you have one?

Ms WORTLEY: I have a question on the same area the member for Hammond was on earlier. I refer to Budget Paper 4, volume 4, page 17. Can the minister provide an overview of the outcome of the Premier's trade mission to China in April this year?

The Hon. L.W.K. BIGNELL: I thank the member for Torrens for that question and acknowledge that people in your electorate benefit from the great work that is done in our agriculture sector. One in five working South Australians are employed in the agribusiness sector and it is important number for all of us to remember. It does not matter whether you live in rural South Australia or in the city, we all benefit from the great work that our farmers and our fishers do.

To make sure that we continue to grow all these sectors, it is really important that we are out there around the world selling what we have. There is no point in sitting home and swapping our oysters for our wheat and other things because it means the same money is going around in our economy and we do not actually grow the economy. We should acknowledge that in the past year

we have seen our food and wine industries grow from \$17.1 billion to \$18.2 billion and there are very few sectors that have seen that sort of growth.

From 4 to 9 April this year, the Premier led South Australia's largest ever international trade and investment mission. It went to Shandong Province in China to celebrate the 30th anniversary of the South Australia-Shandong sister state relationship. As part of the mission, a joint sitting of the South Australia-Shandong High Level Working Group was held, where both sides celebrated the successes of the relationship and agreed to continue implementing targets set under the South Australia-Shandong Friendly Cooperation Agreement and Action Plan 2015-2018.

PIRSA delivered an agribusiness, food and wine program with 70 delegates from 25 wine companies and 14 food companies, an agricultural extension services program and a food safety program. It was terrific to be with that delegation to see the strength of our industries and the great way they collaborated with each other, learnt from each other, shared knowledge and experiences with each other, as well as at the same time dealing with importers who can bring their food to the markets in China.

All participating companies that were seeking commercial outcomes have reported making business connections they believe will result in export deals. The mission built on crucial government-to-government relationships PIRSA has developed with the Shandong provincial government to deliver greater export opportunities for South Australian businesses. A number of significant memorandums of understanding were signed during the mission by South Australian agribusiness companies. PIRSA and the Shandong Provincial Department of Agriculture signed an agreement to develop a joint project for the efficient integrated farming ecological demonstration zone in the Yellow River Delta region in Shandong.

PIRSA continues to lead the agriculture subcommittee of the South Australia-Shandong High Level Working Group initiative and is working closely with Shandong counterparts to improve exchanges between companies, develop and promote mutual investment opportunities, and jointly participate in research and policy development events. The immediate outcomes of the agribusiness, food and wine program include the following:

- L&Q Enterprises signed an MOU with Shandong-based HouSheng Livestock Husbandry Co. to supply donkeys processing into a variety of health and pharmaceutical companies. There still remains a number of issues to be overcome before this trade can commence.
- Nardone Baker Wines signed an MOU with Qingdao Zhongsheng International Trading Co. Ltd to distribute Nardone Baker Wines in Shandong and six other provinces. The deal is believed to be worth at least half a million dollars over the next few years.
- Food and Beverage Australia Limited (FABAL) participated in the delegation for the first time in 2015, which resulted in their first container shipment of Vineyard Road Wines from Langhorne Creek—very much of interest to the member for Hammond—into China. FABAL also participated in this year's mission and generated more business leads than the previous year. FABAL also met a significant Chinese investor who will commence negotiations to invest in an agricultural project being run by FABAL.
- Braydun Hill Wines from the electorate of Mawson is negotiating with a Qingdao-based customer to buy the entire annual production of 2,000 cases, so terrific news for one of our stand-out small producers.
- The CMV Group, Caudo Vineyards, Mallee Estates, Lightsview Estates, Kingston Estates, Wines by Geoff Hardy and Chapel Hill have made a number of connections resulting in negotiations for immediate sales.
- Nova Vita Wines, who were on our trade mission into South-East Asia last week, have reported selling 300 cases of pinot and another 11,067 cases to a buyer in Zibo. The approximate value of the container is \$90,000 to \$100,000.
- The Stehr Group is negotiating the sale of southern bluefin tuna to a Yantai-based company.

During the mission, the Shandong Provincial Department of Agriculture and PIRSA reached an understanding on the joint establishment of an efficient integrated farming ecological demonstration zone in the Yellow River Delta region in Shandong. Both parties agreed to expand further opportunities in the following five areas:

- cooperation in building the China-Australia centre for modern livestock demonstration and exchange;
- importing breeding stock, technology and equipment, as Shandong plans to import 5,000 premium dairy cows from South Australia in the next three years, and high-yield premium forage grass varieties which include oats, barley and lucerne;
- deepen cooperation on the pasture project which will include Shandong importing saline-alkali tolerant plant varieties from South Australia;
- deepen the bilateral exchange between research institutes and schools to establish a platform for science and research collaboration and cooperation in the areas of livestock and poultry breeding, forage grass production and processing, soil quality improvement and rejuvenation, and biotechnology; and
- organise businesses and individuals to attend large-scale agriculture exhibitions in South Australia and Shandong.

Further work is being undertaken to agree on the detailed scope of works and deliverables for the project, with South Australian businesses delivering the goods and services on a cost-recovered basis to Shandong. This will include ongoing trade in seeds, genetics and services.

South Australia has invited Shandong Provincial Department of Agriculture's Director-General, Mr Wang Jinbao, to visit South Australia in September 2016 to undertake a program that showcases our world-leading sheep and beef genetic specimens. Invitations have been extended to the decision-makers in each city in Shandong to visit South Australia to view our beef, dairy cattle and sheep farming sectors. Work will also be undertaken with South Australian suppliers of fodder to increase supply capacity of oaten hay.

The food safety seminar was delivered to approximately 90 public servants and policy-makers in Weifang City on industry-government cooperation to deliver assurance on food quality and safety. PIRSA jointly delivered the seminar with the South Australian Produce Market. The food safety seminar was hailed as an absolute success by the Shandong Provincial Department of Agriculture. PIRSA is currently following up with discussions with Shandong to deliver a further three-year cost-recovered food safety program.

Mr PEDERICK: Budget Paper 4, Volume 4, ministerial office resources. The table on page 14 refers to the number of minister staff and cost of provision for these staff. What was the total cost of the minister's travel and that of his ministerial staff for the 2015-16 period?

The Hon. L.W.K. BIGNELL: We do not have that figure here because we are actually looking at all the PIRSA things and this sits as a separate line, but I am happy to come back. I think you are on in the next committee as well, so we can give you that figure then because whenever we travel it is always for all the portfolios, not just primary industries, and of course we have agriculture, food, fisheries, forests, tourism, recreation and sport and racing.

Mr PEDERICK: That is fine. I am happy for you to bring it back, minister. How many overseas trips did the minister and/or his staff undertake in the 2015-16 period?

The Hon. L.W.K. BIGNELL: We went to China in April, as I have detailed, and Japan and China in November. I think that was it. We went to New Zealand for the ag ministers' conference, which must have been in May, and then we looked at some Maori tourism ventures over there as well. That was in May this year. So, there were three overseas trips.

Mr PEDERICK: In regard to the total travel costs for PIRSA executives for the 2015-16 period, do you have that, minister?

The Hon. L.W.K. BIGNELL: In relation to our travel costs, that is available on proactive disclosure. That is up on the website and I do not need to bring an answer back here. You can find that.

Mr PEDERICK: We are not on the website at the minute. We are in estimates, minister—

The Hon. L.W.K. BIGNELL: Get this bloke then because every question time he sits there like a child, going on the website when it is already available, so I am not going to answer a question—

The CHAIR: Everybody stop. Order!

Mr KNOLL: Can I just clarify, Chair—

The CHAIR: I would like to hear something that is not frivolous.

Mr KNOLL: Certainly not at all. Ministerial travel does get disclosed, as also chief executive travel does, but the question was about PIRSA executives, so that would be sub CE level and that is not available under proactive disclosure.

The Hon. L.W.K. BIGNELL: If the member for Schubert was paying attention, I was talking about the earlier question—

The CHAIR: That is right. You were.

The Hon. L.W.K. BIGNELL: —about the cost of our ministerial office in terms of government travel and his staff—

Mr KNOLL: It does say 'and/or his staff' though.

The CHAIR: Order, member for Schubert! One person at a time.

The Hon. L.W.K. BIGNELL: For such a stickler for people not repeating stuff that is already available on the website, go and have a look at proactive disclosure. It is on the website.

The CHAIR: Order!

The Hon. L.W.K. BIGNELL: It is. Check your facts. You are wrong again. You are wrong as usual.

Mr KNOLL: Staff are not on there.

The CHAIR: I am appalled, as must be everybody else in this room, at the time that is being wasted. Do you have an answer to the last question or not?

The Hon. L.W.K. BIGNELL: I can give you an overall figure for all staff, and this includes their salaries: 50 trips have been done by 50 individuals, who work with SARDI. It is very important that they are up to date with the latest things going on around the world. The total cost, including their salaries, is \$474,570, and that is for a total number of travellers of 90 on a total number of trips of 90. That is not just the executives; that is everyone.

Mr PEDERICK: I note that the number of full-time equivalents in your ministerial office remains the same in 2016-17 as it was in 2015-16, at eight full-time equivalents; however, there has been a \$103,000 increase in the cost of this provision. Can the minister explain why his ministerial office budget increased by \$103,000 when the FTE allocation remained the same?

The Hon. L.W.K. BIGNELL: In December, we changed buildings and there was an increase in costs to our office. We have moved from Terrace Towers down to No. 1 King William Street. So, there was an increase in costs because of that move.

Mr PEDERICK: That was just in relation to the move, it was not wage rises or anything like that?

The Hon. L.W.K. BIGNELL: There would be some indexation and rises, I would imagine, across those positions.

Mr PEDERICK: In regard to the recreational fishing management plan and the review, has there been any consideration of the impacts the New Zealand long-nosed fur seals are having on

fish stocks through South Australia, as they are estimated to consume over 400 tonnes of seafood per day? I refer to Budget Paper 4, Volume, 4, page 22.

The Hon. L.W.K. BIGNELL: I will ask Professor Doroudi to give you an answer on that one.

Prof. DOROUDI: I would appreciate if the question could be repeated?

Mr PEDERICK: There has been, obviously, the recreational fishing management plan and review. As part of that review has there been any consideration of the impacts the New Zealand fur seals are having on fish stocks throughout South Australia, as they are estimated to consume over 400 tonnes of seafood a day?

Prof. DOROUDI: The main principles that we have put behind recreational fishing are based on the recreational fishing management plan and the current survey that we have done. The current survey is focused on the amount of fish that is taken by anglers and then SARDI's stock assessment work that is happening around different species and the control measures that we put against the commercial sector, all of those come to affect and provide the recommendation that we put in terms of the new bag and boat limits for all of those recreationally important species.

The management plan for the Lakes and Coorong is going to address the issue of seals. There is no specific study right now that has taken into account how many fish are taken by seals. As a general point, when SARDI does its stock assessment work and scientific work it is based on the availability and abundance of a species. One can argue that environmental factors could be affecting an increase or decrease in a particular species. On that basis, the recommendations were made around the new set of bag and boat limits for the recreational fishing sector.

The Hon. L.W.K. BIGNELL: Could I add one thing, too. One of the things we have done now, for the second year in a row, is waive the fishing fees for the Coorong fishers as well. We understand the plight they are going through and we are working with them, trying to do the very best we can as a government department.

Mr PEDERICK: On the same reference, Budget Paper 4, Volume 4, page 22, in regard to the Lakes and Coorong management plan, the plan has been implemented and finalised but no further targets have been projected for 2016-17. Does this imply that the department will not provide ongoing and continual support to the Coorong and Lakes fishery? Does the plan do anything to address the issue of Ngarrindjeri totems (i.e. pelicans) being slaughtered by the New Zealand fur seals?

The Hon. L.W.K. BIGNELL: We do not have responsibility to the pelicans.

Mr PEDERICK: No-one does.

The Hon. L.W.K. BIGNELL: We just have the fish. We do not do pelicans.

Mr PEDERICK: They are on their own.

The Hon. L.W.K. BIGNELL: We do not do them. Someone else does pelicans. We do fish.

Mr Knoll interjecting:

The Hon. L.W.K. BIGNELL: We are looking after the fish and the fishers, someone else is looking after the pelicans. I am sure they are in good hands.

Mr Knoll: What happens if the seals are eating—

The CHAIR: Order! Next question, member for Hammond.

Mr PEDERICK: I refer to Budget Paper 4, Volume 4, page 19, targets 2016-17. This talks about supporting South Australia's economic priority, 'Premium food and wine produced in our clean environment and exported to the world.' Did the minister seek advice from PIRSA regarding funding the Australian Centre for Plant Functional Genomics, given the aforementioned economic priority? If so, did PIRSA advise for or against funding the centre?

The Hon. L.W.K. BIGNELL: We work closely together with PIRSA and we have a great team led by Scott Ashby. We have a lot of calls on our resources, and they are finite resources. I think when the centre was opened by Mike Rann back in the early 2000s, it was conditional on a lot

of different people putting in funding. This has only come over into my area in the past 12 months, but it had been made clear by many different ministers over the years that we would not fund this forever; in fact, last year they were told that this was the last year we were funding it, so it should have come at no surprise that we were not going to continue to fund it.

What we see is that a lot of the projects that we fund have a direct improvement and impact on South Australian producers, farmers and companies, and what we saw with this investment was that the entire nation benefited out of it. We thought it was important that the people running this centre actually went out and looked for more national funding partners and stopped relying on the good people of South Australia to do the funding. We think that we gave them plenty of notice of what needed to be done on their part. I am not sure whether they thought we were playing chicken, but we are not funding them anymore.

Mr PEDERICK: Given that answer, minister, and that the Australian Centre for Plant Functional Genomics is a world leader in innovative research, supporting South Australia's grain industry and already located at the Waite campus, does the minister not consider the ACPFG a key partner going forward for the South Australian Food Innovation Centre? That is in highlights, page 18, of Budget Paper 4, Volume 4.

The Hon. L.W.K. BIGNELL: No, absolutely we think they are a very important partner and we think that they will—

Mr PEDERICK: But not enough to fund them?

The Hon. L.W.K. BIGNELL: They came out, after we said we were not going to fund them, saying they would be able to continue, so I think that is a very important thing. We can continue to give money to places we have told that they need to change their practices, but that would just be rewarding bad behaviour. We gave them plenty of notice. We do think they do a good job, but we should not be paying for the betterment of the entire nation's industry. We should be working on things that are really going to improve things for South Australian industry.

They were told many times by various ministers over the years that they had to go out and get other contributors to their centre. They did say, when we withdrew the \$1 million, that they would still be able to operate, and we welcome that. We hope that they get other funding sources, and we will continue to work with them. Professor Doroudi apparently can add some more, and that would be terrific.

Prof. DOROUDI: The main shareholder of the company is the University of Adelaide. We have been very closely working and talking to the University of Adelaide in terms of either the company is going to be self-financed and run on its own or, if the university has the intention, which they have indicated to me—or the desire is for the company to become a subsidiary entity of the University of Adelaide itself.

By no means, I understand, is the core capability and the expert biomass that we have in the system going to disappear. It is just a matter of a different model under which you can run this activity. It is either, as I said, and per our discussions with them, financially viable and they can run it as a company or, if it is not, then it could be an entity of the university and we will still continue working with them. We provided the university with about \$500,000 in terms of the transition into the next stage that we need to go to. At the moment, one can think that the structure, in terms of its overheads and on-costs, is too expensive and that there could be other ways that the centre could be run.

The other thing I want to mention is that to the best of my knowledge and understanding a lot of work and output of the centre is really going overseas. It is not the fact that it is not a centre of excellence; it is, but it would be very much better directly to local industry as well. Again, to the best of my knowledge, I did not think that industry itself would have any argument around a different structure to be run into the future with the work that this centre can do.

Mr KNOLL: Minister, in your previous answer you talked about constraints. Obviously, the Australian Centre for Plant Functional Genomics has been around for quite a long time and has been funded by the government for a long time. Is it the current financial pressures—i.e. the mandatory saving targets that are involved with PIRSA—that have led to this decision?

The Hon. L.W.K. BIGNELL: No, not at all. We just have priorities, and this is a priority in terms of the overall good that it will do for all of Australia, and there is an impact on South Australia. What we try to make sure that we do is deliver the money that we have for PIRSA in the very best way we can, whether that is across fisheries, or running trade programs to get more market access, to grow markets, or to create new markets internationally. At the moment, that is where a lot of our focus is, but that is not to say that we do not think research and development is really important.

Obviously, we do our own through SARDI, and we work with a lot of different national bodies as well in terms of research. In a perfect world, where we had money growing on trees, we would continue to do it, but we have been giving these people plenty of notice that the money was not going to go on forever. Last year, it was meant to finish and the minister at the time said, 'We will give you one more year of funding,' and they still expected some funding from us.

What we have done, as Professor Doroudi has outlined, is that we have actually given a significant amount of money to the University of Adelaide to make sure that they can work on not only securing the future of this very important centre but also setting up those sorts of networks where it is not all back on the taxpayer of South Australia to fund research that is going to be of benefit for everyone in Australia.

Mr PEDERICK: I refer to the same budget line. Minister, can you confirm that you have never had a meeting with Dr David Mitchell, Chief Executive Officer of the Australian Centre for Plant Functional Genomics, since PIRSA assumed responsibility for funding the ACPFG?

The Hon. L.W.K. BIGNELL: Yes, that is correct.

Mr PEDERICK: That is interesting. You would have thought that with cutting that \$1 million out you might have talked to the chief executive officer.

The Hon. L.W.K. BIGNELL: I am very confident that the negotiations the management of PIRSA undertook with the gentleman you mentioned were appropriate, and they were keeping me constantly informed about what was going to happen. You have to remember that this is an organisation that has been told year after year that this funding was not going to go past last year, and then we gave them one more year. So, there was not much for me to discuss. We had put our position and we had made it really clear. I know that my Chief of Staff did attend a meeting with the gentleman you mentioned, but I was not at that meeting.

Mr TRELOAR: I refer to Budget Paper 4, Volume 4, sub-program 1.4, page 22, SARDI, financial commentary. The budget papers refer to an \$8.8 million decrease in income primarily due to the recognition of resources received free of charge with the transfer of the Lincoln Marine Science Centre from the Flinders University in 2015-16. Can the minister confirm the exact value of this asset and if there was any compensation transferred to Flinders University for this asset, and what is the intended future use for this centre?

The Hon. L.W.K. BIGNELL: What a fantastic asset that is for the government to have. I think it is probably one of the best pieces of real estate the government has anywhere in South Australia. Of course, it is where we had that meeting—

Mr TRELOAR: Certainly, the view is good.

The Hon. L.W.K. BIGNELL: Yes, it is. That is where we had the meeting with the oyster growers, and we have done some presentations out on that deck as well. In terms of the setting and the building itself, it is a terrific asset for us to have. The marine science centre has been valued and recognised in PIRSA's financial accounts at \$9.173 million. The negotiation process included a \$200,000 payment to PIRSA from Flinders University SA, which has been reinvested to the installation of a solar power system, a refurbished front counter area and improved security during 2015-16, but we did not pay the university for the building.

Mr TRELOAR: And future use, minister?

The Hon. L.W.K. BIGNELL: I might ask Scott Ashby to give you an answer on that.

Mr ASHBY: Obviously, we have a consolidation of PIRSA staff at the new Lincoln Marine Science Centre offices. In addition to that, we have accommodation continuing for Clean Seas Tuna, and currently we are looking at a transfer of staff from the Department of Planning, Transport and

Infrastructure to relocate and also be housed at the Lincoln Marine Science Centre. The Flinders University of South Australia staff who were there previously have remained.

The Hon. L.W.K. BIGNELL: Professor Doroudi has more information about it as well.

Prof. DOROUDI: We are also in discussion with Tasmanian hatchery producers. They would like to have access to the aquaculture or tank facility of the centre in relation to a grow-out or nursery for their spat.

Mr PEDERICK: In regard to Budget Paper 4, Volume 4, Sub-program 1.4: South Australian Research and Development Institute, a review is being undertaken in relation to ACIL Allen and SARDI's core research functions and outputs. Can the minister provide detail regarding the total cost of this review being undertaken by ACIL Allen? When is this review expected to be complete, and will this review be made public?

The Hon. L.W.K. BIGNELL: The cost of the SARDI review contract with ACIL Allen Consulting Proprietary Limited is \$107,753.

Mr PEDERICK: When is it expected to be complete, and will this review be made public?

The Hon. L.W.K. BIGNELL: We expect it to be completed later on in the year. Once I have seen it, we will work out whether it will be made public.

Mr PEDERICK: Can the minister provide detail around how widely the request for submissions to this review were distributed? Were all industry associations notified, all aquaculture and fisheries licence holders? Can the minister provide a copy of the distribution or mailing list?

The Hon. L.W.K. BIGNELL: I will ask Professor Doroudi to answer that question for you. Thanks, member for Hammond.

Prof. DOROUDI: I cannot get you an exact figure, but 50 to 60 different companies and associations have been approached for a written submission to the review. About 12 peak industry bodies have been selected in terms of one-on-one interviews. By the time that we have the report finalised, we cannot see any problem in terms of providing that comprehensive list. Still the process is ongoing. If there is any particular company or association out there that would like to have input, we could provide that input.

Mr PEDERICK: Minister, you cannot guarantee that all aquaculture and fisheries licence holders have been contacted?

The Hon. L.W.K. BIGNELL: I will ask Professor Doroudi to answer.

Prof. DOROUDI: I cannot exactly say whether every single sector has been contacted or not. As I said, for the interviews I know that the southern bluefin tuna and rock lobster industries were picked up for one-on-one interviews. It was of limited time and limited approach in terms of including every single association but in a broad range we have gone to 50 or 60 associations or companies for their input.

The CHAIR: If you want to put it on notice, we will let you do that. The member for Fisher has a—

Mr PEDERICK: Are you happy to take one more question, minister?

The CHAIR: No, it is not up to the minister.

Sitting suspended from 11:32 to 11:47.

Membership:

Mr Bell substituted for Mr Treloar.

Departmental Advisers:

Mr J. Coleman, Chief Executive, ForestrySA.

Mr J. Speed, General Manager, Business Operations, ForestrySA.

Mr S. Ashby, Chief Executive, Department of Primary Industries and Regions.

Mr R. Robinson, Director, Forestry, Department of Primary Industries and Regions.

Mr S. Johnke, Director, Finance and Prudential Management, Department of Primary Industries and Regions.

Mr M. Williams, Manager, Budget Strategy Unit, Department of Primary Industries and Regions.

The CHAIR: Thank you, everyone, for returning as promptly as you could. We are looking at Primary Industries and Regions South Australia, the Minister for Forests. Estimates of payments to the Department of Primary Industries and Regions South Australia and administered items for the Department of Primary Industries and Regions South Australia are still open for examination. I refer members to the Agency Statements, Volume 4. I call on the minister to introduce his advisers. Is there an opening statement?

The Hon. L.W.K. BIGNELL: Thank you, Chair. There is an opening statement. I would like to thank you for having us along today and thank the members of the committee for their time, particularly the member for Mount Gambier, who has a strong interest in this area. Of course, forestry is a huge part of the economy in the South-East of our state. The government's interest in forestry is managed by both PIRSA and ForestrySA, and a significant amount of effort is made to advance the sector.

I would like to introduce the members of the department and ForestrySA who are here today. To my right is Jerome Coleman, the Chief Executive of ForestrySA; on my left is Rob Robinson, who is the Director, Forestry in PIRSA; Stephen Johnke is on my far left, he is the Director, Finance and Prudential Management; Scott Ashby is sitting behind me, to my left; and we also have the General Manager, Business Operations, ForestrySA, Julian Speed, here as well. Thank you very much to all the people who are here today and to all the officers who have worked so hard at getting these estimate folders together.

Last year I advised this committee of the agreement reached between the South Australian government and OneFortyOne Plantations Pty Ltd (OFO) to assume full responsibility for managing the OneFortyOne Green Triangle plantations in the South-East. I am pleased to advise the transition occurred successfully and in an orderly manner, with the ForestrySA staff in the South-East who were predominantly involved in providing plantation management services transferring to OneFortyOne.

This has provided increased job security for the former ForestrySA workers and their families in the South-East. The changes had no impact on the 2015-16 fire danger season, as OneFortyOne provided the same level of fire protection and management within its forest estates. ForestrySA continued to provide fire protection and management outside the estates.

There will be no change to conditions relating to log rotation length, domestic supply arrangements, annual reporting requirements or re-planting obligations, ensuring the long-term future of the forestry industry in the South-East. During the transition period, both ForestrySA and OneFortyOne conducted business as usual. With the close working relationship already established between both organisations since the sale of the forward rotations in 2012, disruption to business and services was minimal.

The government established the \$27 million South East Forestry Partnership Program in November 2012 to support the development of innovative products and technologies to increase sales volume and log throughput, to benefit the entire forestry supply chain in the South-East. PIRSA is overseeing 13 projects being funded from three rounds of the program, which will generate more than \$63 million of total investment in the region's forestry industry.

However, with the decision by two recipients from round 2 of the program not to proceed with planned projects, \$2.95 million of funding is not currently allocated to active projects. The upgrade of the Mount Gambier Airport is an obvious project to support not only the forestry industry but also

jobs and growth in the South-East. The project has been proposed by the District Council of Grant, which owns the airport, and is supported by the member for Mount Gambier.

The residual South East Forestry Partnership Program funds of \$2.95 million have now been allocated towards the staged upgrade of the airport, which will allow it to cater for larger aircraft and pave the way for additional services with more passengers and freight. Importantly for the forestry industry, it will improve the conditions there for the firebombing aircraft, which play such an important role in fighting fires in our forests.

PIRSA is also leading the government's Mid North Forests Future Strategy during 2016 to determine, in liaison with industry, the community and government—both local and other state agencies—the best future direction of the Mid North forests for the benefit of the region and the state. The competitive request for proposal phase is well advanced, with an interagency panel within government looking at proposals which can be considered and negotiated with the view of entering into contracts. The panel has also assessed proposals which can sustain existing jobs in the Mid North as well as creating new ones.

Decisions on the future direction of the forests, including the finalisation of agreements for the first tranche of successful proposals will be made by the end of September. Any ongoing role for ForestrySA in the Mid North forests will be determined in part by the outcomes of this process. This has been an enormous operation and there is still a lot of work ahead. However, we need to get this right for the benefit of the whole community, and it is a really important community.

I know the members for Stuart and Frome have both done a terrific job in representing those areas where bushfire and forest fire wiped out 80 to 90 per cent of the forests in their electorates and in their region, so I want to thank them for their contributions. They were both there 18 months ago or almost two years ago when we had a meeting in Jamestown where we listened to about 300 concerned community members about what the future may hold. Hopefully we will have some answers for them within the next few months and we can get on. As I said to them on that day in that hall, the only thing we know for certain about the future of the Mid North is that it is not going to look like the past, as in everyone will have to adjust to what we hope is a more prosperous environment for the wonderful people of that great part of the world.

PIRSA continues to work with other government agencies, such as the Department of Environment Water and Natural Resources, and industry across a range of issues which involve forestry. PIRSA has a memorandum of understanding agreement with ForestrySA to manage and fund non-commercial forestry activities of benefit to all South Australians. Annual programs and performance targets have been developed by ForestrySA in consultation with PIRSA. These programs recognise the importance of forestry and forest reserve uses to the people of South Australia.

ForestrySA continues to improve the performance of its remaining commercial plantations in the Mount Lofty Ranges. This includes the implementation of a new strategic alliance with the contractor, Harvestco Hills, to improve productivity and performance. The increased operational performance of ForestrySA in the Mount Lofty Ranges has contributed to improving the forest estate's financial performance. The government acknowledges the important contribution forestry makes to South Australia and, more importantly, to its regional economies. I would like to thank everyone involved in ForestrySA and the forest part of PIRSA.

Mr BELL: Budget Paper 4, Volume 4, page 30, Financial commentary. Minister, it says:

The \$6.0 million decrease in expenses is primarily due to re-profiling expenditure for the South East Forestry Partnership Program...

I can understand \$2.95 million. Can you explain the residual amount and what 're-profiling' actually means?

The Hon. L.W.K. BIGNELL: The money still exists, it was just put into another financial year. Over \$4 million has been put into the 2017-18 financial year just to align with the project proposal when the proponents who have been given this grant can actually roll out the improvements that they are going to do.

Mr BELL: So that money has already been allocated, but it just has not been spent yet?

The Hon. L.W.K. BIGNELL: Yes, it will be in a different financial year, because if you have to go and buy machinery and put it in—I know one of the recipients I visited in May was running a little behind schedule. I am not sure that is one of them, but you just get this slippage, particularly when you have to get machinery that you cannot buy off the shelves in a lot of places in a lot of instances. A lot of it is really quite complicated.

The whole reason we have this money out there is so that people can upgrade to the sort of processes we have not seen before. I know the company I visited were having a few teething problems in getting the gear up, so they are not ready to launch just yet. That is the reason why sometimes things get pushed out a little bit. The grants are paid in arrears, so people have to spend the money before we given them the money back for what they have spent.

Mr BELL: Any reason why that was not rolled over into the 2016-17 budget? It has been rolled 12 months in advance, so that 2017-18 is a gap.

The Hon. L.W.K. BIGNELL: Some would have gone out into that year. With others, in consultation with the people who have won the grants and the time lines they have, it would have just been common sense that if they cannot do something until a certain time, they are not going to get their money until then. It is just an accounting procedure to make sure that we have all the money lined up with the right years about when that money is going to go over into their accounts.

Mr BELL: On the same page, can the minister confirm that there is actually no money left in any of these Forestry budgets for the commonwealth government's proposal to establish the forestry innovation hub in Mount Gambier?

The Hon. L.W.K. BIGNELL: That is correct, but that is not to say that in the future we would not sit down with them and maybe put in a budget proposal for future years, to see if we could help fund it. We spend \$500,000 a year on research as it stands, so it is not like we are not a big supporter of research into forests in South Australia. I must admit we were caught by surprise during the federal election campaign by the federal member for Barker, who came out with an announcement—which we welcomed—that the federal government was going to contribute \$2 million, I think it was.

To expect us to have the money they asked us to put in just laying around was a little bit rude. Normally, we do deals with people to co-fund things. I have an excellent relationship with people like Barnaby Joyce and Anne Ruston. The member for Barker, though, as you know, is a different cat. He just went out there and came out with this. We will deal with the federal government. We get on with them very well. It is just that Tony Pasin is strange.

Mr BELL: Has the minister had any—

Members interjecting:

The CHAIR: The member for Mount Gambier is asking a question.

Mr BELL: Thank you, Chair, for your coverage.

The CHAIR: I have to look after all my big men.

Mr BELL: Thank you. On that same theme, has the minister had any discussions with his federal counterpart, Joel Fitzgibbon, with respect to that proposal; if so, what was the effect of those discussions?

The Hon. L.W.K. BIGNELL: No, I have not had many discussions at all with Joel. We tend to deal with whomever the government of the day is. I can quite honestly tell you that I put party politics aside and go in there and work on the best thing we can do for our state and the people of our state. I want to congratulate you and the member for Hammond on the way that you go about things as well because what you always want to do is the best thing for your electorate. We have had plenty of great discussions over the years that have led to good things happening in your part of the world and it is no different.

As I said, I would have more conversations with Barnaby and Anne Ruston than I would with Joel Fitzgibbon. That is not to say anything bad about Labor or anything bad about Joel. It is just that you deal with the people who are in government and that is how you try to get the best deal. We

have had an election: the Coalition is in power again and I will continue to work with them side by side.

Mr BELL: In terms of assets, I have a question around the Fire Kings. How many are there and who owns that property at the current time?

The Hon. L.W.K. BIGNELL: For the benefit of those listening at home, because I know that the parliamentary live stream is listened to by millions of people, bonjour to those people in France and buongiorno to those listening in Italy.

A Fire King is a big yellow fire truck. They do an amazing job. They are built specifically for going through the tough terrain of forests and to withstand limbs and things that may be falling down in those treacherous times. We have 15 of these Fire Kings across the state: we have one in Wirrabara, we have three in the Mount Lofty Ranges and we have 11 in the Green Triangle, with seven of those owned by OneFortyOne and four owned by ForestrySA.

Mr BELL: Those seven that are owned by OneFortyOne, were they sold to OneFortyOne or gifted to OneFortyOne?

The Hon. L.W.K. BIGNELL: They were sold at written-down value.

Mr BELL: So OneFortyOne are quite within their rights to sell those at any point in time?

The Hon. L.W.K. BIGNELL: The strongest condition that we have put in the agreement with OneFortyOne is that there is to be no deterioration in the level of fire protection that is afforded to the forests in the South-East. In all my discussions with OneFortyOne, they keep pointing out that it is not in their interest to decrease the level of fire services they have in the area because they own the asset. If that is to go, they are in all sorts of trouble.

They are as keen as anyone in the South-East to make sure that they have the right systems in place to fight fire, and that is something that has been non-negotiable all the way through from this government. We have these plantations that thousands of workers in the South-East rely on so much. It is a big part of the economy and they need to be protected against the ever constant threat of fire.

Mr BELL: In estimates last year, we discussed that OneFortyOne Plantations would take on 60 staff; however, ForestrySA, at that point in time, had 74 staff on its books. How many ForestrySA workers were not transferred to OneFortyOne, given that in today's estimates we are looking at an FTE going forward of 5.1? How many were not transferred to OneFortyOne and what has happened to the differential of nine or 10 so-called staff?

The Hon. L.W.K. BIGNELL: One of the things we did with the agreement with OneFortyOne was that they identified a number of staff that they wanted to approach to come over and continue the roles that they were doing but to do that within OneFortyOne. I think we struck a very good deal for those hardworking and loyal ForestrySA workers. I will have to double-check, but I think the number of offers made was 65.

There were 60 offers made: 56 people accepted, two people retired, and there were two contractors who were on short-term contracts who did not go over. Employment offers were made to 59 workers in the South-East—just so that we are exact; I was rounding up there to 60—a total of 56 employees have accepted the offer, two have decided to retire from work and one contract worker will remain in their role until their contract expires in the next few months. This is information that came out late last year.

I think, all in all, the feedback we have had from people who have gone over is that they are very happy. You might remember the year before when we put out that offer before the entitlements were to be halved. There are a lot of people there who have been very grateful and have expressed their gratitude to ForestrySA for the fact that they were able to access that money and to exit ForestrySA and get on with their lives in a practical way.

The business is very different to when I assumed responsibility for forests after the 2014 election. I think one of the really important things is that we looked after those workers all the way through, as well as looking after the forest industry. I think that has been one of the good outcomes there, that everyone seems to have won and gone forward; in particular, the workers were

allowed to exit in a dignified way and received compensation and payments that were much fairer than they would have had we waited an extra day or week or month, when all of those conditions would have been halved.

Mr BELL: The other 9.9 FTEs (if my maths is correct), where have they disappeared to? Last year we had 74. I can understand 59; now we have 5.1 going forward. Have those other nine either retired, move into PIRSA or some other government department, or been sacked?

The Hon. L.W.K. BIGNELL: ForestrySA currently employs 33.5 full-time equivalents, with two-thirds on contracts and one-third under the enterprise bargaining agreement. Does that answer the question about the—

Mr BELL: I am just going off the budget paper FTEs as of June; it says 5.1 in here. Last year it was budgeted at 5.2.

The Hon. L.W.K. BIGNELL: Sorry, that is the PIRSA forestry area. Our forest stuff is split up between ForestrySA, which runs the business, and then the forestry people in PIRSA, who run the industry. So, it is 9.9 in PIRSA—sorry, 5.1 in PIRSA. That 0.1 is a very small person, not much of them.

Mr BELL: Page 31, dot point 1 states:

Evaluate proposals for the Mid North Forests that provide value for government and opportunities for employment, and enhance environmental, cultural, heritage and community values.

What is the total cost to date and expected total cost attributed to the entire future strategy process?

The Hon. L.W.K. BIGNELL: It has been quite a lengthy process, and I outlined that in an answer to the house a few weeks ago and also in my opening statement. It is something that we would have liked to have been a lot quicker, but it has been quite complex. It is a bit like having five jigsaw puzzles that overlap each other: someone is proposing to use this bit of land for something and someone else is proposing to use other bits of land. They are working on that. It has taken some time, but I have been given a confidential look at all 32 proposals.

There have been no external costs, so all the costs have been paid for by the various government departments who are working on it. It is just business as usual. We would prefer not to have to do it. We would prefer it if the forests were still standing and they had not been devastated by fire, but it is one of those things that comes along that governments have to deal with. We are absorbing those costs as part of the process.

Mr BELL: Can the minister confirm that ForestrySA reported that the net cost to replant and maintain the Bundaleer and Wirrabara forests over 44 years was \$11.4 million or \$244,000 per year?

The Hon. L.W.K. BIGNELL: That \$11.4 million figure comes out from the Parsonson report that was done nearly three years ago now. That looked at the net present value over 40 years of replanting the forest, but there would be millions and millions of dollars spent over those 40 years by government. When you break it all down and bring it back to today's figures, that is where the \$11.4 million figure came from. But we must remember that it takes 25 to 30 years to get growth. It is not like the South-East; it is completely different. It was the first commercial plantation anywhere in Australia, planted in the 1870s, and if you had your time over again it is not an area where you would be pursuing the timber industry.

Mr BELL: Can the minister confirm if PIRSA has done any modelling or has any data around the economic benefit of replanting these forests? If so, what would that be and is it consistent with the Regional Development Australia (RDA) data from the Mid North that says the economic benefit to the region would be \$9.4 million?

The Hon. L.W.K. BIGNELL: We have commissioned reports, and the Parsonson report was one of those that did point out what the economic benefits would be over a number of years. What we need to remember is that one of the key things we have is the Morgan Sawmill, which is a family-owned, third-generation business. It is a terrific business, and I congratulate Ed Morgan and his family on the business they have there. When you drive around that area, you see the relics of former sawmills that have gone out of business. The Morgans have survived as the only remaining sawmill in operation in that Mid North area, and that was the case before the fire.

They have a good business, but of course they have a business that is relying on a constant supply of timber. When you have a bushfire come through and destroy 80 or 90 per cent of the forest reserves, you have a big problem in what you do between year 4, which is when the current stock runs out, and year 25 or 26, when the regrowth is there. In a sign of good faith, last year I issued a directive through the parliament, and I brought it in here, for 150 hectares of forest to be replanted. We could not get all of that done.

You are talking about an area that has suffered from the vagaries of the weather and fire. Last year, when we tried to get out there and do it, we just did not have enough rain. I think we got 60 hectares planted last year and we had to go out and do the remaining 90 this year. Obviously, we have had plenty of rain this year. That was done in a sign of good faith that, while these negotiations were ongoing and while people were putting up proposals, we did not want to lose a year or two in the opportunity of replanting.

What we are looking at with all these different proposals is for the economic benefit that might not be all forests. It might be forests contributing part of the economic benefit to the community, but there are other proposals in front of us for different pursuits on that land and we are taking a really hard look at those. There are other community benefits as well in terms of some of the propositions. Of course, we know that forests provide the ideal place for a lot of tourism and recreation activities as well. It definitely will be a blend of a lot of different pursuits, but it will not be 100 per cent forestry. There is market interest in commercial forests, and that is one of the propositions that is being considered.

Mr BELL: Minister, can you inform the house what the cost is to monitor the forward sale contract with OneFortyOne? How much does it cost to ensure compliance with that contract?

The Hon. L.W.K. BIGNELL: It is about \$160,000, and that is in the budget papers.

Mr BELL: What is the time commitment on that? Is the government committed to the 99 years, or however long the forward sale is?

The Hon. L.W.K. BIGNELL: Yes, that is the contract.

Mr BELL: Thank you, minister, that is all I have.

Mr KNOLL: These are the omnibus questions:

1. Will the minister provide a detailed breakdown of expenditure on consultants and contractors above \$10,000 in 2015-16 for all departments and agencies reporting to the minister, listing the name of the consultant, contractor or service supplier, cost, work undertaken and method of appointment?

2. In financial year 2015-16 for all departments and agencies reporting to the minister, what underspending on projects and programs (1) was and (2) was not approved by cabinet for carryover expenditure in 2016-17?

3. For each department and agency reporting to the minister, please provide a breakdown of attraction, retention and performance allowances, as well as non-salary benefits, paid to public servants and contractors in the years 2014-15 and 2015-16.

4. For each year of the forward estimates, please provide the name and budget of all grant programs administered by all departments and agencies reporting to the minister, and for 2015-16 provide a breakdown of expenditure on all grants administered by all departments and agencies reporting to the minister, listing the name of the grant recipient, the amount of the grant, the purpose of the grant and whether the grant was subject to a grant agreement as required by Treasurer's Instruction 15.

5. For each year of the forward estimates, please provide the corporate overhead costs allocated to each individual program and subprogram administered by or on behalf of all departments and agencies reporting to the minister.

6. For each department and agency reporting to the minister, could you detail:

- (a) How much was spent on targeted voluntary separation packages in 2015-16?
- (b) Which department funded these TVSPs?
- (c) What number of TVSPs was funded?
- (d) What is the budget for targeted voluntary separation packages for financial years included in the forward estimates (by year), and how these packages are to be funded?

7. What is the title and total employment cost of each individual staff member in the minister's office as at 30 June 2016, including all departmental employees seconded to ministerial offices and ministerial liaison officers?

The CHAIR: There being no further questions of the committee, the examination of proposed payments are adjourned and referred to committee B.

Sitting suspended from 12:19 to 13:15.

SOUTH AUSTRALIAN TOURISM COMMISSION, \$80,371,000

MINISTER FOR TOURISM, \$4,916,000

Membership:

Mr Pisoni substituted for Mr Pederick.

Minister:

Hon. L.W.K. Bignell, Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Tourism, Minister for Recreation and Sport, Minister for Racing.

Departmental Advisers:

Mr R. Harrex, Chief Executive Officer, South Australian Tourism Commission.

Mr C. Miller, General Manager, Finance and Business Services, South Australian Tourism Commission.

Mr N. Jones, Destination Development, South Australian Tourism Commission.

Mr N. Cayzer, Motor Sports, South Australian Tourism Commission.

Mr J. Ali, Corporate Affairs, South Australian Tourism Commission.

Mr H. Rasheed, Events, South Australian Tourism Commission.

Mr B. Hill, Marketing, South Australian Tourism Commission.

Mr A. Kirchner, Chief Executive, Adelaide Venue Management Authority.

The CHAIR: Good afternoon, everyone. Welcome to committee A. I dare say that it is not necessary to read the whole preamble again, as you are all familiar with estimates and what is required. I declare the proposed payments open for examination and refer members to the Agency Statements, Budget Paper 4, Volume 4. I call the minister to introduce his advisers. Is there an opening statement, minister?

The Hon. L.W.K. BIGNELL: Thank you, Chair. I welcome you and the members of the committee who are here this afternoon. Today, I am delighted to announce that tourism jobs in South Australia increased by 3,000 in the year to June 2015, after growing by more than 1,000 the previous year. Direct employment in the industry has reached 35,700 people, an increase of

13.8 per cent during the past two years, according to the latest data from Tourism Research Australia. This is an outstanding result for South Australia, and we are well on our way to achieving our goal of 10,000 additional tourism jobs and to growing the visitor economy to \$8 billion by 2020.

South Australia's tourism industry is a major contributor to our state's economy. The 2015-16 financial year has seen our visitor economy reach a record high thanks to this government's unprecedented investment in tourism. The state's visitor economy has grown to a massive \$5.73 billion, with growth of \$370 million in tourism expenditure in the past year alone. Through the tireless efforts of our government and the people and businesses which make up our tourism industry, we are seeing unprecedented results internationally, domestically and in the events sector.

Tourism contributes not only to Adelaide but to all our wonderful regions. It has a major flow-on effect to goods and services across cafes, restaurants, retail establishments, accommodation providers, transport services, bars, tour companies, the arts and, of course, our world-class events. The state government is very proud of the fantastic achievements our tourism industry has accomplished, and we are delighted to support this industry which generates export revenues, providing new dollars to the economy to create jobs and generate wealth for our state.

Tourism is a key part of the state government's economic development strategy. We recognise tourism's potential. In the 2015-16 state budget, we included a major funding package of more than \$35 million in additional funding for the sector. Much of the 2015-16 state budget investment was used to help inspire the world to explore South Australia. I am very proud to say that this investment has already delivered unparalleled results in its first year.

We welcomed more than 400,000 international visitors, injecting an additional \$260 million into the economy in the past year alone. This takes overall international expenditure to more than \$950 million, its highest level on record. South Australia attracted 5.95 million domestic overnight visits, another record number. In the past year, our state has enjoyed more than \$100 million of additional expenditure into the economy from domestic markets.

Visitor nights are an important part of the tourism story and tell us a lot about visitor behaviour and trend. International visitor nights grew by 13 per cent, to 9.8 million. Domestic nights are also close to a record high. These numbers tell the story of a booming tourism sector in South Australia. I am very proud to highlight that we have never before welcomed more visitors to South Australia and that we have never before enjoyed a higher value for our visitor economy's total expenditure.

South Australians have long known about our premium food and wine from our clean environment, nature and our wildlife, our lively cosmopolitan city and wonderful program of events. The rest of the world is now taking note. *The New York Times*, CNN and Lonely Planet have all been glowing in their praise for our tourism offering. South Australia's beautiful and unique regions underwrite the economic strength and social fabric of South Australia and are an integral part of the state's identity.

More than \$2.4 billion in visitor expenditure was spent in regional South Australia, an increase of more than \$120 million in the 12 months to March 2016. Internationally and domestically, we continue to invest in markets which provide the largest sources of revenue for our state while also tapping into the growth potential of new and emerging markets. Additional funds, courtesy of the 2015-16 state budget, enabled more than 90 international campaigns to be implemented to increase awareness and consumer demand for South Australia.

We enhanced the focus on markets like China and India, and also maintained a balanced approach in our commitment to our traditional Western markets. These continue to be the lifeblood for our regions. There are two examples I would like to mention. The global Aquatic and Coastal campaign shone a light on our unspoiled nature, food and wine, and luxury experiences, as well as our spectacular wildlife encounters. Our efforts and engagement with Tourism Australia ensured South Australia was represented more than any other state or territory in this multimillion dollar campaign.

Running Man, the number one prime-time Chinese variety program, allowed our city and regions to be viewed by more than 250 million people. These are outstanding examples of successfully implemented campaigns as a result of this government's additional funding. Popular

national programs such as *The Project* and the *Today* show broadcast live from our city and regions, promoting our world-class experiences and events such as the Adelaide Fringe and WOMADelaide to millions across the nation, all aimed at increasing visibility and shining the spotlight on our state.

Our events offered the prime opportunity to get to know the essence of South Australia and the spirit of our people, our culture, our regions. Again, events proved to be a great drawcard for attracting visitors in 2015-16; in fact, the 2015 Australian Event Awards recognised South Australia as the best event state in the country. We again opened the door to the heart of our city and regions, greeting world-class athletes, both male and female, with the Santos Tour Down Under. While the peloton was challenged by each stage, the Santos Tour Down Under attracted 39,000 visitors from interstate and overseas, injected more than \$49 million into our economy and generated more than 600 jobs.

We successfully relaunched the Adelaide Fashion Festival, showcasing our state's attributes in fashion and design. It helped our local fashion industry to expand internationally, particularly to Asia, further deepening our relationship with Shandong. The Major Leisure Events Bid Fund has now secured 15 events which will inject more than \$60 million into the South Australian economy. Visitors and locals witnessed the best in soccer, motorsport, swimming and women's golf to name a few.

Additional funds help to secure 41 major conventions, welcoming more than 44,000 delegates to Adelaide and generating around \$214 million in economic benefit. These conferences will help to transform the winter economy in our state, enhancing hotel occupancy during the traditionally slower months, but the net worth of these events far exceeds their commercial returns. They validate South Australia's business capabilities, facilitate stronger international links and showcase major redevelopments to the iconic Adelaide Oval, and the creation of one of the world's largest and most significant health and medical clusters.

The redeveloped Adelaide Oval remains the centrepiece for the revitalisation of Adelaide. It has placed our capital city on the global map for a range of international and national entertainment and sporting events. New data shows city hotel revenue is up by 48 per cent and crowd numbers are up by 49 per cent on game days since the AFL moved to Adelaide Oval in 2013.

The Oval is also adding new experiences to our tourism offering. Recently it began offering visitors the chance to walk across the top of the stadium structure on a purpose-built path from the Western Stand to the Riverbank Stand. I understand the shadow cabinet recently took time out to enjoy this experience. Good to see you all returned safely.

The Oval has transformed our city. It has created employment, enhanced revenues, added tourism product and is playing a major role in growing the visitor economy. It is an icon all South Australians can be enormously proud of and one which has paid significant return on investment for the state. Major events, both leisure and business, not only display our state as a unique destination, they attract visitors, spectators and event participants. They create jobs, increase spend and lengthen the time visitors stay here.

Our already thriving cruise industry hit another all-time high this year. More cruise ships docked in our ports, with passengers and crew dispersing into our city and regions. Thirty-seven cruise ships visited South Australian ports, with a capacity of nearly 90,000 passengers and crew, injecting more than \$16 million into the economy. This result demonstrates how our state is growing in popularity as a must-visit cruise destination.

Improvement in air access will be the single largest driver of international visitation to South Australia. The state government was proud to welcome Qatar Airways to Adelaide in May this year. Qatar Airways has commenced daily flights which will generate more than \$40 million for the South Australian economy, more than 200 jobs and the capacity to deliver up to 80 tonnes of cargo space a week. This is a fantastic opportunity for our producers, allowing them to export more of South Australia's premium produce—

Mr PISONI: Point of order.

The CHAIR: The member for Unley has a point of order.

Mr PISONI: In my 10 years in estimates, it has been a standard practice that opening statements are limited to 10 minutes.

The CHAIR: No, I asked you all at the beginning if you wanted me to read it all again. You all said no. It says 'of about 10 minutes'. I am aware of your eagerness to start, but unfortunately the minister does have a right to make an opening statement.

The Hon. L.W.K. BIGNELL: You just cost a minute with your interruption.

The CHAIR: Order! Please, minister, just back to your opening statement. If you have lost your place, you will have to repeat something.

The Hon. L.W.K. BIGNELL: It is such good news that the member for Unley does not want to hear it.

Mr PISONI: You have cost those people sitting in the gallery tens of thousands of dollars.

The CHAIR: Member for Unley, I am on my feet. Do not defy the Chair, please. You are aware of what the order is here in the house. Please, let's keep on to what we are doing. You are going to lose time otherwise. Minister.

The Hon. L.W.K. BIGNELL: Thank you very much, Chair. Qatar is offering up to 80 tonnes of cargo space a week, taking our premium produce to the world. We have recently secured direct flights from mainland China to Adelaide with China Southern Airlines. China Southern Airlines transports more than 100 million passengers, ranking the carrier first in Asia and third in the world. This is groundbreaking for South Australia and will further boost our visitor economy.

This year, we activated our natural assets to enhance our tourism offering, creating one of Australia's great multiday walks on Kangaroo Island, stretching for 66 kilometres through the pristine environment of Flinders Chase National Park on the south-west corner of the island. The trail is expected to attract an additional 5,000 visitors a year to Kangaroo Island and support 46 new jobs. The state government looks forward to continuing to grow the visitor economy through working with industry, our regions and, importantly, the broader community to achieve much for our state. This is demonstrated in our actions.

We have committed an additional \$60 million investment in tourism during the next three years to drive demand and to strengthen the visitor economy. We are committed and continue to be motivated in delivering real economic benefits, promoting confidence and pride amongst South Australians, helping to deliver on the principle of a vibrant city and establishing our state as the destination choice for international and domestic travellers. I would like to take this opportunity to commend and celebrate the efforts, ambition, hard work and tireless commitment of the 18,000 tourism businesses and the more than 35,000 people employed in the sector.

Tourism is above all a people business, and as the Minister for Tourism and on behalf of the state government I wish to pay tribute to their efforts in delivering the experiences and environment which make South Australia such a great place to visit. Thank you, too, to Rodney Harrex and the team at the South Australian Tourism Commission for all their hard work throughout the year supporting the private sector. This is an exciting industry and we look forward to continued growth across the state.

The CHAIR: Member for Unley.

Mr PISONI: Minister, I would like to take you to Budget Paper 4, Volume 4, tourism events, and program 2 on page 144. The question relates to the Clipsal 500. When was the minister aware that Elite Systems was in financial trouble?

The Hon. L.W.K. BIGNELL: While I am just getting that answer, I neglected to introduce Rodney Harrex, the Chief Executive of the South Australian Tourism Commission; Nick Jones to his left, the destination development director; Chris Miller, the director of finance; behind me on my left, Nathan Cayzer from Motor Sports; and, on my right, Anthony Kirchner from Adelaide Venue Management Corporation.

Thank you, member for Unley, for your question. On 27 May this year, Elite Systems Australia Pty Ltd and four other associated companies had a section 505(b) notice issued under the Corporations Act advising that an external administrator had been appointed. The South Australian

Tourism Commission is aware that there are a number of suppliers in South Australia and elsewhere who are owed money by Elite.

The arrangements between Elite and its suppliers are third-party contractual arrangements that the SATC was not privy to. There are also associated entities of Elite which have also gone into administration. The South Australian Tourism Commission understands that a number of companies reported as having debts with Elite in fact had debts with these associated entities. The SATC had no contractual arrangements with these associated entities. The SATC also understands that a number of suppliers reported as being South Australian are based interstate.

The SATC was not contacted by any supplier prior to that supplier contracting with Elite. Had this occurred, the SATC would have stressed the importance of suppliers conducting their own due diligence and ensuring credit terms were appropriate. The SATC paid all accounts to Elite on time and, in order to facilitate cash flow, provided weekly as opposed to the contractually required monthly—

Mr PISONI: Point of order, Chair: can I bring the minister back to the substance of the question, which was: when was he aware that Elite Systems was in financial trouble?

The CHAIR: We are listening to his answer. I am sure he is coming to it.

The Hon. L.W.K. BIGNELL: Yes, the answer is here.

The CHAIR: Order! Just back to the answer.

The Hon. L.W.K. BIGNELL: You are a very rude person.

The CHAIR: Order!

The Hon. L.W.K. BIGNELL: Probably out of the 69 members of parliament you are the rudest.

Mr PISONI: Where is the answer?

The CHAIR: Minister.

The Hon. L.W.K. BIGNELL: You are the rudest person in this place.

Mr KNOLL: Point of order, Chair.

The CHAIR: No, no point of order. I am on my feet. I expect you all to understand the rules of how the committee works: questions and then an answer, no frivolous points of order and there is to be no fighting and no quarrelling. It is my role to make sure there is no quarrelling and I will not hesitate to suspend the committee. It is in your best interest, therefore, to make sure it moves very smoothly.

The Hon. L.W.K. BIGNELL: Thank you, Chair, for allowing me to conduct myself in a civil way, without the provocation of this man.

The CHAIR: No further comment. Back to your answer, please.

The Hon. L.W.K. BIGNELL: The SATC paid all accounts to Elite on time and, in order to facilitate cash flow, provided weekly as opposed to the contractually required monthly settlements of claims for works completed. Whilst the SATC is not responsible for the debts of Elite to the suppliers, when the SATC became aware that some staff and suppliers had not been paid in accordance with terms and while not obligated to do so, the SATC requested that Elite bring those payments up to date prior to final settlement of accounts in April.

Pursuit has contacted the SATC asking what it proposes to do about the debt. The SATC advised Pursuit that it should register its debt of approximately \$82,000 with the administrator. As far as the SATC was aware, while Elite owed money to Pursuit People Solutions, those payments were not due final settlement of accounts in April. The SATC has requested that the administrator provide all assistance possible to Pursuit and other South Australian businesses affected.

It is not possible for the SATC or any other government agency to conduct due diligence processes that guarantee payment of every third-party business. While every effort is made to ensure

that organisations which the government contracts are financially sound, due diligence occurs at a point in time and it is not possible for government to identify the impact of unknown future events on an organisation it contracts with.

Businesses need to conduct their own due diligence based on their own risk profile, the nature of their business and their credit terms. This point was reinforced by Nigel McBride, the chief executive of Business SA, during a recent radio interview.

Mr PISONI: I am still waiting for a date.

The Hon. L.W.K. BIGNELL: You are still being rude.

Mr PISONI: I am still waiting for a date.

The CHAIR: Order!

The Hon. L.W.K. BIGNELL: In September 2014, the South Australian Motor Sport Board issued a tender for the supply of grandstands for the Clipsal 500 Adelaide. Due diligence on Elite was undertaken as part of the procurement process in January 2015. This included inquiries into Elite as a company and analysis of its financial statements by the then South Australian Motor Sport Board finance manager. Based on the information available at that time, Elite was assessed as having suitable financial and organisational capacity to complete the required contract.

We must remember that the same company was contracted to do the Australian Formula One Grand Prix this year and last year. I have spoken to James Warburton, the head of V8 Supercars. They run 10 events around Australia, and Elite has provided services for them—

Mr PISONI: When were you told? That was the question: when did you know?

The Hon. L.W.K. BIGNELL: I am giving you an answer.

Mr PISONI: I am still waiting for a date.

The Hon. L.W.K. BIGNELL: Please stop being—

Mr PISONI: We are five minutes into the answer of the question and we are still waiting—

The CHAIR: Member for Unley, I must ask you—

Mr PISONI: —for you to answer the question.

The CHAIR: Member for Unley—

The Hon. L.W.K. BIGNELL: You are a very rude man.

The CHAIR: Member for Unley—

Mr PISONI: You are evasive.

The CHAIR: Member for Unley—

Mr PISONI: You will not answer the question. Just answer the question.

The CHAIR: Member for Unley, would you like to just look at me for a moment? I remind you that I will suspend the committee—not a good thing to do. The sooner the minister finishes his answer, the sooner you can ask your follow-up question.

The Hon. L.W.K. BIGNELL: Thank you, Chair. I am answering the question. It is a very important question and this is a very important answer, and I will do it in full. The contract to supply 16,892 seats for the 2016 to 2021 events with Elite was executed on 20 May 2015.

The contract was transferred to the South Australian Tourism Commission on 1 July 2015 on abolition of the South Australian motor sport board. In August 2015, Elite advised that a financier had pulled out as a result of the Tianjin dock fires. The Tianjin fires in August 2015 resulted in 173 deaths, 797 casualties and estimated losses of \$A20 billion. In total, 304 buildings, 12,428 cars and 7,533 intermodal containers were damaged. It has been described as the biggest marine insurance loss ever.

Elite sought to identify new sources of finance which resulted in procurement delays and additional unbudgeted costs to purchase the new grandstands. At the SATC's request, Elite provided cash flow information, procurement plans, shipping documentation, and bank statements in support of its ability to deliver a reduced grandstand contract. In December 2015, the South Australian Tourism Commission reduced the contract with Elite due to these procurement delays. Another supplier was engaged to provide 4,164 grandstand seats with Elite providing 12,694 seats.

On commencement of works in December 2015, the SATC agreed to pay claims for work completed on a weekly basis, as opposed to the monthly requirement under the contract, to support Elite's cash flow. Works proceeded in accordance with the overall construction schedule for the event through the months of December, January, February and March. The South Australian Tourism Commission was contacted in April regarding delays in payments of some staff and contractors. The SATC required Elite bring those payments up to date within its terms with suppliers prior to final settlement of accounts in April.

On 27 May 2016, an external administrator was appointed to five associated companies: Elite Systems Australia Pty Ltd, Elite Systems Contracting Pty Ltd, Elite Systems Group Pty Ltd, Vertex Equipment Holdings Pty Ltd and Vertex Scaffolding Pty Ltd. The South Australian Tourism Commission has requested that the administrator provide all possible support to South Australian companies affected by the failure of the Elite group.

Elite has debts to a number of South Australian companies associated with activities at the Clipsal 500 event and through its other operations nationally. It is understood that a significant amount of debts outstanding are through an associated company of Elite, Vertex Scaffolding Pty Ltd, not Elite. The South Australian Tourism Commission does not have, nor has it had, any contractual relationship with Vertex Scaffolding Pty Ltd. The South Australian Tourism Commission is also aware that a number of companies which have been reported as being South Australian are in fact based interstate.

The South Australian Tourism Commission has been directly contacted by just one supplier, Pursuit People Solutions. The South Australian Tourism Commission referred Pursuit to the administrator and requested that the administrator provide all possible support to Pursuit and similar companies. The arrangements between Elite and its suppliers are third-party contractual arrangements that the South Australian Tourism Commission was not privy to. The South Australian Tourism Commission paid all accounts to Elite on time. All amounts owing to Elite have been paid with the last payment on 22 April 2016.

Elite has not completed the purchase of old grandstanding assets of 12,694 seats under the contract. The South Australian Tourism Commission has retained possession of the old grandstand assets totalling 16,500 seats. All other engineering, safety and other compliance requirements of Elite's contract were fully met. No suppliers contacted the South Australian Tourism Commission regarding the creditworthiness of Elite prior to contracting with Elite. If this had occurred, the supplier would have been advised that they should conduct their own due diligence and ensure that appropriate commercial credit terms were in place.

It is not possible for the South Australian Tourism Commission or any other government agency to conduct due diligence processes that guarantee payment of every third-party business. While every effort is made to ensure that organisations which the government contracts are financially sound, due diligence occurs at a point of time and it is not possible for the government to identify the impact of unknown future events on an organisation it contacts with. There was no way our government, or indeed Elite, could have foreseen that several months later, a fire that caused \$20 billion damage was going to have such a major effect on their chief financier.

Businesses need to conduct their own due diligence based on their own risk levels, the nature of their businesses and their credit terms. As I mentioned before, that was a point reinforced by Nigel McBride, the chief executive of Business SA. The South Australian Tourism Commission is confident that it will be able to source suitable grandstands for the 2017 event and beyond within its budget expectations. The South Australian Tourism Commission has multiple options to do this and multiple suitably qualified and experienced parties showing interest in this work.

The South Australian Tourism Commission's options for grandstands for the 2017 events and beyond include the use of the old grandstand seating, which is 16,500 seats in the South Australian Tourism Commission's store, which would require some refurbishment (that is our least preferred option), and the use of the Elite grandstand provided by the preferred purchaser identified by the administrator (discussions have commenced with the preferred purchaser). The third option is to source different grandstand products from reputable suppliers through a procurement process, and discussions have been undertaken with interested suppliers. Due diligence will be completed with the new supplier.

Chair, I am sorry that it took so long to go through that explanation, but I think it was in the interests of everyone here, and in the interests of those people who are owed money by this company, that we needed to go through and draw up the time line and go through the circumstances that have led us to this position.

Mr PISONI: You left one thing out of the time line, minister, and that was when you were told. When did you know?

The Hon. L.W.K. BIGNELL: I have read out the whole time line and—

Mr PISONI: When did you know? It is not in the time line, mate.

The Hon. L.W.K. BIGNELL: Please stop being rude.

Mr PISONI: It is not in the time line, mate. Just answer the question.

The CHAIR: Order!

The Hon. L.W.K. BIGNELL: I am trying to answer the question.

The CHAIR: Member for Unley, look what you have done: you have turned the lights out and on again.

Mr PISONI: I have done that as well: I have turned them back on again.

The CHAIR: The minister is entitled to answer it as he has.

Mr PISONI: He has chosen not to answer the question.

The CHAIR: You need to work out whether you want to continue on that line or go to another section.

Mr PISONI: I want to know when the minister knew. Are you going to answer that question?

The Hon. L.W.K. BIGNELL: We have a meeting once a week with the South Australian Tourism Commission team and I have been kept up to date with all the things that I have outlined in this briefing today about how Elite was performing, the trouble that they were in that they mentioned to us before the race and how we changed the terms. I have regular updates. I have just put out point by point, date by date, all of the things there, and I think I have done it in a quite reasonable, calm and well-mannered way. I would really appreciate it if you would stop yelling over the top of me.

The CHAIR: Order!

Mr PISONI: When did you know that Elite Systems was in financial trouble?

The CHAIR: Order, member for Unley!

Mr PISONI: Were you advised—

The Hon. L.W.K. BIGNELL: I have answered the question.

Mr PISONI: —when the South Australian Tourism Commission contacted Elite Systems and asked for their financial papers? Were you advised at that time?

The Hon. L.W.K. BIGNELL: Yes, I was kept up to date.

Mr PISONI: So, back in August 2015 you were advised?

The Hon. L.W.K. BIGNELL: Right through the process we were kept up to date. We have weekly meetings and we discuss matters like this.

Mr PISONI: Did you advise subcontractors of what you knew, that you had concerns about Elite Systems? Did you advise those subcontractors who were working for Elite Systems that you had concerns about the financial viability of Elite Systems? That is the question, minister: did you tell subcontractors?

The Hon. L.W.K. BIGNELL: No, I did not tell subcontractors.

Mr PISONI: Why not?

The CHAIR: Order!

The Hon. L.W.K. BIGNELL: Because businesses go into their own agreements and—

Mr PISONI: So you knew—

The CHAIR: Order, member for Unley!

Mr PISONI: —that this business was at risk and so South Australian subcontractors—

The CHAIR: Member for Unley!

Mr PISONI: —were at risk of not being paid and you did not share that with them. Is that what you are telling this committee?

The CHAIR: Do not respond. Member for Unley, it has to happen that we hear his full answer, as much as you might not like it, and then you get to ask a question. You do not get to ask questions one after the other without listening to the answer.

Mr PISONI: We want the full answer, Chair.

The CHAIR: I need to give you the call, if you want to be particularly pedantic about it. How much time do you want to spend on this?

Mr PISONI: Well, we have—

The CHAIR: How much time do you want to spend on it?

Mr PISONI: Until I am satisfied, Chair.

The CHAIR: In that case, you have to wait until I give you the call. The minister has the floor to finish his answer.

The Hon. L.W.K. BIGNELL: As I have said, I have just gone through the whole time line from us going out looking for a contract, awarding that contract and the due diligence that was done at a time in history before the most devastating fire in maritime history that cost \$20 billion that had an effect on this business's financier. They came to us over several months explaining the change in circumstances and how they were looking for a financier, and we worked with them. I am sure that other companies who did contracts with this company also did their own due diligence.

The CHAIR: The member for Unley is deferring to the member for Schubert.

Mr KNOLL: What was the extent of the due diligence completed by SATC in relation to Elite Systems and the awarding of the contract? What is the procedure that is followed?

The Hon. L.W.K. BIGNELL: Again as I mentioned, this is a company that has had contracts on the Australian Formula One Grand Prix and various motor sports events around Australia for some time and the then Motor Sport Board would have done their due diligence on the company that, at that stage, had things in place which were changed by that devastating fire in China in August of last year.

Mr KNOLL: Can I ask in a slightly different way then: were there any red flags at all raised at the time that SATC or the Motor Sport Board did their due diligence in relation to this company?

The Hon. L.W.K. BIGNELL: The only way a red flag could have been raised was if someone had a crystal ball and could look forward to August last year (from February last year) and predict that this most devastating fire would affect the financier. So, no, as I said, the due diligence, when you sign a contract, is done at that particular point in history.

Mr KNOLL: This is the bit that I find quite interesting: Elite Systems is awarded a contract by SATC. Presumably, we can all expect that the cost of that contract would cover the cost of providing the services of that contract. You stated in a previous answer, minister, that you were making weekly payments to Elite Systems to overcome this issue that they say they had with an external financier.

What I do not understand is that if SATC paid Elite Systems a discrete amount of money in relation to services contracted, why that money could not then flow back through to the suppliers that undertook the work in a subcontracting fashion to Elite Systems? This idea that there were external issues should not necessarily have otherwise impacted upon the provision of these services, given that SATC paid, on time, Elite Systems, and why that money then did not flow through to the subcontractors that undertook the work for this discrete project.

The Hon. L.W.K. BIGNELL: As I mentioned in my more detailed answer, there were other associated companies with Elite that we had no contractual arrangements with. I understand that much of the debt that is owed to other companies is actually through that scaffolding company.

Mr KNOLL: Can I go then, minister, to your letter dated 6 July, where you acknowledge the fact that Elite Systems had entered into external administration? You acknowledge that, obviously, there were some financial issues and requested that payments be brought forward. Can I ask then the specific date for when the bringing forward of payments was achieved, and who advised the minister of this?

The CHAIR: Just before you respond to that: who is the letter addressed to?

Mr PISONI: The letter is addressed to Narelle Hourigan, business development officer of—

The CHAIR: Just as a matter of interest, that is all. Minister?

The Hon. L.W.K. BIGNELL: Sorry, I missed who it was addressed to?

Mr KNOLL: When specifically were the payments brought forward, and who advised the minister of this?

The Hon. L.W.K. BIGNELL: I might just ask Chris Miller, Director of Finance, to answer that.

Mr MILLER: The payments were brought forward from when Elite arrived on site and commenced work in late November, early December, and that continued throughout the weekly payments against their claim throughout that period.

Mr PISONI: What process did you put in place, having known that they were in financial difficulty, to ensure that they were paying their subcontractors before you were handing over more money?

The Hon. L.W.K. BIGNELL: Again, I will ask Chris Miller to answer that question.

Mr MILLER: We were contacted by some subcontractors and also by the union on behalf of staff in April. That was the first time—

Mr PISONI: Sorry, you started the payments, minister, in November. You started the payments in November?

The CHAIR: We ignore that the member for Unley actually interrupted again.

Mr PISONI: And it was April before you were checking to see whether contracts were being paid. Is that right?

The Hon. L.W.K. BIGNELL: Excuse me, Chair, can you provide some protection for this person who is giving an answer?

The CHAIR: No-one is to say another word until the member for Unley comes to order, until he can understand that he must let people answer before he attempts another question. Do you understand the process, member for Unley?

Mr PISONI: Absolutely.

The CHAIR: So, you can wait for the gentleman? The gentleman on the end is answering your question.

Mr PISONI: And those contractors—

The CHAIR: No, you need to—

Mr PISONI: —have lost hundreds of thousands of dollars under the process as well and it has completely let them down—completely let them down.

The CHAIR: Everyone is concerned about that.

Mr PISONI: This minister has let them down.

The CHAIR: There is no need for grandstanding. The gentleman on the end is answering your question. I call you to order. Mr Miller.

Mr MILLER: In April, we became aware, so we made payments to Elite so they could pay their subcontractors, the understanding being that they were paying their subcontractors. In April, we became aware that there were some staff and subcontractors that were not paid or had not been paid. We raised that with Elite and informed them that they needed to make those payments. Those payments to the staff were subsequently made and I believe to a subcontractor as well, the payments that were due.

There were a number of payments or there were amounts owing to other subcontractors that were not due and payable. Under the standard AS 4000 contract that applied to these works, while we are able to put pressure on a contractor to make payments that are due and payable, we are not able to withhold payment against amounts that are not yet payable, and that was the case with some of those payments.

Mr PISONI: Well, hang on—

The CHAIR: The member for Unley, just a minute. Have you finished your answer, Mr Miller?

Mr MILLER: We were also only advised of a small number. A number of the creditors that have since come to light through the administration process, at no stage did they contact us and advise us that they were owed sums of money. In fact, we did not find out some of those were actually contractors until it appeared in the media.

Mr PISONI: You are quoting standard contracts. Are you saying that this was a standard contract, where the SATC had to ask for financial documents during the early days of the contract and that the terms of the contract were changed to allow for weekly payments and it was a standard contract? Minister, what you are saying is that it is standard that you do not check with people to make sure they are being paid, but I put it to you that this is not a standard contract. You were aware that this business was in difficulty and you were handing over money and you were not doing the due diligence to make sure that those who were working for this company were being paid.

The Hon. L.W.K. BIGNELL: We did not have the contract with these subcontractors. That was with Elite. That was a matter—

Mr PISONI: You were handing money over—

The CHAIR: Order, member for Unley!

Mr PISONI: —outside the terms of the contract.

The Hon. L.W.K. BIGNELL: Listen—

The CHAIR: No, nothing until the member for Unley can compose himself and let the Chair know he is ready to actually listen to questions and answers. As soon as you are ready to cooperate, member for Unley, just let me know.

Mr PISONI: I think the member for—

The CHAIR: No, your job—

Mr PISONI: —Schubert has a question.

The CHAIR: —is to behave in the committee according to the standing orders. That is all we are asking you to do. I am asking you to listen to answers before you ask your next question and not to interject until you are given the call. Can you do that?

Mr PISONI: Absolutely, madam.

The CHAIR: In that case, you need to wait for the answer to finish.

The Hon. L.W.K. BIGNELL: Thank you very much for your protection there, Chair. I might point out that it is very disappointing that this set of circumstances that is outside of anyone's control has happened. No amount of bellyaching by the member for Unley—

The CHAIR: No. Order!

The Hon. L.W.K. BIGNELL: —or rude behaviour is going to help any of the businesses. I would ask him to conduct himself—

Mr Pisoni interjecting:

The CHAIR: No. Order, member for Unley!

Mr PISONI: You are pathetic, Leon. You are pathetic.

The CHAIR: Member for Unley!

The Hon. L.W.K. BIGNELL: —in a polite and respectful manner, as I have been doing.

The CHAIR: I need you both to stop, and I do not need anybody to make comments. I just need people to stick to their answers and to their questions—no further comments, just the answer and the question. Can you both help me with that?

The Hon. L.W.K. BIGNELL: I have been doing that all day.

The CHAIR: No, I just need you to stick to the question and the answer. Can you wind up your answer and we will get to the next question.

The Hon. L.W.K. BIGNELL: I have finished my answer.

The CHAIR: The member for Schubert is going to ask a question.

Mr KNOLL: We have been advised that there was a meeting between the CFO of SATC and Pursuit People Solutions on 28 June this year in relation to this contract. In that meeting, we are advised the acting CFO stated that if Pursuit had called the SATC he would have advised them against doing business with Elite Systems. Does the minister share the same view as the acting CFO?

The Hon. L.W.K. BIGNELL: The point you put forward is incorrect, so it is erroneous to say that in here. It is not right.

Mr KNOLL: So, you are categorically ruling out the CFO offering any of that sort of opinion to Pursuit People Solutions?

The Hon. L.W.K. BIGNELL: The CFO has told me that he made no such utterance.

Mr PISONI: The acting CFO.

The CHAIR: Order! The member for Unley is out of order. Member for Schubert, do you have another question?

Mr KNOLL: I certainly do, Madam Chair. Following Elite Systems' failed contract with the government, can the minister specify the exact amount of money owed to the government or SATC by Elite Systems?

The Hon. L.W.K. BIGNELL: \$528,000.

Mr KNOLL: What correspondence has the minister or his agency had with the external administrators in relation to Elite Systems (Worrells Solvency and Forensic Accountants) regarding the likelihood of this taxpayer money being repaid?

The Hon. L.W.K. BIGNELL: Of course, it is very important that we get as much taxpayers' money back as we can, and the administrators have been very open with us. There have been ongoing discussions between officers from the South Australian Tourism Commission and the administrator.

Mr KNOLL: I understand that the government is potentially looking at purchasing the grandstand assets?

The Hon. L.W.K. BIGNELL: No, that is not the case.

Mr KNOLL: Clause 3.30 of the contract requires that the contractor (in this case, Elite Systems) contract a consulting structural engineer who is a certified practising engineer (NPER-3 rates, as acknowledged by the institute of engineers) to conduct design review, provide design intent and inspection certification by the date of practical completion.

Clauses 7.1 and 4.5 of the contract prescribe that the practical completion was 5pm on Tuesday 1 March. However, Pursuit People Solutions have documentation showing that construction was underway on Wednesday 2 March, prior to the event, which was after the practical completion date, as specified in the contract. Can the minister confirm that Elite Systems failed to meet its practical completion date of 1 March at 5pm?

The Hon. L.W.K. BIGNELL: The certification was completed for all grandstands on 2 March, and certification for a hoist was completed on 3 March.

Mr KNOLL: Can the minister confirm if the superintendent instructed Elite Systems to omit any portion of the works; if so, did this include the omission of the certification required under clause 3.30?

The Hon. L.W.K. BIGNELL: Not to our knowledge.

Mr KNOLL: Can the minister confirm and produce evidence that the grandstand erected for the Clipsal event met Australian Standards and codes, as specified in clause 5.7?

The Hon. L.W.K. BIGNELL: Yes, and we have a copy of the certification.

Mr KNOLL: Thank you, I will defer.

The CHAIR: You are deferring to the member for Unley.

Mr PISONI: Were any of the payments from Elite Systems made as per government clause 4.6 of the contract in which there was a purchasing of the existing grandstands; if so, when was the first payment made, and was it made on time?

The Hon. L.W.K. BIGNELL: It was made on time, and the first payment was made on 2 April.

Mr PISONI: Of what year?

The Hon. L.W.K. BIGNELL: 2016.

Mr PISONI: That was when the first payment was due?

The Hon. L.W.K. BIGNELL: Yes.

Mr PISONI: That was the only payment made?

The Hon. L.W.K. BIGNELL: Yes.

Mr PISONI: The second payment was due when?

The Hon. L.W.K. BIGNELL: It is due on completion of the next event.

Mr PISONI: So, annual payments?

The Hon. L.W.K. BIGNELL: Yes.

Mr KNOLL: Can the minister confirm if Elite Systems as a company, or any of its representative or associated companies, purchased any corporate tickets of any description to the Clipsal 500 event in 2016?

The Hon. L.W.K. BIGNELL: We are not aware of any.

Mr KNOLL: Is the minister ruling out that the purchase of tickets was a requirement to be awarded the contract?

The Hon. L.W.K. BIGNELL: I am not aware of it.

Mr KNOLL: So the minister is refusing to rule that out?

The CHAIR: No, he is saying he is not aware of it. That is the answer.

Mr KNOLL: I understand, so can I ask a follow-up question?

The Hon. L.W.K. BIGNELL: It is the first time that this has been put to me—

The CHAIR: Order!

The Hon. L.W.K. BIGNELL: —and they have put several lies—

The CHAIR: Order!

The Hon. L.W.K. BIGNELL: —to this chamber today already.

The CHAIR: I need people to cooperate with me. That is not a refusal to answer. His answer was, 'I am not aware of it.' Next question.

Mr PISONI: Madam Chair—

The CHAIR: No, next question.

Mr PISONI: The minister has just accused both the member for Schubert and me of lying, and I would like it withdrawn.

The CHAIR: I did not hear it.

Mr PISONI: Well, I heard it.

The CHAIR: You were busy screaming on my left. I cannot hear.

Mr PISONI: I am sorry, but I was sitting here silently.

The CHAIR: We are moving on with more answers and questions. It is nearly 2 o'clock. Member for Schubert.

Mr KNOLL: I suppose that is what happens when you ask questions: you ask questions in the hope of getting an answer.

The CHAIR: No, member for Schubert, that is not necessary.

Mr KNOLL: Can I ask, minister: can you rule out that the purchase of any tickets to the event was a requirement to be awarded the contract?

The Hon. L.W.K. BIGNELL: I can confirm that it was not a requirement for them to purchase tickets.

Ms COOK: I refer you to Budget Paper 4, Volume 4, pages 142 to 143. Minister, can you update the committee on information about the economic impact of business events and conferences in South Australia?

The Hon. L.W.K. BIGNELL: I thank the member for the question. Adelaide is increasingly becoming the destination of choice for international and national business events, with more than 300 events scheduled for this year; 41 of these events are new and expected to generate more than \$250 million for our visitor economy.

There are also 29 active bids pending, with a total of more than 36,000 delegates, more than 197,000 bed nights and an estimated economic value of more than \$176 million. This is not just by

chance. This state government has invested in the business events bid fund and targeted business conventions from around the world. None of the events was easy to secure, and we were bidding against other major cities in the United States, South Korea, China and India.

A strong visitor economy is vital to the state's economic future, and that is why for the second year in a row the 2016-17 state budget included a major funding package of \$35 million for tourism. Of this, \$5 million was specifically for the convention bid fund. In the 2015-16 state budget, we provided the same level of funding, and the results speak for themselves. For example, coming up later this year are:

- the Land Forces 2016 Exposition, from 6 to 8 September, with 1,100 delegates and an estimated economic impact of \$16.5 million;
- the International Nuclear Physics Conference, from 11 to 16 September this year, with 700 delegates and an estimated economic impact of \$3.3 million; and
- the Asia-Pacific Space Designers Association General Assembly and Convention 2016, from 24 to 26 September, will have 500 delegates and an economic impact of \$2.6 million.

For two years, across two budgets, the state government has been right on the money. What has resulted is an abundance of both national and international conventions and business events taking place in Adelaide. On average, people travelling to Adelaide for conventions spend \$632 a day, which has a flow-on effect of hotels, our taxis, restaurants and retail outlets. The redeveloped Convention Centre is also a massive drawcard for Adelaide. Once it is fully completed, the venue will be able to host conferences for up to 3,500 people.

With the South Australian Health and Medical Research Institute and our universities, our focus is also on identifying and bidding for medical and health-related events and promoting our BioMed City as the largest medical precinct in the Southern Hemisphere. The spend by those convention delegates is three times the average spend by visitors to South Australia. That is why we have targeted program to go after as many of these conventions as we possibly can.

The other thing we know is that a large percentage of people who will visit a city for a convention will be return visitors. They will come here for a reason, and they will be surprised at what they have seen and they will want to share that with their family and friends. Sometimes, they will get out to places like the Barossa Valley, McLaren Vale or the Adelaide Hills, but they will want to come back and share that experience with those people they hold dear. It is a terrific thing for South Australia to have all these visitors and conference delegates in our state.

Mr KNOLL: Can I follow-up with the minister: were any tickets given to Elite Systems for the Clipsal event this year?

The Hon. L.W.K. BIGNELL: Not that we are aware of, unless they were CFS volunteers because we did give away several thousand to CFS volunteers and SES.

Mr KNOLL: Could I ask the question in a different way then? Will the minister rule out the fact that Elite Systems were given any tickets to this year's Clipsal event?

The Hon. L.W.K. BIGNELL: We have the person in charge of the Clipsal and the motorsport area, and we are not aware of anyone giving any tickets to them.

Mr KNOLL: We have been advised that the acting CFO suggested in a meeting with the small businesses that the CFMEU influenced Elite Systems to ensure workers were paid. Can the minister confirm if he was aware of CFMEU representatives contacting Elite Systems, Vertex or any other subsidiary of Elite Systems with respect to the performance and payment of workers under this contract?

The CHAIR: I am not certain that question is actually in order. Do you want to answer it, minister?

The Hon. L.W.K. BIGNELL: I have no responsibility for the CFMEU.

Mr PISONI: Well, they are your faction.

The CHAIR: Order, member for Unley!

Mr PISONI: They are your faction.

The CHAIR: The member for Unley is aware of how committees work. You are aware of how the committee works. Please do not interrupt again without the call.

The Hon. L.W.K. BIGNELL: He is not aware obviously of how to use good manners and act in an orderly way.

The CHAIR: No, minister, that is not helpful. Did you have another question, member for Schubert?

Mr KNOLL: Yes, ma'am. Can I ask then if the minister will take on notice to provide a list of corporate tickets that were provided to suppliers, either purchased or given, from this year's Clipsal event?

The CHAIR: Is that possible?

The Hon. L.W.K. BIGNELL: No.

Mr KNOLL: So, the minister is refusing to give information to the committee.

The CHAIR: No, order! Member for Schubert, do not verbal us. It is not possible I don't think.

The Hon. L.W.K. BIGNELL: We have just said that we are not aware of any tickets that were given to this entity. The only tickets I know that were given away—

Mr KNOLL: If there is nothing to hide, minister, I do not understand the issue.

The CHAIR: Order, member for Schubert! You do not have the call. If it is possible, can you take it on notice and return with a list.

The Hon. L.W.K. BIGNELL: The only tickets I know that we gave away were to the CFS and SES volunteers.

The CHAIR: Well, that is all you need to bring back on notice, isn't it?

The Hon. L.W.K. BIGNELL: I do not think we need to bring that back. I have just given the answer.

Mr KNOLL: So—

The CHAIR: Order, member for Schubert! It is not your turn to speak. Just a minute.

The Hon. L.W.K. BIGNELL: I think we have answered the question.

The Hon. S.W. KEY: I refer to Budget Paper 4, Volume 4, page 149-150. In your opening statement, minister, you mentioned international marketing, and I am wondering whether you could add to the question before last about international visitors and what the 2020 target expenditure from international visitors is.

The Hon. L.W.K. BIGNELL: Thank you very much, member for Ashford. I thank you for the question. The state government invested \$35 million over two years in the 2015-16 state budget to market South Australia. Of this, an extra \$7 million was allocated per year towards international marketing. In 2015-16, these additional international marketing funds were invested across key markets as follows: China, \$3 million; Malaysia and Singapore, \$1 million; India, \$1 million; North America, United Kingdom and New Zealand, \$2 million.

The additional funds support our efforts in meeting the objective of achieving South Australia's full tourism potential of expenditure from international visitors from \$774 million in December 2015 to \$1.24 billion by December 2020. Some key activities targeting international visitors include a major campaign run in China with a Chinese reality television show, *Running Man*. *Running Man* is the number one prime-time Chinese variety program. The show filmed an episode in South Australia featuring Adelaide and the Barossa.

When the episode aired in China in January 2016, it was viewed by more than 200 million people on television. There was also an additional 1.9 million views on YouTube in the first two weeks

from outside China. When word got out that they were doing this filming here, there were almost scenes of riots down at the Central Market, and then things would change, so we had to change the location to Rundle Mall, and still hundreds and hundreds of people turned up because this show is so popular in China that people wanted to get a glimpse of the stars of the show. It caused quite a bit of chaos, but it was worth it for us to have 200 million people see Adelaide, our Central Market and our central retail precinct on their TV sets in China.

In the United States, the South Australian Tourism Commission partnered with iconic brand *National Geographic Traveler* magazine to promote South Australia's nature and wildlife, soft adventure, food and wine, and city experiences. The promotion featured the Barossa, Kangaroo Island, Flinders Ranges, the outback and Adelaide. Within the first two weeks of the campaign, there were 58,000 visits to the campaign website as well as high levels of engagement on social media.

In New Zealand, a purpose-built digital website was developed, inviting consumers to design their own South Australian holiday. Television and digital advertising were used to drive people to the website. Both airline and trade partners were involved in the campaign and saw growth and sales for South Australia. One retail partner reported a 30 per cent increase year on year, so fantastic numbers out of a very important market to us.

In the United Kingdom, the South Australian Tourism Commission partnered with Tourism Northern Territory and Singapore Airlines on a cooperative campaign themed Oceans to Outback. The campaign promoted the Explorer's Way touring route from Adelaide to Darwin and Singapore Airlines services to the Adelaide and Darwin gateways. In South-East Asia, the SATC undertook consumer campaigns in Singapore, Malaysia and India to increase awareness of South Australia via digital and print media. International visitation to South Australia increased 7.6 per cent, with an increase in expenditure of 38 per cent, from \$690 million to \$954 million for the year ended March 2016.

I think that those figures, the 7.6 per cent increase in the number of visitors and most importantly the 38 per cent increase in the spend while they are here, speak volumes to the marketing campaign of the South Australian Tourism Commission team and how they have selectively gone after that premium traveller who will spend longer here and spend more money while they are here.

The Hon. S.W. KEY: I have a supplementary question. Minister, thank you for that, that sounds really exciting. Can you explain what 'soft adventure' is? It sounds good, but I just want to know what it is.

The Hon. L.W.K. BIGNELL: What we know is that people do not want to just come and sit, static, in the environment that they are visiting. They want to get out and do things like taste the food, taste the wine, hold the koalas, go on a bushwalk, all those wonderful things that we can do here. Then you have the harder things, the more adventurous travel experience, like the mountain biking trails that we are setting up throughout the state as well, all drawcards in their own right.

We do not want people just to come here and book into their hotel room and walk around the city streets, as much as that is good fun and we have fantastic small bars for them to really enjoy themselves in. We are a very hospitable city and a wonderful state. Adventure tourism is something that we are really trying to push because we know that the best places in the world offer people things to do as well as see.

Ms WORTLEY: I refer to Budget Paper 4, Volume 4, pages 141 to 142. Minister, can you provide an update on the state government's 2020 cruise ship target?

The Hon. L.W.K. BIGNELL: I would like to thank the member for the question. South Australia will welcome 52 cruise ship visits to our ports next season, exceeding the state government's 2020 target three years early, so terrific news for the visitor economy. The state government's 2020 target is 43 cruise ship visits to our state, injecting \$17 million into our economy. Our success in the cruise ship industry goes from strength to strength each year, and it is fantastic to see these record results for our state.

The fact that we are breaking the 2020 target three years early is outstanding and is a testament to the work the state government is doing to attract more visitors and create a larger

demand for South Australia. Next year will see 28 cruise ship visits in Adelaide, 19 in Kangaroo Island and five in Port Lincoln. Overall, there were 37 cruise ship visits to South Australian ports in the 2015-16 season: 23 in Port Adelaide, four in Port Lincoln and 10 in Kangaroo Island, with a total capacity of 89,468 passengers and crew.

Throughout the season, some of the largest ships in Australian waters visited South Australia, including maiden visits by the *Explorer of the Seas* in Adelaide and the *Queen Victoria* on Kangaroo Island. Another highlight and first for South Australia was P&O Cruise's *Pacific Eden* departing from Adelaide. The 1,500 passenger ship offered six itineraries from Adelaide over a period of two weeks, including visits to Kangaroo Island and Port Lincoln. About 14,000 passengers stepped foot through the Port Adelaide Passenger Terminal throughout this time and injected up to \$8 million into the state's economy.

The full economic impact of the 2015-16 cruise ship season in South Australia will be announced in September. South Australia has so much to offer to all visitors and its fantastic cruise ship companies are getting on board and matching the demand for cruise ship visits in South Australia, increasing the number of cruise ship visits by 15 for next season.

Mr KNOLL: Has SATC or any representative from the department been advised or have any knowledge either from Worrells or any other party of whether or not Elite Systems has been trading insolvent?

The Hon. L.W.K. BIGNELL: No, I am advised that we have had no advice to that effect.

The CHAIR: There being no further time, I declare the examination of proposed payments completed. I would like to thank the minister and his advisers for their attendance.

Sitting suspended from 14:16 14:31.

DEPARTMENT OF PLANNING, TRANSPORT AND INFRASTRUCTURE, \$806,024,000
ADMINISTERED ITEMS FOR THE DEPARTMENT OF PLANNING, TRANSPORT AND
INFRASTRUCTURE, \$9,719,000

Membership:

Mr Whetstone substituted for Mr Pisoni.

Minister:

Hon. L.W.K. Bignell, Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Tourism, Minister for Recreation and Sport, Minister for Racing.

Departmental Advisers:

Mr B. Cagialis, Chief Finance Officer, Department of Planning, Transport and Infrastructure.

Ms K. Taylor, Acting Executive Director, Office for Recreation and Sport.

Mr I. Houridis, Director, Facility Development and Infrastructure, Office for Recreation and Sport.

Mr W. Battams, Director, South Australian Sports Institute, Office for Recreation and Sport.

Mr T. Nicholas, Manager, Finance, Office for Recreation and Sport.

Ms. S. Hameister, Racing Industry Support, Office for Recreation and Sport.

The CHAIR: Welcome back everybody to committee A. Thank you for your attendance. As I did last session, if everyone is happy for me not to read the preamble, as long as you all understand

that the sentiments are still in force—is everybody happy to remember that the statement contains guidance for behaviour—you do not need me to read it again?

The Hon. L.W.K. BIGNELL: The member for Unley has gone. He is only one who is badly behaved.

The CHAIR: No need for that. We are going to open the Department of Planning, Transport and Infrastructure proposed payments with the Minister for Recreation and Sport here with us this afternoon. I declare the proposed payments open for examination and refer members to the Agency Statements, Budget Paper 4, Volume 4. I call on the minister to introduce his advisers and to make an opening statement should he wish.

The Hon. L.W.K. BIGNELL: Thank you very much, Chair, and I welcome all the committee members here today. I acknowledge the member for Chaffey. He has come off the bench and is leading a fine team in this encounter; he is a good sport. We have had a quick discussion. I have around 18 pages of an opening statement. Given that we only have 30 minutes and you agreed to cut it down from the 90 minutes of previous years, I am going to give the highlights.

Firstly, I will introduce the members of the department who are with me today. On my immediate left is the Acting Executive Director, Kylie Taylor, who has really stepped up. I appreciate everything that you have done for us, Kylie. You have overseen some of the biggest spending in the history of recreation and sport in South Australia. Next to Kylie we have Sue Hameister from Racing Industry Support.

On my right is Office for Recreation and Sport Finance Manager, Tim Nicholas. Behind me is Iliia Houridis, Director of Facility Development and Infrastructure. Then we have Bill Cagialis, the Chief Finance Officer of DPTI, and in the middle is Wes Battams. He is the star of the show. He has 49 SASI athletes off to the Olympics. We will be cheering them on and not getting much sleep over the next few weeks. Thank you, Wes, for the great job that you do with the South Australian Sports Institute.

I just want to whiz through a couple of highlights rather than read all this. It has been a fantastic past couple of months for recreation and sport in this state. As a government, we have: put in \$10 million to build artificial pitches and upgrade facilities at eight soccer clubs; \$7.5 million towards the upgrade of the St Clair Recreation Centre; \$5 million to the Port Pirie Regional Council for the redevelopment of the Port Pirie Memorial Oval; and \$4.6 million towards transforming the former Ross Smith Secondary School into a sport and recreation facility. I know the member for Torrens is on this committee. She has been a fantastic supporter and has been nagging me all year. I am sure that she is very happy with that, aren't you, member for Torrens?

Further, there is \$2 million to build a UCI (Union Cycliste Internationale) standard—bonjour to all our French listeners—BMX track in O'Halloran Hill. That is something the member for Fisher has been badgering me about since before she won the seat, as she thought it was a great idea. So, that is terrific. Chair, another highlight, one that you have been on to us—

The CHAIR: Calisthenics?

The Hon. L.W.K. BIGNELL: Well, you got your calisthenics money, but \$750,000 towards the upgrade of the Modbury Bowling Club. They are just a few of the highlights in a budget that has injected another \$40 million into recreation and sport in South Australia.

I also want to comment about the wonderful sports vouchers we brought in for all our primary school students in South Australia. I point out to the member for Mount Gambier—I am sure he is already well aware—that Mount Gambier has the highest take-up in the state of these sports vouchers. Not only are the kids getting a discount on their sport, which is helping their families, but for 2015 the member for Mount Gambier—he has been working hard out there doorknocking—has 1,065, which is 314 more than any other area. Second is Port Lincoln, with 751. Troy, I do not know what you're doing there, but you are doing a fantastic job. I have gone on long enough with that opening statement, but I would like to thank everyone—Kylie and all her team—for a fantastic job in the past year.

Mr WHETSTONE: Thank you, minister. We will get into the questions, and I refer to Budget Paper 4, Volume 3, page 85, targets. Regarding the selection of the South Australian SASI

athletes to the Rio Olympic and Paralympic teams, has the state government ceased funding to the SA Games Appeal Committee, noting that the state government previously committed \$700,000 to the committee in 2012 over four years? Will this funding continue?

The Hon. L.W.K. BIGNELL: No, we have not ceased funding of that; in fact, they go to Rio with our money in their pockets.

Mr WHETSTONE: No, this is for 2016 on.

The CHAIR: Page 83?

Mr WHETSTONE: Page 85, targets.

The Hon. L.W.K. BIGNELL: Every four years, apparently, they come back to us with a funding proposal; they have not come back to us with a funding proposal for the next four years. We have always supported our athletes; we have done a tremendous job. The South Australian government is the biggest financial contributor to our Olympic athletes who go over to the Olympics every four years, and the Commonwealth Games in the alternate two years in between. Whilst we have not had a formal application, we are always very pleased to support our Olympic and Paralympic athletes.

Mr WHETSTONE: Minister, can you tell me the number of South Australian SASI athletes representing South Australia at the Rio Olympics?

The Hon. L.W.K. BIGNELL: Yes, 49 in the Olympics.

Mr WHETSTONE: From South Australia?

The Hon. L.W.K. BIGNELL: From South Australia.

Mr WHETSTONE: Under the SASI program?

The Hon. L.W.K. BIGNELL: I know all their names, too. Did you want me to go through them? There are two from Berri in the Hockeyroos.

The CHAIR: Just a gender breakdown.

The Hon. L.W.K. BIGNELL: A very good gender break-up. So, 49 South Australians are recognised and residential athletes who have been selected to go to the 2016 Rio Olympic Games, making up 12 per cent of the total team number of 419. That is pretty good: we have 7 per cent of the population and 12 per cent of the team. They will be competing across 13 sports and 39 events, and 34 of these athletes are current SASI scholarship holders.

The remaining 15, with a few exceptions, have been supported directly by SASI during their career or, as for the beach volleyballers, train daily at SASI with the support of its facilities and staff. Thirty-four, or an impressive 19 per cent, of SASI's current 180 scholarship holders, excluding the Paralympic athletes, have been selected for the games. That is an enormous credit to everyone down at SASI. Wes, please go back and pass on our congratulations to the team down there.

There are 26 athletes making their debut in Rio across 11 sports. The other 23 athletes have a total of 54 Olympic Games attended between them. Our youngest competitor is Kyle Chalmers, who is competing at his first Olympics as an 18 year old in the 100 metre freestyle and the 4 by 100 metre freestyle relay. Our oldest competitor is David Chapman, who is 51. He will be contesting his fourth Games in the 25-metre pistol event.

There are seven athletes who have graduated from the SASI talent search program who are competing in these Games: four cyclists and three rowers. Siblings Alex and Annette Edmondson have been selected on the track cycling team, both for their second Olympics; however, Alex did not actually get to compete in London. In Rio, both athletes are gold medal prospects in their respective team pursuit events. SASI has at least one rider in all 10 of the track cycling events in Rio with genuine medal chances in all of those events.

Of course, we have to single out Anna Meares, who is a favourite of everyone in Australia. She has been picked as the team captain and will be the flag bearer and what a great champion she is. We are very fortunate to have her in South Australia. I know she is an ambassador for the Motor

Accident Commission in getting people out there to be sharing the road. She has also done a wonderful job as an ambassador for the Santos Tour Down Under.

Going into the Rio Olympic Games, there are 11 South Australian athletes in close contention to win an Olympic gold medal across seven events. They span the sports of athletics, cycling, swimming and rowing. I reckon all 49 are in for a chance, but Wes has whittled it down to 11.

Jared Tallent in the athletics is in the 50-kilometre walk. It was fantastic to see him get his gold medal recently after the dirty rotten cheat was rubbed out from the London Olympics. What I loved the most was that Bruce McAvaney and the Channel 7 commentary team recalled the commentary, so as he went over the line, Bruce is saying, 'Following in the footsteps of our great athletes from Australia, Marjorie Jackson-Nelson, Herb Elliot,' and did this amazing commentary. What a great thing for the Tallent family to have for future generations, for someone who was only recorded on the day as winning silver and is now an Olympic gold medallist.

James McRae and Alexander Belonogoff are competing in the rowing men's quad. In cycling, in the men's teams pursuit, are Alex Edmondson, Jack Bobridge and Callum Scotson. Matthew Glaetzer is in the cycling sprint. Anna Meares, of course, as we mentioned before, and Stephanie Morton are in the cycling team sprint. Annette Edmondson is in the omnium event in cycling, and in swimming in the men's 4 by 100 metre relay is the youngest member of our team, Kyle Chalmers.

In addition, 18 South Australian athletes are also poised to take silver or bronze medals across 11 events in the sports of cycling, basketball, hockey, volleyball, BMX and water polo. In total, it is expected that SA athletes will contribute to a total of 18 Olympic event medals for Australia. Potential bronze and silver medallists are Alex Hill in the rowing men's four; women's basketball, with Cayla George, Laura Hodges, Erin Phillips and Stephanie Talbot; and women's hockey, with Jane Claxton, Karri McMahon (from the Riverland), Georgie Parker (from the Riverland as well) and Gabrielle Nance. We wish them well.

There are also the Hockeyroos, of course, with Juliet Haslam. So many other South Australians, such as Sandy Pisani, have been members of successful Hockeyroos teams in the past. We wish them all the very best. In women's beach volleyball there are Taliqua Clancy and Louise Bawden; Glenn O'Shea in the cycling omnium; Anna Meares, cycling keirin and the sprint; Stephanie Morton, cycling in the keirin; the women's team pursuit in the cycling; and Sam Willoughby, Happy Valley BMX rider and an inspiration to the member for Fisher, who was instrumental in getting the UCI-rated \$2 million development.

I should mention, too, the cooperation of Marion council and Onkaparinga council, which both put in \$750,000. We must thank them. It is great to see state and local government working together. Finally, there is Isobel Bishop in the women's water polo. Who will ever forget that great result in Sydney when the Australians beat the Americans with four seconds left on the clock? I was privileged to be there. It was the first time women's water polo had been included in the Olympics and I was there covering it for the ABC. It was one of those magical moments I will never forget.

Mr WHETSTONE: Sadly, that is already on *Hansard*, minister. I refer to Budget Paper 4, Volume 3, page 86, activity indicators. What is the reasoning behind the 2016-17 projection of 180 fewer grant agreements to be managed and an overall drop in grants managed of 563 since 2013-14?

The Hon. L.W.K. BIGNELL: There is an answer for this. You might remember back to the 2014-15 financial year, when we went out with an extra \$4 million, just to basically clear a fair few of those applications that had been in. I was up and down the length of the state handing out cheques to people. I remember being down in Bordertown and up in Snowtown and Clare. I think the bowls club in Port Broughton got some money. We really got around, handing out the money—\$4 million.

That was a one-off payment. We are starting to see all those jobs being completed, so that will come off. What is not in here is the money that we put in for the change rooms: \$10 million over four years, with \$4 million in the first year. That is to make sure that the women and the girls have the same sort of change facilities that the men and the boys have had for so many years. It is the least they deserve.

We know that the fastest growing area in sport is women's sport, particularly in those sports that have traditionally looked after the blokes and have not always done the right thing by the women and the girls coming through. Maybe they just have not had the vision to see how big this is going to be. We are putting the money in. We are not asking for any co-contribution from councils or the club, because this is our priority. We think it should be everyone's priority to look after women's sport, but we will be putting that \$10 million in. That figure has not been added to the figure that you see there, but it is going to make a huge difference.

Mr WHETSTONE: I refer to Budget Paper 4, Volume 3, page 84, financial commentary. The \$4.6 million that is going to the Port Adelaide city council for the Ross Smith Secondary School for it to be converted to a sports facility, is that land value or is that money being directed into sports works?

The Hon. L.W.K. BIGNELL: We are going to give them a grant to purchase the land, and then the council is going to pay for development on that land. Once again, I want to thank the member for Torrens for her persistence, the endless phone calls, the endless grabbing me as I walked in and out of this place and tried to hide—there was no place to hide.

Ms WORTLEY: You tried to avoid me.

The Hon. L.W.K. BIGNELL: I did try to avoid you. I want to congratulate the member for Torrens on the outstanding work she has done on behalf of her constituents to deliver this deal for them.

Ms WORTLEY: Thank you so much.

Mr WHETSTONE: Have we got clarity? \$4.6 million is for the land and then the council will—

The Hon. L.W.K. BIGNELL: They will build the facility on top of that land. I think that is a win and another great example of state government and local government working together.

Mr WHETSTONE: How many schools has the state government worked with to open access to community sporting organisations or clubs, and how many are currently being used in this way?

The Hon. L.W.K. BIGNELL: We do not have a figure on that, but what we are doing is working with the education department to make sure that we get as many as possible. I know in my own area, going past the Willunga High School, every Friday night there is touch footy on there with primary school-age kids. On Sundays, it is filled with kids playing soccer. Woodcroft Primary School is in my electorate, but a lot of kids go there from the member for Fisher's area as well. I know the Woodcroft Cricket Club plays its cricket there.

What we would like to do is see as many schools as possible get involved and allow clubs to come in. I know there are always issues around it. The best thing that we can have is people using these assets, not just 9 o'clock to 3 o'clock Monday to Friday but during the school holidays, on weekends and after school. They are government assets, they are community assets, and they should be used by as many people as possible. That is a program that we have been working on for a number of years. Katrine Hildyard, the parliamentary secretary, or assistant minister to the Premier now, is chairing a committee aimed at really pushing that home.

Mr WHETSTONE: Can you take that on notice and just give us how many clubs or sporting organisations are currently being used in that way?

The Hon. L.W.K. BIGNELL: You are probably better off asking the schools, so go through the education minister and ask how many schools are doing it. What we have with the sporting organisations is that they are run by volunteers. They do not need to fill in another questionnaire from me.

Mr WHETSTONE: Again on page 83, financial commentary, can you give us a breakdown of that \$10 million being awarded to FFSA? Which clubs have received that funding?

The Hon. L.W.K. BIGNELL: Absolutely, and this is something we worked with the Football Federation SA on. I would like to thank that organisation, and in particular Rauf Soulio, who retired just before the announcement was made. I want to put on the record the great work he did over so many years. This was a proposal—they came to us about three years ago—that was a bit

underdone. I said, 'Put some more detail around it. We want to make sure that we get a good result,' and they did. Michael Carter, of course, the Chief Executive Officer of Football Federation SA—they should all be congratulated.

The \$10 million investment will be delivered through the FFSA to meet the growing interests in the sport, particularly from women. Eight metropolitan football club facilities have been identified from the recent football facilities strategy for development. Participation in football in Australia has considerably increased since the 2006 World Cup, following the Socceroos' defeat of Japan. The sport has shown strong growth among women, with women's football now the fastest growing participant sport in Australia.

There are more than 44,000 registered football players in South Australia and in excess of 350 clubs across the state providing participation opportunities to players. This state government budget measure is to build artificial pitches and upgrade facilities at eight football clubs across Adelaide. Each artificial pitch is equivalent to three natural turf pitches, as there is no limit to the frequency with which games can be played. Of course, we have all seen waterlogged pitches that are just cut up by people playing on them. You do not want to be the last one out there on a Sunday afternoon after Friday night games, Saturday games and Sunday games.

The West Adelaide Hellas Soccer Club at Kilburn will have a new club house, artificial pitches with lighting and an undercover grandstand. The Seaford Rangers at Port Noarlunga South and the South Adelaide Panthers at O'Sullivan Beach will both have new fenced pitches with lighting. The Parks football centre at Angle Park, Adelaide City at Oakden, and the Modbury Soccer Club at Modbury will have new fenced pitches. The West Torrens Birkalla Club at Novar Gardens will get a new pitch, and the White City Football Club at Woodville West will receive new change facilities. The Office for Recreation and Sport will monitor the progress of the government investment provided to the FFSA.

Mr WHETSTONE: I guess the crux of the question was: what was the selection process in choosing those clubs?

The Hon. L.W.K. BIGNELL: It was the Football Federation South Australia. As I said, they came to me about three years ago talking about the need for artificial pitches. I remember the conversation quite clearly, that they were simply running out of room because of all these people, of all ages and both men and women, who wanted to get out and play. We asked them to go away and do a body of work on places where it would be appropriate to put these facilities. It is good to see a mixture of the north, south, west and north-west in the pitches they have identified.

Mr WHETSTONE: On page 83 again, the summary of grants, how many applications were received for Active Club grants in 2015-16 and how many were successful?

The Hon. L.W.K. BIGNELL: We had 452 successful applicants who shared in the \$2.35 million available through the Active Club Program during 2015-16.

Mr WHETSTONE: How many applications did you have for those?

The Hon. L.W.K. BIGNELL: I do not have that figure. We know that not every applicant is successful, but I advise people, if they were not successful, to keep working with the Office for Rec and Sport, which does a tremendous job. I know as a local member, for the 10 years that I have been here, that the best thing a sporting club can do at the very start of the process is to get on the phone or sit down with representatives from the Office for Rec and Sport. They will go through everything, and they are happy to do it.

The worst thing is to be knocked out because you have not filled the form in right. It is a daunting job for many volunteers who have not had to go through the process before, but it is an easy job for people who are used to it. That is what the fantastic team that Kylie oversees is brilliant at doing—working with people in the local community.

Mr WHETSTONE: It as an oversight by me, but can we go back to page 86, activity indicators. What was the reasoning behind SASI having more program scholarship holders in 2015-16 than was projected? Why are these extra programs not continuing into 2016-17? In 2013-14, 300 athlete scholarships were provided, so why has this reduced so substantially? Is it due to funding?

The Hon. L.W.K. BIGNELL: In the lead-up to an Olympics, there are much tougher criteria. The further you are out from the Olympics, the wider you go with athletes who may have the potential to represent Australia at the Olympics; the closer you get, the more you realise there are going to be fewer of those athletes. After each Olympics, that process starts again, and it is just the natural ebb and flow that comes with athlete selection.

Mr WHETSTONE: Just flying the flag for Wes. Is the \$10 million announced for women's sporting facilities over four years included in the Active Club grant program? As I see it, it is not included in the Rec and Sport program.

The Hon. L.W.K. BIGNELL: It is additional money. It is \$10 million additional money and, as we said, there are no criteria around this in terms of clubs matching the funding or councils having to contribute. This is money that is our government's priority to promote and support women's sport. It is something we see as a really important for our government, and we will put 100 per cent of that money into the facilities.

Mr WHETSTONE: Did the \$250,000 that was awarded to the Adelaide footy club for their women's sporting fund come out of the \$10 million?

The Hon. L.W.K. BIGNELL: No.

Mr WHETSTONE: That is a separate—

The Hon. L.W.K. BIGNELL: It has not come out of Rec and Sport. That has come out of the Premier's office.

Mr WHETSTONE: When will the position for executive director for Office for Rec and Sport be permanently filled?

The Hon. L.W.K. BIGNELL: We will work through that with Michael Deegan, who is the head of DPTI. Can I put on the record our thanks and appreciation for the outstanding work that Kylie Taylor is doing in the role. She has really stepped up and is doing an incredible amount of work. This additional \$40 million is the biggest spend ever in the history of rec and sport in South Australia. There has been a lot of work to get through to make sure that we had the cases put forward, and Kylie and everyone here has done a tremendous job.

Mr WHETSTONE: Are the payout costs for the previous CEO, Paul Anderson, included in the program summary and what are the costs?

The Hon. L.W.K. BIGNELL: That is not included in any of our budget lines. That is in the DPTI budget.

Mr WHETSTONE: So, you are not able to tell me what the payout was?

The Hon. L.W.K. BIGNELL: No, it is probably a question for Stephen Mullighan as the minister responsible for DPTI.

Mr WHETSTONE: Really? We will move into racing, Budget Paper 4, Volume 3, page 83, program summary. Of the total \$48.38 million rec, sport and racing budget, what is the total allocated to the racing industry and can you provide a breakdown of that funding?

The Hon. L.W.K. BIGNELL: Most of the money that goes to the racing industry from the coffers of South Australia actually comes out of Treasury. It is a deal that was done by the previous government, back in 2000, when the racing industry was corporatised. Government does not have any control or responsibility for any of the racing codes, but we do have regulatory involvement around gambling and things like that.

The money they do receive changes each year because it is determined by the turnover tax on betting revenue, but it is roughly about \$7 million. This figure is money that used to go into the government coffers, and we would take that as normal taxation. That is not a bad memory: \$7.716 million, but that changes each year. That is money that used to come into the Treasurer and would be spent on anything in general revenue.

We have quarantined that, and we have given that to the racing codes. It is spread between Thoroughbred Racing SA, Greyhound Racing SA and Harness Racing SA on a pro rata basis.

Depending on what the betting turnover revenue is on the trots, they will get that percentage, the dogs will get a percentage and then the races will get their percentage as well. That is how we fund the racing industry in South Australia.

Mr WHETSTONE: Minister, as a final question, do you believe that the new 15 per cent wagering tax will have an impact on revenue raised by wagering within the racing industry?

The Hon. L.W.K. BIGNELL: That is going to be something for the racing industry to determine, but we have been having ongoing discussions with the racing industry, and I know that Treasury has been having those discussions as well.

Mr WHETSTONE: How many FTEs were dedicated to the racing industry in 2015-16, and will that remain into the future?

The Hon. L.W.K. BIGNELL: There is 0.5 to 1. It is Sue, and we cannot cut her in half. Sue does a fantastic job—

Mr WHETSTONE: Do you cut Sue in half?

The Hon. L.W.K. BIGNELL: Well, she does a lot of other things.

The CHAIR: No, she does double the work—she is a woman.

The Hon. L.W.K. BIGNELL: She does a lot of other work as well. Sue will continue in that role and continue to have a good relationship with all three codes of racing. I get out there a lot, although I do not go to Oakbank. Some bloke said that I never go to the races. I do go to the races, I just do not go to Oakbank.

The CHAIR: Another quick question? We are rewarding good behaviour. We have not had much of that today.

The Hon. L.W.K. BIGNELL: Yes, maybe you can go back to the member for Unley and coach him, tell him how to be polite.

Mr WHETSTONE: That's harsh.

The CHAIR: No, what is your question?

Mr WHETSTONE: I would like to come back to sports programs. I refer again to page 84, financial commentary, regarding the construction of the BMX facility at O'Halloran Hill, and this one is for the member for Fisher. Can you guarantee that the track will be up to an international standard?

The Hon. L.W.K. BIGNELL: Yes, it will be of international standard and that is what we need for our athletes. For too long, athletes from South Australia have had to go up to Queensland and their families have had to go with them. Normally, these kids are around 12, 14, 15 years of age, and it is been the only world-class facility in Australia. We are going to reverse that, and when it is built not only will it be great for South Australian athletes but we are told by the people in BMX that we will probably get a lot of people from Perth and Victoria who will relocate here as well so that their kids can be given a great opportunity.

When we say it is world class and world standard, the actual functionality of the track will be for all the riding that these guys need to do to be able to go and perform at world championships and world cup events. We will have to do extra work to stage the world titles, for example. We would have to bring in grandstands and stuff like that, but that is the nature of the thing. You would not have a whole heap of grandstands sitting their idle for three or four years.

Mr WHETSTONE: The track will be UCI approved?

The Hon. L.W.K. BIGNELL: Yes, it will be. I have to say that Brian Cookson, President of the UCI, is very pleased with the efforts the South Australian government has put in. We have obviously got the biggest bike race outside of Europe with the Tour Down Under. We have the women's Tour Down Under now. I know that the member for Ashford has been at me for years to get a women's Tour Down Under, and we want to take that to the same level as the men's race.

Of course, we have the velodrome that was built in preparation for the 1998 Commonwealth Games that went to Kuala Lumpur, and we have got some outstanding mountain-biking facilities

around the state. Undoubtedly, once this BMX track facility is open, we will be the undisputed capital of cycling in the Southern Hemisphere.

The CHAIR: That seems like a very positive note to let you all know that the time has elapsed for questioning.

The Hon. L.W.K. BIGNELL: I thank the member for Chaffey for the way in which he has conducted himself. He has been very polite, and he has been a joy to deal with. I would like that to be on the record. A happy Olympics to all our South Australian athletes.

The CHAIR: There being no further questions, I declare the examination of the proposed payments adjourned and referred to committee B. I thank the minister and his advisers for a splendid job, and we appreciate the attendance of those in the gallery today. I thank the members for their cooperation and the very smooth session this afternoon.

At 15:05 the committee adjourned until Wednesday 3 August 2016 at 09:00.