

**HOUSE OF ASSEMBLY****Monday, 31 July 2017****ESTIMATES COMMITTEE A****Chair:**

Ms F.E. Bedford

**Members:**

Hon. S.W. Key

Mr T.S. Bell

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, \$108,461,000****ADMINISTERED ITEMS FOR THE DEPARTMENT OF PRIMARY INDUSTRIES AND REGIONS,  
\$4,788,000****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.

Mr S. Johnke, Chief Financial Officer and Acting Executive Director, Corporate Services, Department of Primary Industries and Regions.

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

Mr T. Goodes, Deputy Chief Executive, Department of Primary Industries and Regions.

Mr D. Casement, Executive Director, Rural Solutions SA, Department of Primary Industries and Regions.

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

Mr M. Williams, Acting Director, Finance and Prudential Management, Department of Primary Industries and Regions.

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

**The Hon. L.W.K. BIGNELL:** Yes, it appears to be accurate.

**Mr PEDERICK:** Yes.

**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 the minister undertakes to supply information at a later date, it must be submitted to the committee secretary by no later than Friday 27 October 2017. This year, estimates committee responses will be published during the 14 November sitting week in the corrected *Daily Hansard* over a three-day period.

I propose to allow both the minister and the lead speaker for the opposition to make opening statements 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 and referenced before the question is asked. 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, not the minister's advisers. The minister may refer questions to advisers for a response.

During the committee's examinations, television cameras will be permitted to film from both the northern and southern galleries. If there is anyone up there, could they make sure their phones are on silent. I declare the proposed payments open for examination and refer members to the Agency Statements, Volume 4. I call on the minister to introduce his advisers and make his opening statement, should he wish.

**The Hon. L.W.K. BIGNELL:** Good morning, Chair and committee members. It is my pleasure to provide information about the work conducted by the Department of Primary Industries and Regions (PIRSA) to support the state's agriculture, food and wine and fisheries and aquaculture industries. I would first like to introduce the members of the department who are with me today.

On my immediate left is PIRSA Chief Executive, Scott Ashby. Next to Scott is Stephen Johnke, the Chief Financial Officer and Acting Executive Director, Corporate Services. On my right is Deputy Chief Executive, Professor Mehdi Doroudi. Behind me are Tim Goodes, Deputy Chief Executive; Mark Williams, Acting Director of Finance and Prudential Management; Will Zacharin, Executive Director, Biosecurity SA; and Daniel Casement, Executive Director, Rural Solutions SA. Before answering your questions, I would like to update you on the status of our primary industries based on the latest PIRSA scorecard data and highlight some examples of how PIRSA is contributing to their growth.

In 2015-16, our agriculture, food and wine and fisheries and aquaculture industries generated \$18.64 billion in revenue, an increase of \$443 million on the previous year. Employment in these industries increased by 3,400 jobs to an average of 147,400 jobs in the 12 months to August 2016, with an increase of 11 per cent or 2,500 jobs in food and beverage manufacturing, the state's largest manufacturing employer. Overseas exports of food and wine reached a record \$5.22 billion, or 45 per cent of total merchandise exports. Food exports were worth \$3.9 billion, and gross wine revenue increased by \$329 million to \$2.11 billion, with the value of wine exports reaching \$1.34 billion.

Grain continues to be a vital part of the state's economy, generating \$4.4 billion in revenue in 2015-16, with about 85 per cent of the crop exported overseas. The state's grain farmers produced a record-breaking 11.1 million tonne harvest for 2016-17, worth an estimated \$2.2 billion, despite extreme weather events in September and December 2016. I would like to acknowledge Viterra, which has done a fantastic job working with industry to manage this bumper crop and boosting its workforce, storage, handling and shipping capacity.

In 2015-16, meat and livestock revenue increased by \$195 million to \$4.78 billion, with an increase in total value of production of \$116 million, led by beef production, with exports remaining steady. In 2015-16, horticulture revenue increased by \$157 million to \$3.23 billion. Although a significant amount is for local consumption, exports are growing steadily, increasing by 32 per cent, to a total value of \$297 million.

In 2015-16, our fisheries and aquaculture industries generated revenue of \$934 million, an increase of \$58 million. Total seafood exports reached \$251 million. The outlook for the state's seafood industry is positive, particularly with the growing demand from Asian markets for the high-quality safe seafood produced in our well-managed clean environment.

PIRSA helps our industry strengthen our global reputation for premium food and wine, managing the food and agribusiness components of the government's international trade missions. In 2016-17, this included 25 inbound and 11 outbound trade missions. More than 1,000 new business connections were created in just two missions to North Asia and China. The value of our food and wine exports to China has grown by 137 per cent during the past five years, so it continues to be our number one priority, with supporting activities in other key markets, predominantly in North Asia and South-East Asia.

PIRSA continues to lead the South Australian-Shandong High-Level Working Group (Agriculture) subcommittee. In May this year, following discussions between government agencies and China's Ministry of Agriculture, South Australia was confirmed as the host for the 2018 Australia-China Plant Health Bilateral Workshop. During my visit to China late last year, we built relationships with the Guangzhou Entry-Exit Inspection and Quarantine Bureau, discussing pre-customs clearance opportunities for seafood at Adelaide Airport.

Of course, we would not be able to maintain market access for our producers without the world-class biosecurity, product integrity and food safety systems provided by PIRSA's Biosecurity SA division. Thanks to their work with industry and the community, South Australia remains the only fruit fly free Australian mainland state, and every year we spend about \$5 million keeping fruit fly and other plant pests out of our state. In 2016-17, Biosecurity SA undertook more than 100,000 inspections of the 7,629 fruit fly traps located across the state. There were no fruit fly outbreaks in South Australia in 2016-17, the first time in nearly a decade that this has been achieved.

Fruit fly freedom is particularly important to the Riverland pest-free area, maintaining access for growers to lucrative citrus export markets such as Japan, China, Hong Kong and Malaysia. Indonesia now also recognises the Riverland's pest-free area status after a delegation reviewed arrangements in 2016. The National Sterile Insect Technology facility at Port Augusta was opened last November. The SIT facility will provide a powerful new line of defence against fruit fly and is supported by SITplus, a national research and development effort, which has a combined program budget of \$45 million.

This year, the Yamba Quarantine Station celebrates 60 years in operation. Since records started in 1980, more than one million kilograms of fruit have been seized and 312 fruit fly larval detections have been reported at the station, which targets travellers coming into South Australia from the Eastern States.

South Australia's animal disease surveillance programs are essential to maintaining access to international markets. In 2016-17, Biosecurity SA undertook more than 2,250 on-farm animal disease investigations to rule out 61 exotic diseases, and none was detected. The 2016-17 state budget included \$452,000 per year for four years to enhance South Australia's clean, green image through new biosecurity measures, to support growth in production and exports.

PIRSA is working with the cherry, apple and pear, and strawberry industries, to establish a Mount Lofty Ranges pest-free area, which is expected to be worth about \$112 million per year to the South Australian economy and generate about 920 new jobs in the region during the next 10 years. Of course, there are many other ways in which we are building on our global reputation for premium food and wine.

In July 2016, Adelaide, South Australia, became part of the prestigious Great Wine Capitals global network, joining a group of international cities whose wine regions are recognised as

significant economic and cultural assets. To build the reputation of Adelaide as a great wine capital, the state will host the Great Wine Capitals annual general meeting and industry conference in November 2018, bringing global food, wine and tourism leaders to the state.

The Northern Adelaide Plains is a key horticultural area employing more than half the state's vegetable industry workers and producing more than a third of the state's horticultural produce. Through the Northern Adelaide Plains Agribusiness Initiative, we are working with industry to transform the area into a national leader in intensive high-tech food production. We are seeking funding through the Australian government's National Water Infrastructure Development Fund for the Northern Adelaide Irrigation Scheme to upgrade water treatment, storage and distribution infrastructure.

If this funding is secured, the state government, through SA Water, will co-invest \$110 million in the project, to initially deliver an extra 12 gigalitres of recycled water a year, which is projected to create 3,700 jobs and add \$578 million a year to the state's economy. As export markets grow, the scheme will be expanded to increase the additional recycled water 20 gigalitres a year. This is projected to create up to 6,000 jobs and add more than \$1 billion a year to the state's economy.

Another key component of the government's Northern Economic Plan is the northern Adelaide food park, which is bringing together food manufacturers and food-processing businesses, with packaging, storage and logistics companies in a dedicated food precinct, with access to infrastructure and services on one site. The food park is attracting strong interest and, following the decision to move to Edinburgh Parks, four high-profile businesses have progressed commercial discussions to take up tenancy, with the potential to secure 21 hectares of land.

The Edinburgh Parks site, managed by Renewal SA, will give food businesses the flexibility in land tenure and development opportunities that many expressed they were looking for. Local transport and storage company, Auscold Logistics, has been one of the first companies to sign a letter of intent to move to the food park. A \$7 million Business Attraction Fund is now available to help businesses looking to relocate to the food park.

Another way in which we are supporting food businesses to innovate is through the South Australian Food Innovation Centre, which is helping businesses deliver high-value products sought after by local, national and international markets. In addition, the Advanced Food Manufacturing grants program co-funds the development of new or improved food products, or manufacturing, and the small Advanced Food Manufacturing grants program has helped six food businesses with funding totalling \$180,000 to improve their products and compete on a global stage.

The Premium Food and Wine Credentials program assists food and beverage businesses and industry associations to attain industry-standard third-party certifications. Under round 4 of the program, nine South Australian food and wine businesses have been awarded more than \$86,000 in funding to attain important certifications and boost exports in new and established markets. To further support access into international markets, local businesses can also apply to receive a statement of recognition for non-GM foods.

The Agribusiness Growth Program aims to accelerate business growth in the agriculture, food, wine and beverage industries, by providing expert business evaluation and coaching services. Designed by PIRSA, and delivered by Food SA and the South Australian Wine Industry Association—

**The CHAIR:** Nearly finished?

**The Hon. L.W.K. BIGNELL:** Yes, and this is the short version, Chair.

**The CHAIR:** Ten minutes is all you are allowed, unfortunately.

**The Hon. L.W.K. BIGNELL:** There is no clock up here.

**The CHAIR:** We have a clock, and it is—

**The Hon. L.W.K. BIGNELL:** We do not have one up there.

**The CHAIR:** I am not going to argue.

*Members interjecting:*

**The CHAIR:** Stop, everyone stop. I am not arguing; I am just tapping the desk and saying that you have one minute now.

**The Hon. L.W.K. BIGNELL:** Thank you. Designed by PIRSA and delivered by Food SA and the South Australian Wine Industry Association, the program is targeting businesses with turnovers of between \$300,000 and \$1.5 million, meeting a gap in small business industry development assistance. The new \$1.8 million South Australian Wine Industry Development Scheme has been well received by the wine industry since it was launched in October last year.

Of course, I could not look back on the year without reflecting on the outstanding response from PIRSA staff to a series of emergencies, including the Gawler River flooding and the Riverland hailstorm, as well as the ongoing recovery efforts following the Pinery bushfire. PIRSA also responded to a range of pests and diseases throughout the year, including giant pine scale, Russian wheat aphid and the tomato potato psyllid, and participated in the national response to the prawn white spot disease in Queensland.

Of particular note is Biosecurity SA's role in the successful deployment of a national eradication response to the detection of the Khapra beetle on Kangaroo Island last year, which was recognised with the 2017 Australian Biosecurity Award.

**The CHAIR:** I was going to ask if it was your birthday yesterday, but I have decided not to ask you that now. Was it your birthday yesterday?

**The Hon. L.W.K. BIGNELL:** Yes, it was, Chair.

**The CHAIR:** We have established that.

**Mr PEDERICK:** I want to make a brief statement acknowledging the wonderful work that our producers and value-adders do in agriculture right across the state. Certainly, coming from a dryland heritage, I acknowledge that the planets almost lined up last season—good prices for wool, good prices for beef, good prices for lamb and the biggest grain and legume crops we have ever seen in the state. The money was down, but that was the only thing where the planets did not quite line up for everyone; however, it was a magnificent year. Things are struggling a little bit in areas this season but, due to dryland farmers' techniques with conserving moisture, some great work is happening, so I acknowledge everyone involved in agriculture.

I refer to Budget Paper 4, Volume 4, ministerial office resources, and page 14, ministerial travel. The 2017-18 budget for the minister's office is \$1.6 million, with eight FTEs, and the 2016-17 budgeted amount was \$1.57 million. Can the minister confirm how much of this budget was spent on ministerial travel and ministerial staff travel in 2016-17?

**The Hon. L.W.K. BIGNELL:** I thank the member for the question. I do not have that total figure here, but all our travel interstate and overseas is available online through proactive disclosure at the end of each month, so those figures are out there in the public realm. I welcome the member having a look at that and finding out those figures.

**Mr PEDERICK:** Minister, can you bring back to the house a collated—

**The Hon. L.W.K. BIGNELL:** They are already online.

**Mr PEDERICK:** That may be so, but I am just asking if you could bring them back to the house.

**The Hon. L.W.K. BIGNELL:** You can just do a Google search and find them.

**Mr PEDERICK:** Why do you or your staff not do that?

**The Hon. L.W.K. BIGNELL:** Why do you not do it?

**Mr PEDERICK:** No, I get to ask the questions.

**The CHAIR:** Order!

**The Hon. L.W.K. BIGNELL:** You ask the question and I give you an answer.

**The CHAIR:** Order! This is the sort of question that has been asked of other ministers. If you can just take it on notice, I am sure that would be fine.

**Mr PEDERICK:** I would like it to be taken on notice, ma'am, but I am not sure that he is.

**The Hon. L.W.K. BIGNELL:** It is there in the public realm. We have the member for Schubert, who gets up here all the time and says that we cannot ask questions because it is something that is available online. This information is available online—

**Mr PEDERICK:** He obviously does not like it. I will try another one: how many overseas trips did the minister have in 2016-17 and for how many days was the minister overseas?

**The Hon. L.W.K. BIGNELL:** I made two trips; one in late July, which was to South-East Asia, including Singapore, Malaysia and Thailand, was for eight days, from memory. I also had a trip in December to Guangzhou, where we met with China Southern. It was a huge coup for this government to bring direct flights from mainland China into South Australia, not only to bring in tourists but also to fill the bellies of the planes with great produce from South Australia and get that out into the marketplaces throughout China and the rest of Asia.

**Mr PEDERICK:** How many days was that second trip?

**The Hon. L.W.K. BIGNELL:** About three, from memory.

**Mr BELL:** Along the same lines, in 2017-18 the budget for the minister's office was \$1.6 million with eight FTEs. In 2016-17, it was \$1.57 million. Can the minister bring a detailed breakdown of what that \$1.57 million was spent on?

**The Hon. L.W.K. BIGNELL:** The breakdown is for salaries and wages, operating expenses and office accommodation.

**Mr BELL:** Can you detail the exact amounts in each category?

**The Hon. L.W.K. BIGNELL:** We are just chasing that figure. We will hopefully get it to you in the next little while, before we end this session this morning.

**Mr PEDERICK:** I refer you to Budget Paper 4, Volume 4, Sub-program 1.1: Financial Commentary, page 17, in relation to the northern Adelaide food park. There is a \$3.7 million reduction in budgeted expenditure associated with the northern Adelaide food park. What has been the total cost budgeted and committed to the northern Adelaide food park project since the 2014-15 period?

**The Hon. L.W.K. BIGNELL:** The food park will facilitate the co-location of food manufacturers and processors, food packaging specialists, storage, logistics and transport companies, and other related service providers, to increase industry efficiency, international competitiveness and stimulate employment. The next stage of the northern Adelaide food park is underway. Following extensive assessment and due diligence, as well as discussions with the food industry and potential new occupants, the food park will be located at Edinburgh Parks, instead of at the site initially selected at the nearby Parafield Airport's Cross Keys precinct.

During consultation, businesses expressed a desire for a variety of land tenure options to give commercial flexibility and accommodate individual business needs and preferences. Edinburgh Parks offers flexibility in land tenure that industry wants, is shovel-ready and sits within a dedicated growth corridor with connections to freight and transport routes.

The recently announced Food Park Business Attraction Fund provides \$7 million in grant funding for food businesses, food processors and service providers looking to invest in their growth plans by scaling up and locating to the food park at Edinburgh Parks. Applications require a matched contribution at a minimum rate of dollar for dollar, with maximum funding of up to \$1.5 million per applicant.

The key achievements for 2016-17 include completing concept site planning, feasibility assessment and due diligence and finalising the location for food park implementation at Edinburgh Parks. The next steps are to secure early-stage tenants of the food park at Edinburgh Parks, which will be conducted in partnership with Renewal SA. There is strong interest from industry in the Edinburgh Parks site, and commercial negotiations are underway with potential anchor tenants and

developers, with a target for the food park to be operational in 2018. More than 180 businesses have registered their interest in receiving updates on the food park initiative.

The \$1.994 million allocated for prefeasibility, concept, infrastructure and implementation planning was directed towards the following activities:

- the funding deed with Parafield Airport Limited;
- implementation planning and technical due diligence;
- strategic framework;
- investment and tenant attraction;
- project management; and
- demand study.

Of that total of \$1.994 million, approximately 65 per cent of the costs incurred supported the implementation the food park irrespective of which site was selected. The remainder was directly attributable to the planning and investigation of the food park at the Parafield site. I will ask Mr Johninke to expand on the costs and the differences.

**Mr JOHNINKE:** Of the \$1.994 million the minister was just talking about in relation to prefeasibility, concept, infrastructure and implementation planning, around \$700,000 sits in the 2016-17 estimated result, in addition to the \$7 million for the Food Park Business Attraction Fund. Approximately \$5 million sat in the 2016-17 estimated result, so that gives about \$5.7 million in that year. The remaining \$2 million of the Food Park Business Attraction Fund sits in the budget papers in the 2017-18 budget, so that reduction from \$5.7 million in the 2016-17 estimated result to \$2 million in 2017-18 gives a \$3.7 million variance.

**Mr BELL:** Just to be clear, you are saying that the total cost budgeted since 2014-15 is about \$9 million, so the \$7 million plus the \$1.99 million?

**Mr JOHNINKE:** That is correct.

**Mr PEDERICK:** In regard to that—and I am going to talk in round figures here—a million dollars was wasted on the previous site at Parafield?

**The Hon. L.W.K. BIGNELL:** I might just pass over to Professor Mehdi Doroudi to answer that question.

**Prof. DOROUDI:** We went into the arrangement and agreement with Parafield Airport in terms of completing that feasibility study. Part of that study was directly related to that particular site, but a lot of the work we did could be adopted at any site. We cannot say if you refer to \$1 million that was wasted, because if we have done work on the demand study, on energy efficiency, on any other business shared services that need to be done, most of that work could be adopted at the new site.

No doubt there has been specific work for that specific Parafield Airport site that was related to that site in terms of environmental assessment, site planning, etc., that could not be adopted directly at another site, but the volume of that as we calculate it, perhaps in the order of \$1.9 million, something around 30 per cent could be specifically designed to that particular site. When you put that into calculation, it is perhaps around \$300,000 or \$400,000.

**The Hon. L.W.K. BIGNELL:** Just to finish off there, we tried to make Parafield Airport work. Parafield Airport tried to make it work. All the businesses that we spoke with tried to make it work as well. The best decision you can make, if it is not going to work for all the players, is to make the decision to find a location that will work, and that is what we have done so far. I would like to put on the record my thanks to Parafield Airport Limited, and my thanks to Professor Doroudi and everyone who has been working on this, including Food South Australia and those individual companies.

Everyone tried to make Parafield work. It did not work for a number of different reasons, and one of those, as I have outlined already, is that many of the owners of these businesses wanted to actually own the land they had rather than have a lease on a site that was tied up with Parafield Airport's own lease with the commonwealth government for owning an airport.

**Mr BELL:** Minister, can you indicate how 30 per cent of \$1.9 million is \$300,000? By my reckoning, 30 per cent of nearly \$2 million is \$600,000, or just a little bit under.

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

**Prof. DOROUDI:** Just to clarify that, the specific cost to the site is around \$700,000, including the deed that has gone to Parafield Airport. In terms of a percentage calculation, you are correct: it does not sit with what I said.

**Mr BELL:** Just to be clear, is it \$600,000 or \$700,000 wasted on the Parafield Airport site?

**Prof. DOROUDI:** Again, I would like to say that a feasibility study is a feasibility study. For any project that we run, we need to run a feasibility study to make sure it is either economically viable or not. From where we sit, we say something is wasted when we put in dollars associated with an investment when there is not going to be a return on that investment. We did not put any investment in place in terms of infrastructure that we would not be able to really get a return from.

A feasibility study is something that we have to go through to make sure it is economically viable. It was not economically viable or attractive enough to the clients, industry and the rest that we had. With the \$700,000, we went into a deed with Parafield Airport because we just wanted to make sure that that feasibility study was going to be conducted and done in a timely manner. If we were going to leave it with Parafield Airport, it could have been another four or five years before we knew if it was going to be attractive to them or attractive to the industry.

In consultation with industry, we decided to provide this funding to Parafield Airport, and Parafield Airport matched that with their own dollars. For every single dollar that was spent here, they matched that to make sure that the timing of that work was going to be shortened in order to be able to get to a position as to whether we can effectively make a park there or not.

Therefore, I just do not know if I would say that the money has been wasted. The site was selected through an independent, open process where eight different applicants put in their applications. The site was selected for two main reasons: firstly, it was in close proximity to the CBD and in a better location; secondly, in total it is about 40 hectares of land. We could not necessarily get land of that size at some other sites.

When we went through all this process, we realised that there were a number of matters, like the additional external infrastructure that is needed to bring that site to a level that is ready for construction. Secondly, many, many of our clients and industry members said that they would like to own their land rather than lease it, and this is commonwealth land that we could not own anyway. No-one could own it. I hope that explains or articulates a bit further what happened here.

**Mr BELL:** I think the point that has been made is that \$700,000 of taxpayers' money has been used and that project is not going ahead.

**The Hon. L.W.K. BIGNELL:** The project is going ahead—

**Mr BELL:** At Parafield.

**The Hon. L.W.K. BIGNELL:** —it is just not going ahead at the site that was initially selected. The real waste of money would be if we continued on down the track of developing and putting power and other infrastructure into that site for something when people did not want to move into that site at the scale that we had intended and at a scale that the industry wanted to do it. You may want to say that it is wasted money, but it is money well spent in terms of reaching the conclusion that we will reach.

What we all want to have at the end of the day, whether it is the food industry or the government, is somewhere the food industry can come together and expand their existing business, start up a new business or add to their business. What we are seeing is that the growth in food manufacturing is absolutely staggering. For 19 years in a row, we have had year-on-year growth in the food manufacturing sector in South Australia, so it is a terrific result. What we need to do as a government is help work with the industry to facilitate future growth. We all recognise that that needed to happen.



We have been working with Food SA and with individual companies. When you start going to 24 hours a day manufacturing shifts, you start to have some issues with your neighbours over noise, smells and other things. What we identified a couple of years ago was that people wanted to come together and have like-minded businesses in the one precinct where you could add in things like logistics, such as packaging, transport, quarantine, research or food safety testing. There was definitely a need for it.

Initially, when the call went out for a parcel of land, as Professor Doroudi said, there was analysis done on a number of different sites that showed that Parafield Airport was, at that time, the best site. Since then, the discussions we have had with the industry, particularly over the ownership of land, proved that it was not going to be the best site. We went looking for another site and Edinburgh Parks has turned out to be a real winner.

All the learnings we have taken out of the money that has been spent have been really valuable as we go out and talk to industry. We have four companies that have signed letters of intent to move into the Edinburgh Parks site. Proper due diligence and collection of information is not free; it costs money to do these things properly. It is better to work now and spend this sort of money than to spend millions and millions of dollars in infrastructure.

The cost of getting the sorts of power connections that we needed at Parafield to run energy-hungry businesses in the food manufacturing sector was huge. They are costs that we averted by doing this sort of due diligence, talking to the industry and working through what the needs of this site would have been, not just from a government point of view but from an industry point of view and from the airport's point of view. These are huge costs that you do not really know until you do the proper due diligence and analysis on the site.

**Mr PEDERICK:** Thank you, minister, but I think you still have a major disparity in what you are telling me are the numbers that were wasted at Parafield. In your own statement, you said that 65 per cent of \$1.994 million was attributable to Parafield only, so I would say that you have buried \$1.3 million, not just \$700,000.

**The Hon. L.W.K. BIGNELL:** No, it is the other way around: 65 per cent of the costs incurred support the implementation of the food park irrespective of which site was selected—this is what I said earlier—and the remainder was directly attributable to the planning and investigation of the food park at the Parafield site. We are talking about 35 per cent, not 65 per cent.

**Mr PEDERICK:** You have talked about four proposed tenants. Have they only signed an expression of interest? They have not signed leases or contracts to purchase land at the proposed site?

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

**Prof. DOROUDI:** Yes, all four of them signed an expression of interest and they are in direct negotiations and discussions with Renewal SA. I understand they have even pointed out or selected the sites that they are interested in and they are in that negotiation phase with Renewal SA.

**Mr PEDERICK:** How many hectares of the new site will these tenants who have expressed an interest occupy if they take up that expression of interest?

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

**Prof. DOROUDI:** If they are all based on the allocated hectares that they have started negotiations on, something around 20 hectares are going to be occupied by the four companies.

**Mr PEDERICK:** With regard to the completion of the food park, when do you see that on-site construction will start?

**The Hon. L.W.K. BIGNELL:** As I mentioned in my earlier statement, next year.

**Mr PEDERICK:** What, the first quarter, the second quarter, the third or fourth quarter?

**The Hon. L.W.K. BIGNELL:** It is largely going to rely on what individual businesses want to do and, if they have existing operations, how they transition that from their existing site to the new

site. We would like to see it early in 2018, but we are largely in the hands of the individual companies and what works best for them.

**Mr PEDERICK:** With regard to the private land of this new location, how many hectares are owned by Lang Walker and is it one of his companies that will need to be acquired for this food park proposal?

**The Hon. L.W.K. BIGNELL:** Some of the land in the precinct is owned by Renewal SA and some is land that is owned by other individuals, including people who have been involved in other forms of manufacturing and who, in the private sector, may wish to sell their properties. But we definitely have land that is owned by Renewal SA, and Renewal SA is willing and certainly keen to enter into any arrangements that companies or individuals would like to proceed with, whether that be on a sale basis or if it suited some companies to lease then Renewal SA is open to that as well.

**Mr PEDERICK:** Does Lang Walker or one of his companies own any of that land?

**The Hon. L.W.K. BIGNELL:** I am not sure who owns the land; all I know is that some land is owned by private companies and some land is owned by Renewal SA.

**Mr BELL:** So, minister, you are saying that you have no knowledge at all of Lang Walker or any of his companies owning any of the land to be acquired for the food park?

**The Hon. L.W.K. BIGNELL:** That is correct. I have no knowledge of who owns the land other than some is owned by Renewal SA and some is owned by individual landowners.

**Mr BELL:** When the maps were drawn and bits were added in and taken out, etc., that was done without your knowledge of who owns any of that land?

**The Hon. L.W.K. BIGNELL:** You are probably better directing these questions to the Minister for Planning or the minister responsible for Renewal SA rather than to me. What we know is that there is a site out there and some of it is owned by Renewal SA, for which I have no responsibility as the Minister for Agriculture, Food and Fisheries and Forests. So those questions on who owns the land at the moment will be better directed to the relevant minister.

However, what I can say is that there is a big parcel of land out there that, in a part of the world where we are seeing a huge transition away from automotive manufacturing to other forms of employment and the food manufacturing sector, as I said, has had enormous growth in the past 19 years in South Australia. We want to see further growth. We think this is an ideal site. Some of the land is owned by the private sector and some of it is owned by the government through Renewal SA. We have land for sale; the government has land for sale. The government has land out there for lease. What existing private owners do with their land is up to them.

**Mr BELL:** I find it staggering that land is included in the precinct, yet the government does not know who owns that land. That absolutely staggers me.

**The Hon. L.W.K. BIGNELL:** I have not said that the government does not know who owns the land; I said that I have responsibility for agriculture, food, fisheries and forests, and that is why I am here today. If you want to ask questions about who owns the land in that parcel, direct them to the relevant minister.

**Mr BELL:** You have had no consultation with that relevant minister on who owns that land?

**The Hon. L.W.K. BIGNELL:** It does not matter who owns the land from a food park perspective because a chunk of the land is owned by the government through Renewal SA and some of it is owned by a number of different private entities. I do not know whether Professor Doroudi wants to add to that.

**Prof. DOROUDI:** If I could just add to what the minister has said, we have talked to Renewal SA. Renewal SA has a good understanding of what rest of the land is privately owned and by whom. We did write to the owner of those lands.

**Mr BELL:** So you do know who they are?

**Prof. DOROUDI:** I do not know who they are.

**Mr BELL:** But you just wrote to them.

**Prof. DOROUDI:** No, I do not know who they are, but what I said was that they had been contacted in terms of the creation of this food park there. With that particular example of that company, we do not know in particular if they are interested in any development there or not, but we have been advised that there are one or two companies within the private sector that would like to turn their activities to food manufacturing and food-related activities.

Letters have gone out and we have talked to people just to let them know about this development and all the vacant land. Half the land at Edinburgh Parks is owned privately, but a major part of that half is free, it is available and it is on the market. We want to make sure that the approach to be taken towards government land is similar to the approach to be taken towards that privately owned land.

**Mr BELL:** Minister, I accept all that, but I still find it curious that you do not know who these private landowners are, yet the government has written to them. I am not saying that there is any conspiracy here, but does Lang Walker own a parcel of that land?

**The CHAIR:** I think you need to ask the relevant minister.

**The Hon. L.W.K. BIGNELL:** You can take any block of land—any parcel of land anywhere in the state—and I am not going to know who owns the different parts of it. I have said it several times: part of this precinct is owned by the government through Renewal SA and another part is owned by a whole lot of different individuals, as far as I know. For all I know, the member for Mount Gambier or the member for Hammond may own that land out there. It is not who owns the land—

**Mr PEDERICK:** My grandfather probably used to.

**The Hon. L.W.K. BIGNELL:** If only he had held onto it.

**Mr PEDERICK:** No, it was compulsorily acquired.

**The Hon. L.W.K. BIGNELL:** From that point of view, that is not the important part of what we are trying to achieve. As Minister for Agriculture, Food and Fisheries, what I want to achieve is finding a really good parcel of land where we can get companies in there starting not only from next year but well into the future as well. What we know about the private sector is that, if there is private sector land there and someone who owns the land gets offered a good price, they may well sell their land. As I said, there is a lot of land out there owned by Renewal SA, and Renewal SA has told us that they are happy to enter into negotiations over the leasing or sale of the land they own.

**Mr PEDERICK:** With the acquisition of the land, does that mean that all the private land will be compulsorily acquired?

**The Hon. L.W.K. BIGNELL:** No. I will say it again: part of the land is owned by Renewal SA and part of it is already owned by private individuals or companies.

**Mr PEDERICK:** What I am asking is: if people refuse to sell, will you compulsorily acquire the land for the food park because you have it inside your boundaries?

**The Hon. L.W.K. BIGNELL:** No. It is a precinct that has a mix of land owned by the government through Renewal SA and land owned by individuals. If we look at it, there is a whole bunch of different blocks out there owned by a whole lot of different individuals, and it is up to them. For example, if they are using their land at the moment to make components for Holden cars, which will not be made in South Australia from October, then they may well want to sell their business, their buildings and other infrastructure to someone involved in the food manufacturing area so that they can be part of a precinct that we as a government have earmarked as South Australia's food park.

**Mr PEDERICK:** What is the marketing and communications budget for promoting the food park and how much has been spent and over which financial periods?

**The Hon. L.W.K. BIGNELL:** In investment and tenant attraction, we have spent \$195,000 on marketing, communication and investment attraction to get out there and talk to people. As we have said, we have interest from a great number of companies with which we now deal directly. They

have been with us on the journey from when it was going to be at Parafield Airport, and they are still with us on the journey knowing that it is now going to be at Edinburgh Parks.

We are having constant discussions with them. Of course, we want to let people know that there is \$7 million out there to attract people to the new site. We want to let them know that there is up to \$1.5 million per company on a dollar-to-dollar matching to encourage them to set up in that area. As I said, four companies have already signed up. We need to get those stories out there; that would be part of the marketing budget.

**Mr PEDERICK:** How will the proposed food park land be zoned, and what is it currently zoned as?

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

**Prof. DOROUDI:** If I could just add to a couple of matters previously discussed, for Renewal SA, one big point of difference today that we have in comparison to Parafield Airport is that Renewal SA works and acts as a developer. At the moment, they are responsible for conducting all the negotiations with everyone new coming in and everyone who is holding land there. They are going to be the ones who are going to implement it. What we are going to do is facilitate bringing food manufacturing and food industries to that park. In relation to the question about zoning, I have to take it on notice; I really do not know what the zoning arrangement is.

**The Hon. L.W.K. BIGNELL:** Again, I think they are questions best directed to the minister responsible. I am not the minister responsible for planning, and I am not the minister responsible for transport and infrastructure either.

**Mr PEDERICK:** Has the minister done any investigations on whether it will impact on local council rates?

**The Hon. L.W.K. BIGNELL:** Again, they are questions best directed to the responsible minister.

**Mr PEDERICK:** Okay, I will try the next one: can the minister confirm whether the proposed new food park will have B-double access?

**Prof. DOROUDI:** I can answer yes to that question. My understanding is, yes, because we did talk to the Department of Planning and Transport as well. My understanding is that the answer to that is yes, but again I believe we can take those questions on notice or pass them on to Renewal SA to clarify some of them.

**The Hon. L.W.K. BIGNELL:** They are questions best directed to the ministers responsible, not to us. We do a lot of good work with the Department of Transport and Infrastructure over B-double access and other areas to make it more efficient for our farmers and food manufacturers to have things, but those questions should be directed to the relevant minister.

**Mr PEDERICK:** In regard to the \$7 million business attraction fund for the northern Adelaide food park, under which specific sub-program is it budgeted?

**The Hon. L.W.K. BIGNELL:** Can you repeat the question? I missed the first bit.

**Mr PEDERICK:** Under which specific sub-program is the \$7 million Business Attraction Fund budgeted?

**The Hon. L.W.K. BIGNELL:** It is under Sub-program 1.1: Agriculture, Food and Wine.

**Mr PEDERICK:** What is the expected time line for these grants to be distributed and how much is allocated over the forward estimates over each financial period?

**The Hon. L.W.K. BIGNELL:** It will be \$5 million in the first year and \$2 million in the second year.

**Mr PEDERICK:** And \$5 million being the current financial year we are in, I am assuming?

**The Hon. L.W.K. BIGNELL:** That is 2017-18.

**Mr PEDERICK:** So none of those grants has been distributed yet, or some have been?

**The Hon. L.W.K. BIGNELL:** No, they have not been distributed.

**Mr PEDERICK:** Who will be on the assessment panel providing advice to you, minister, with respect to applications for this funding?

**The Hon. L.W.K. BIGNELL:** It will be a panel made up of people within the agency.

**Mr PEDERICK:** So you have not selected those people yet?

**The Hon. L.W.K. BIGNELL:** Not yet.

**Mr PEDERICK:** Do you have a number for who you might put on that panel?

**The Hon. L.W.K. BIGNELL:** We always have at least three, so it would be at least three.

**Mr TRELOAR:** I refer to Budget Paper 4, Volume 4, sub-program 1.1, which relates to the PIRSA administration of concessional loan schemes. Can the minister detail how many drought concessional loan applications were received?

**The Hon. L.W.K. BIGNELL:** The number of loans approved for drought assistance is 18.

**Mr TRELOAR:** So there were 18 drought concessional loans. How many of the applications were successful?

**The Hon. L.W.K. BIGNELL:** Eighteen.

**Mr TRELOAR:** All 18? All those that were applied for were successful?

**The Hon. L.W.K. BIGNELL:** Sorry, 37 were applied for and 18 were successful.

**Mr TRELOAR:** What was the total value of the successful applications?

**The Hon. L.W.K. BIGNELL:** About \$8.4 million.

**Mr TRELOAR:** And the cost to PIRSA of administering the drought concessional loan scheme?

**The Hon. L.W.K. BIGNELL:** We will just work on a figure. Maybe we can go to the next question and come back to that because what we have is a whole figure, including dairy loans as well.

**Mr TRELOAR:** Yes, I am going to come to them. Can the minister also detail how many Farm Finance Concessional Loan applications were received, and how many of those applications were successful.

**The Hon. L.W.K. BIGNELL:** Can we just get some clarification about the Farm Finance Concessional Loans because they actually closed off in 2015, so they would not be part of this budget.

**Mr TRELOAR:** Alright, thank you, minister. We might move on to dairy concessional loans in that case. I will ask the same questions. How many dairy concessional loan applications were received and how many of those applications were successful?

**The Hon. L.W.K. BIGNELL:** Under the dairy recovery loan scheme, we had 16 applications: nine were approved, three declined, three withdrew and one is being assessed.

**Mr TRELOAR:** What was that total value of the successful applications, minister?

**The Hon. L.W.K. BIGNELL:** About \$8.55 million.

**Mr BELL:** What advice have you received from DairySA regarding the difficulty faced by farmers in the application for these loans?

**The Hon. L.W.K. BIGNELL:** We were the first state government to loan money to people and to make sure that, after Murray Goulburn put dairy farmers in South Australia in such a precarious position, we were the first state government in Australia getting money out there for those immediate concerns, which were all about getting people back on board financially, but also emotionally, because we know it was such a huge shock to people that there were real mental health

issues. Then we worked with the federal government to make sure that we could get access to federal funds to help people out as well.

While we administered those loans and that money, the rules were set out by the federal government, and as the Federal Minister for Agriculture, Barnaby Joyce, and I agree—and we have always had this approach—we want to get as much money as we possibly can to people who need that money. But, as minister Joyce says, it is not there as a grant. If people cannot pay it back then we cannot support businesses who cannot pay the money back.

**Mr BELL:** The question was more around advice received from DairySA.

**The Hon. L.W.K. BIGNELL:** We are not aware of advice from DairySA. As I said, the feedback we got, certainly from David Basham when he was the head of the Australian dairy association, was that the Do Dairy campaign that we came up with was really good in making sure that South Australian consumers, who can play an enormous role in all this, would be reminded that they should be out there supporting South Australian dairy farmers and avoiding buying dairy products that were not produced by companies that have a good strong South Australian basis.

Earlier in the year, I was at Mount Compass and met with people from DairySA and local dairy farmers. It was a really tough 12 months for these people, but we should remember that none of this was the doing of government: this was all the doing of Murray Goulburn. While people might want to say, 'The government should do this. The government should do that,' what this government has done is really gone in to bat for farmers by supplying information to the ACCC.

I want to congratulate the ACCC on the hard line they have taken with Murray Goulburn to bring them to account for the deplorable way they treated farmers in South Australia and Victoria. What they did was disgusting and I welcome the ACCC's involvement and the actions they have taken to date. I know that there is still more to come on this issue. What happened to South Australian dairy farmers was terrible. If I can update my previous answer about the value of the drought loans, it is \$9.4 million.

**Mr BELL:** Minister, I find it interesting that DairySA has never mentioned to you that water not being included as an asset has reduced their farm value by up to a third. So no DairySA representative has indicated to you that water not being included as an asset in bank valuations has reduced their farm values by a third and that they find the government's process for this loan too clunky and too difficult?

**The Hon. L.W.K. BIGNELL:** Those concerns were raised by DairySA in terms of the water allocation being included. Sorry, you were not specific in your first question about that part of the—

**Mr BELL:** But I asked what correspondence you had had from DairySA, what concerns had been raised. You said there were none; now you are saying there are.

**The Hon. L.W.K. BIGNELL:** Sorry, I misunderstood your question; I thought you were talking about the way the loans were assessed by PIRSA. Yes, those concerns were raised, and it is a matter for DEWNR, the Public Service department that is responsible for water in the state. My understanding is that they are working with their federal counterparts to see if things can be changed in the future.

While PIRSA does take into account water licences when assessing property value, current water licence arrangements in South Australia do not provide financiers with a satisfactory mechanism to register a formal security interest if a water licensing claim proceeds in the event of default. This has not affected the outcome of any application for a concessional loan. I think it is important that we make the point that no-one who put in a loan application has not been successful because of the water issue.

The statutory requirements under the Natural Resources Management Act 2004, which would enable the registration of security interests and caveats against water licences and entitlements, are not yet fully operative. Schedule 3A has not been brought into operation as the South Australian water register does not have the ability to meet in full the demands that registration of security interests requires. It was intended this would be implemented as part of the commonwealth Common Registry Solutions: however, the Australian government made the decision not to proceed with that project in May 2014.

Subsequently, I am advised, DEWNR has developed a proposal to seek funding for the development of a new water register through the commonwealth. The South Australian government is very supportive of the ability for security interests to be registered against water licences and entitlements, as this will help to generate significant investment in water-based industries and greater productivity for the state.

**Mr TRELOAR:** If we can go back to the dairy concessional loans once again, we are keen to know the cost of the administration of those loans to PIRSA. Are you able to shed any light on that?

**The Hon. L.W.K. BIGNELL:** The administration costs incurred by PIRSA since 2013—and this is not just the dairy loans; this is overall—to the end of June 2017 in managing and promoting the schemes and assessing the 102 applications, together with subsequent loan settlements and ongoing management of the approved loans, has been under \$1 million. PIRSA costs include staff undertaking regional visits to meet one-on-one with potential applicants, 10 field days and answering phone inquiries.

In addition, the loans already approved will need to continue to be administered for up to 10 years during the life of the loan. Based on current loan agreements, PIRSA will incur administrative costs until 2028 as a minimum, and that will be longer if any of these loans require recovery actions.

**Mr TRELOAR:** I refer to Budget Paper 4, Volume 4, sub-program 1.1. The budget papers indicate that in 2016-17 there was \$3.1 million worth of expenditure for the Riverland storm recovery program, \$1.7 million for the Gawler River Floodplain flood recovery program and \$19,000 for the Pinery Bushfire recovery program. Can you detail how many Riverland storm recovery program grant applications were received? The same series of questions will also apply: how many applications were successful, what was the total value of the successful applications, and what was the cost of administration?

**The Hon. L.W.K. BIGNELL:** From the outset, I would like to thank all those people right across the Public Service who worked so hard during last year, an unprecedented year in terms of natural disasters. I want to commend all the PIRSA staff who were out there in pretty trying conditions working closely with people who suffered some really horrendous losses. None of the three natural disasters had any real similarity other than there were victims who needed to be helped, but we needed to come up with solutions which varied from Pinery to the Northern Adelaide Plains flooding to the hailstorm that went through the Riverland in November last year.

I was up there with the local member, the member for Chaffey, and Assistant Agricultural Minister Anne Ruston as well, the day after that hailstorm went through, and it was terrible to see the damage that had been done to so many farming areas. It was also very sporadic in the way it cut a path through the Riverland.

With the Riverland storm, the overall estimated crop loss was \$74 million, and up to \$3 million has been made available for the NDRRA grant scheme. The grants are specifically available to commercial-scale primary producers for immediate clean-up, disposal and restoration activities following the flood. Primary producer recovery grants for the Riverland storm closed on 9 June this year and 117 grant applications were received, with a total value of \$1.009 million. As at 28 July, 84 have been approved with a total value of \$716,164, nine applications have been declined or have been withdrawn, and the remaining applications are with applicants seeking further information.

A clean-up of approximately 50 hectares of fallen and damaged stone fruit was undertaken with the support of the Cadell Training Centre, thereby reducing the risk of a fruit fly outbreak. The approximate cost for the Riverland administration was about \$110,000, and PIRSA maintains a dedicated recovery facilitator based at the Loxton Research Centre who works in collaboration with the Department for Communities and Social Inclusion.

**Mr TRELOAR:** In relation to the Gawler River Floodplain flood recovery grants, how many grant applications were received, how many were successful, what was the total value of those successful applications and what were the administration costs?

**The Hon. L.W.K. BIGNELL:** In regard to the Gawler River Floodplain recovery activities, the overall estimated crop loss for this event was \$51 million. Up to \$3 million was made available for the national grants scheme. The grants are specifically available to commercial-scale primary producers for immediate clean-up, disposal and restoration activities following the flood. There were 139 applications received, and 133 were approved. The grants closed on 14 April 2017. The value of those 133 applications that were approved is \$1.2 million.

There was also \$120,000 provided for immediate assistance to pump floodwater away from properties and to accelerate drainage. Having been out there in those days after the floods, that was the concern that growers and council put to us. We needed to help the farmers get that water away from their properties as soon as we possibly could. Once again, I would like to commend everyone who was involved in making sure that those pumps were out there as quickly as possible and draining the water not just to neighbouring properties but getting it away from the area as well.

PIRSA maintained a dedicated recovery facilitator and other support staff based in the Virginia recovery centre, who worked in collaboration with the Department for Communities, an appointed recovery coordinator and industry organisers to gather intelligence and provide technical advice and assistance with recovery grants. A range of technical advice and activities has been implemented to support the restoration of soil resources.

Once again, I would like to thank everyone for the great work that they did out there, working day and night in the recovery centre so that people could come in with any sort of questions. We also had people communicating with people in Vietnamese and Khmer to make sure that anyone who had any questions could get answers. The Gawler administration costs for grant programs were around \$100,000.

**Mr TRELOAR:** In relation to the Pinery bushfire program, can the minister detail how many Pinery bushfire grant applications were received, how many applications were successful, the total value of those successful applications and the total cost of administration?

**The Hon. L.W.K. BIGNELL:** Once again, I would like to place on the record my thanks to those people from PIRSA and other government departments who were in there working hard with the victims of these fires. They were terrible fires, of course, that cost two people their lives and also did amazing damage towards the end of the year before last. Anyone who went out there in the months following would have seen the awful dust storms and whirly-whirlies that did additional damage to the topsoil.

The overall estimated agricultural loss for the Pinery fire was \$27 million. The Insurance Council of Australia declared the event catastrophic, with insurance claims of more than \$169 million. Up to \$4.5 million was made available for the NDRRA grant scheme. The grants were specifically available to commercial-scale primary producers for immediate clean-up, disposal and restoration activities following the fire.

The grant applications closed on 4 November 2016. We had 99 applications and 88 grants, with a total value of \$792,000, were approved. PIRSA maintained a dedicated recovery facilitator who worked in collaboration with the recovery coordinator and industry organisations to gather intelligence, provide technical advice and provide assistance with recovery grants. Biosecurity SA provided immediate animal welfare assistance following the fire. The cost to administer the grant applications was around \$70,000.

**Mr BELL:** Minister, can I take you back to the Riverland storm recovery grants. It is a \$3.1 million budget and there were 80 successful applicants at \$10,000 each, which is \$800,000. Where is the other \$2.2 million?

**The Hon. L.W.K. BIGNELL:** The total pool was \$3 million and that is to cater for as many people as apply, but we did not have \$3 million worth of applications.

**Mr BELL:** I will ask the question again: where did the \$2.2 million that was left over go? There were 80 successful grants at \$10,000 per grant.

**The Hon. L.W.K. BIGNELL:** That was expenditure authority to spend up to \$3 million, but that does not mean that we have to spend it.



**Mr BELL:** I will ask the question again: where did that \$2.2 million go?

**The Hon. L.W.K. BIGNELL:** It was just part of our normal budget but, when we get a natural disaster event like this, we allocate money that—

**Mr BELL:** Yes, it is budgeted for; I understand that.

**The Hon. L.W.K. BIGNELL:** So it would just be returned to the budget. It is part of the budget at the end of the year. We want to make sure that, in the worst-case scenario, we have more money there than we are possibly going to need to help people out.

**Mr BELL:** Of that \$2.2 million that has been returned to the budget, how much of that again was for administration costs?

**The Hon. L.W.K. BIGNELL:** Which one was this?

**Mr BELL:** This is for the Riverland storm recovery grants.

**The Hon. L.W.K. BIGNELL:** It was \$110,000, which includes having people up there on the ground and helping people who just come in to the centre. We have seen this a lot of times. Last year was such a terrible year for natural disasters and, unfortunately, we had to be out there responding to these things. Having been to these centres and seen the state that people are in when they come in, they need good and clear advice, and that was provided in all three of these examples.

**The Hon. S.W. KEY:** My question relates to Budget Paper 4, Volume 4, sub-program 1.1, pages 17 to 19. Can you provide an overview of the outcomes—I know you did do some of this in your introduction—of the Premier's trade mission to China in May of this year?

**The Hon. L.W.K. BIGNELL:** I thank the member for Ashford for this question. From 7 to 16 May 2017, the South Australian government led an international trade and investment mission to Shandong Province, Guangzhou and Shanghai. As part of the mission, a joint sitting of the South Australia-Shandong High Level Working Group was held in Jinan on 12 May, where both sides celebrated the success 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 the wine program, which included 46 delegates from 20 wine companies. PIRSA also led the Agribusiness Market Access Program for the cherry, apple and pear industry, which had six delegates; the tuna representatives, with two delegates; and the Extension Services program, which had one company participating.

PIRSA also supported South Australian participation in the Wine Australia program from 14 to 20 May, which included 18 South Australian companies and 25 delegates. This program included the official launch of the Great Wine Capitals network, membership at wine show events run as part of a Wine Australia China Roadshow in Chongqing and Zhengzhou and facilitated the Great Wine Capitals official launch event in Beijing and the Barossa Grape and Wine Association event.

PIRSA joined Austrade at the Chateau Seppeltsfield Minquan launch and participated in a media panel session which discussed Seppeltsfield's relationship with Minquan, South Australia's position as Australia's wine capital and Australia's trade relationship with China in wine. The mission built on crucial government-to-government relationships PIRSA has developed with the Shandong provincial government, Guangzhou and Shanghai to deliver greater export opportunities for South Australian businesses.

PIRSA and the Shandong provincial Department of Agriculture progressed the Yellow River Delta region agreement and undertook a site visit to the region. During the visit, they met with the Dongying government and agriculture bureau. PIRSA will provide support for the establishment of trials of lucerne and other pasture products and facilitate further communication with South Australian industry representatives and the Shandong Department of Agriculture.

PIRSA continues to lead the agriculture subcommittee of the South Australia-Shandong High Level Working Group. Key deliverables in the remainder of this year include the implementation of the Yellow River Delta region demonstration project and hosting the agricultural manufacturing and

processing delegation from Shandong later in the year. The immediate outcomes of the Agribusiness, Food and Wine Program include the following:

- The wine program delegates reported making business connections they believe will result in export deals with an estimated total value of \$780,000.
- Dinko Tuna is progressing negotiations for the sale of southern bluefin tuna into China.
- As a result of meeting with the Chinese Ministry of Culture, South Australia is positioned to host the China-Australia Plant Health Bilateral Workshop to be held in 2018, a crucial opportunity to showcase South Australia's credential in fruit fly monitoring and control and raise awareness of the Riverland pest-free area.
- PIRSA established a new relationship with the State Administration of Grain, which opens up research opportunities in the grain supply chain.
- South Australian cherry growers have been invited to participate in China's National Cherry Association Forum in April 2018 to highlight 'the Australian cherry to China'. They have been involved in discussions on a possible partnership between CIQA and other industry associations and they met with the Ministry of Agriculture.

The Wine Australia Roadshow program included:

- PIRSA promotion of South Australia's membership of the Great Wine Capitals network during Wine Australia Roadshow events in Chongqing, Zhengzhou and Beijing.
- In addition, PIRSA launched a membership of the Great Wine Capitals network to a mainland audience in Beijing. Approximately 30 Chinese wine writers, media representatives and influencers participated in the official launch.

**Mr FEDERICK:** My question relates to Budget Paper 4, Volume 4, Sub-program 1.1: Agriculture, Food and Wine, description/objective, page 17—and there is some on page 12. The objective of the sub-program and the agency more generally is the delivery of the South Australian government's premium food and wine produced in our clean environment. Page 12 of this agency statement also references South Australia's status as a producer of non-genetically modified food crops. Is the minister aware of any genetically modified crop outbreaks in South Australia in either 2016 or 2017 and, if so, how many?

**The Hon. L.W.K. BIGNELL:** I will ask Will Zacharin to come and provide an update on that.

**Mr ZACHARIN:** Of course, in South Australia the cultivation of genetically modified food crops is subject to the requirements of the Genetically Modified Crops Management Act 2004. That does make it an offence to cultivate a GM food crop without exemption from the Minister for Agriculture, Food and Fisheries. Under section 4 of the act, though, it is possible to declare tolerance thresholds relating to the presence of GM material in crops. This was last done on 28 August 2008, at which time the threshold in relation to the presence of GM material in any seed used to cultivate a canola food crop was declared to be 0.5 per cent.

An earlier notice, effective from 9 November 2005, declared thresholds for canola grain for commercially harvested food crops generally to be a GM presence of up to 0.9 per cent. These thresholds, which meet internationally accepted standards, are required to cater for a low-level prevalence of GM trait that may occur from time to time in some lines of non-GM canola. Viterra Australia samples all deliveries of canola grain to their silo receival sites within South Australia. This includes a test for the presence of genetically modified traits. On delivery, farmers are also required to complete a canola sample declaration form stating that none of the canola in the load is a genetically modified variety.

Viterra has informed PIRSA to date that there have been no confirmed GM detections in any South Australian-delivered canola in South Australia. Viterra only accepts varieties of canola from the Australian Oilseeds Federation's approved list of non-GM varieties. While Viterra is understood to be the only bulk-handling company to receive canola, some canola is sold into domestic markets or exported in shipping containers. These pathways are not necessarily subject to the same GM testing regime. However, seed vendors sell seed from the AOF-approved non-canola variety list,

which meets the 0.5 per cent threshold for seed used to cultivate a crop. This gives assurance that canola crops grown in South Australia are indeed non-GM, compliant with the current regulated maximum threshold levels.

On 22 May 2019, Biosecurity SA became aware of a report from a Mid North farmer of a number of self-sown or volunteer canola plants that had survived a spray of glyphosate while others in the paddock had died. Biosecurity SA conducted a site visit on 23 May, and a small number of mature plants were observed to be actively growing amongst a number of dead and dying plants. Some newly germinated volunteer canola plants were also observed within the newly emerging wheat crop at the site. This late-germinating canola would not have had exposure to the earlier glyphosate treatment, as glyphosate has no residual activity.

It was uncertain at the time whether or not the canola plants were genetically modified and so bred to be resistant to glyphosphate, although it was noted that the rate of germination represented a level below the declared tolerance level for canola seed. Four samples were taken and dispatched to the National Measurement Institute to be tested for all released and unreleased GM traits. Results from these tests were received on 2 June and confirmed that the samples contained the Roundup Ready gene Gt/Rt73, making them the Monsanto strain of Roundup Ready canola. The farmer agreed to spray the crop with an alternative herbicide to control these volunteer plants.

The seed company responsible for this seed line has a stewardship scheme that describes the risk of glyphosphate resistance and how best to manage the issue of volunteer plants. While we believe that no offence was created against the act in this instance, the seed company has been advised of the potential implications of South Australia's market and trade advantages gained by our policy prohibiting the cultivation of commercial GM food crops. They were also advised of the penalties that could apply should a GM food crop be knowingly cultivated in the state, where a maximum penalty of \$200,000 applies. They were asked to provide specific advice on volunteer plant management that could be provided to these growers in instances such as these, and they were asked to provide comment on how the risk of an escalated event could be avoided.

In addition to those actions just described, the seed company responsible for this seed line visited the site, along with the local gene tech agronomist, on 27 June and spoke to the landholder and the manager of the vineyard, which the landholder share-cropped last season. Both parties were provided with advice on how to control these volunteers, and programs were put in place to monitor the effectiveness of the control measures.

The local agronomist for Pioneer Gentech will continue to monitor the site. Pioneer Gentech has conducted an audit of all seed lots sent to the Mid North seed distributor since 2011, and none has shown an advantageous level greater than 0.1 per cent. Pioneer Gentech will also conduct internal audits more frequently on their seed production program. They have joined the Excellence Through Stewardship program, which is a voluntary international program, which audits members to ensure their stewardship programs meet international standards. In this case, the issue has been fully addressed.

**The CHAIR:** Before you go on, can I clarify, through you, minister, the date at the beginning of your long contribution? What year was that?

**Mr ZACHARIN:** Yes, 2017.

**The CHAIR:** It is just that you did say 2019, and we just wanted to make sure it was 2017. Member for Hammond.

**Mr PEDERICK:** Hopefully, I have got this right: on 2 June, the department knew about the genetically modified canola, but they did not notify the farmer until 27 June; is that correct?

**Mr ZACHARIN:** No, it was 22 May that Biosecurity SA became aware of the report.

**Mr PEDERICK:** When did you notify the farmer? Was that 22 June or before that?

**Mr ZACHARIN:** We visited the site the day after, on 23 May.

**Mr PEDERICK:** And the farmer was obviously alerted at that stage, I am assuming?

**Mr ZACHARIN:** Yes.

**Mr PEDERICK:** How many properties with genetically modified plants were identified and how many hectares were identified?

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

**Mr ZACHARIN:** We took samples from only one property that was reported to us.

**Mr PEDERICK:** On how many hectares did those Roundup-resistant, genetically modified plants show up?

**The Hon. L.W.K. BIGNELL:** I will ask Will Zacharin to answer that one as well.

**Mr ZACHARIN:** All I can say is that the volunteers were in one paddock. I cannot tell you the exact number of hectares, but you are talking about a small number of volunteer plants in one paddock.

**Mr PEDERICK:** Well, one paddock is very subjective: years ago, it was 40-acre paddocks, and now we have 400-acre paddocks. You have no idea of the proportion of land this was on?

**The Hon. L.W.K. BIGNELL:** We do not have that information with us.

**Mr PEDERICK:** Are you able to bring that back to the house?

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

**Mr PEDERICK:** Are you able to provide the locations of where this was?

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

**Mr ZACHARIN:** Of course we know where the property is, but we do not tend to make that public. We deal with the farmer if they have the volunteers. They have not created an offence under the act, so we assist them to make sure that they can get rid of those volunteer plants.

**Mr PEDERICK:** Has PIRSA run a check to see that the alternative spraying methods have knocked out all the volunteers?

**Mr ZACHARIN:** We have.

**Mr PEDERICK:** Was that 100 per cent successful?

**Mr ZACHARIN:** Yes, but we will continue to monitor that site. It is also being monitored by the agronomist of the seed company.

**Mr TRELOAR:** Has PIRSA done any work with the seed supply company to ascertain where other seed from this particular batch may have been distributed?

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

**Mr ZACHARIN:** We work with the seed company to find out who they have been supplying that seed to within the general area. They have been following up with a number of their producers in the area to see if they have had any volunteers as well. We have provided general information to the company through their agronomist that they can pass on to those people, if there were any other volunteers, to make sure that they can treat them accordingly.

As I have said, there are threshold levels. This is not an isolated incident. We see these year on year and we assist those people who may have problems. It comes down to seed quality. These companies provide seed all over Australia, and of course we make sure that they have appropriate sampling regimes and quality assurance in place so that they are well under the threshold limits of our legislation.

**Mr TRELOAR:** Minister, if this is not an isolated incident, how widespread is this problem?

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

**Mr ZACHARIN:** We investigate incidents from time to time. Some years we go without having any reports, but last year we had that report from this particular property. It was unusual for him; he had been using the same supplier for a number of years, so this was unexpected. That was

good for him to come forward and provide that report to us, and then we were able to help him to deal with it.

**Mr PEDERICK:** My understanding, minister, is that this was a 200-hectare paddock in a reasonably productive area. How many tonnes of canola would have been delivered off this property? It was a pretty good year, so I would suggest that possibly 400 to 500 tonnes would have been delivered to the system.

**The Hon. L.W.K. BIGNELL:** First of all, if you know the size of the paddock we will not bring an answer back, and I will ask Will Zacharin to answer it.

**Mr PEDERICK:** You might have a different answer, that is all.

**Mr ZACHARIN:** As I reported, Viterra is the only bulk-handling company to receive that canola, and they manage all those pathways. They take samples from every single delivery to make sure that there is no GM canola in those deliveries. They certainly have not picked that up in their testing.

**Mr PEDERICK:** In any testing of that farmer's canola, they have not picked up that there was genetically modified canola in there?

**Mr ZACHARIN:** Correct.

**Mr PEDERICK:** How soon were Viterra notified of this incident?

**Mr ZACHARIN:** We notified Viterra one or two days after we knew about it because we went back to ask them about their grain sampling and to make sure that they were grain sampling in that area. They were aware that we had had this detection of volunteers, and we were provided that information by the company.

**Mr PEDERICK:** Just to clarify, is the tolerance operating at the moment at 0.5 per cent or 0.9 per cent in genetically modified identified seed?

**Mr ZACHARIN:** The non-canola variety list meets a 0.5 per cent threshold for seed.

**The CHAIR:** If you are moving off this—

**Mr PEDERICK:** No, and I have another one.

**The CHAIR:** The member for Torrens has some questions as well

**Mr PEDERICK:** I have another quick line after this question. Were neighbours informed of this outbreak?

**Mr ZACHARIN:** Yes, we had people go to the contiguous properties next to this detection and talk to those people to see if they had been growing that same seed from the same supplier of canola as well.

**Mr PEDERICK:** Just in regard to canola again, what is the name of the Japanese company that Kangaroo Island Pure Grain works with to export into Japan?

**The Hon. L.W.K. BIGNELL:** The name of the Japanese company is Hirata Industries.

**Mr PEDERICK:** Can the minister confirm whether or not he has annual meetings with that company?

**The Hon. L.W.K. BIGNELL:** Yes, that is correct. They come here each year, and I have met with them, as has the Minister for Trade.

**Mr PEDERICK:** So you would do that annually with the Minister for Trade?

**The Hon. L.W.K. BIGNELL:** Yes, well, either one of us will meet or sometimes both of us; I think that last year we both met with them.

**Ms WORTLEY:** I refer the committee to Budget Paper 4, Volume 4, page 22, sub-program 1.4. Minister, what is the state government doing to position the South Australian Research and Development Institute as the research provider of choice into the future?

**The Hon. L.W.K. BIGNELL:** This year marks the 20<sup>th</sup> anniversary of PIRSA's research division, the South Australian Research and Development Institute (SARDI). This is an excellent opportunity to celebrate how SARDI's innovative, world-leading applied research has helped our agricultural industries become internationally competitive, and as we recognise SARDI's past achievements since its establishment we also look ahead to an exciting new era following an independent review in 2016.

Firstly, there is fresh leadership with the recent appointment of Dr Peter Appleford as SARDI's executive director, a highly respected public sector executive with an outstanding track record in primary industries and emergency management leadership.

Underpinning the new strategic direction is a research and development plan to focus on supporting our thriving food, wine and agribusiness sectors. To help position SARDI into the future, a new reference group has also been formed, with members including the Chief Scientist and industry leaders, to provide independent strategic advice.

There is also major investment in infrastructure, with a \$3.8 million redevelopment of the Clare Research Centre now near completion, with six new purpose-built laboratories, which will enhance SARDI's research capabilities, particularly in the Mid North, and a recent planned \$1.8 million upgrade of SARDI's Molecular Diagnostic Centre at the Waite campus will double the processing capacity to 60,000 samples per year, thereby strengthening our surveillance of serious pests and diseases, including phylloxera and zebra chip.

Ongoing collaboration with industry will be a feature of SARDI's future direction. As part of the \$50 million bilateral agreement between SARDI and the Grains Research and Development Corporation, six regional agronomy researchers have been appointed in the past year based in key cropping regions, including Eyre Peninsula and Yorke Peninsula. SARDI is also working closely with the Almond Board of Australia to set up the new 60 hectare Almond Centre of Excellence research site at the redeveloped Loxton Research Centre to focus on ways to boost almond production and export.

SARDI has been a vital part of primary industries applied research in this state for the past 25 years and, as you can see, plans are well and truly underway to ensure this remains the case for the next 25 years and beyond.

**Mr BELL:** Minister, can you indicate the net cost of the SARDI sub-program and the FTE allocation over the forward estimates?

**The Hon. L.W.K. BIGNELL:** We have the 2017-18 budget figure, and the net cost of the sub-program for that year is \$25.207 million and the FTEs are 398.

**Mr BELL:** I was particularly interested in the forward estimates. Do you have costings going forward?

**The Hon. L.W.K. BIGNELL:** I might just ask Stephen Johninke to explain the method that is used on the forward estimates.

**Mr JOHNINKE:** In the production of the budget papers each year, the cost of the agency's corporate services are pushed into the programs. That is done for the four years that are presented in the budget papers, but that is not actually undertaken across the forward estimates until the relevant budget year comes around.

**Mr BELL:** Can the minister confirm when the review of SARDI was completed and what the total cost of the review was?

**The Hon. L.W.K. BIGNELL:** Professor Doroudi led the review, so I will get him to answer the question.

**Prof. DOROUDI:** The total cost for the review was \$107,000, employing ACIL Allen, which has a good reputation in terms of conducting the same sorts of studies for other organisations like CSIRO, and part of some of the advisory group that we put together to provide input that we need in terms of the direction that that review needs to take.

**Mr BELL:** Minister, when will the review be made public?

**The Hon. L.W.K. BIGNELL:** It is on the website. Get the member for Schubert to google it.

**Mr BELL:** My last question on this is: what is the proposed time line for the development of a 10-year strategic plan for SARDI and when will this be made public?

**The Hon. L.W.K. BIGNELL:** Again, I will ask Professor Doroudi to answer that one.

**Prof. DOROUDI:** We had four major outcomes from the review. One was having a clear vision or strategic plan for five to 10 years into the future. The other area was taking the research development more towards extension and commercialisation. One area, in terms of the management and high-level input within SARDI, was that, although our agency has close relationships with many stakeholders and many industry associations, it was seen that there is a need to have a reference group or an expertise group to provide high level advice.

We put the group together with the input and direction that we would like them to have. We appointed a new executive director as well. Right now, we are also working with staff at a different level. We are planning that within the next three months we will have a strategic plan in terms of what needs to be done into the future. That is going to look into many aspects of research priorities, positioning ourselves within the national R&D framework, making more commercialised activity out of what we do and having a more efficient business model to run the agency.

**The Hon. S.W. KEY:** My question to the minister refers to Budget Paper 4, Volume 4, program 1, sub-program 1.5, statement pages from 24 to 25. Minister, I would like you to tell us about how the Primary Industries and Regions SA Aboriginal Partnerships Unit is working and how it is creating opportunities communities and businesses.

**The Hon. L.W.K. BIGNELL:** I thank the member for Ashford for the question. PIRSA's Aboriginal Partnerships Unit has a key role in supporting and assisting the divisions of PIRSA to create opportunities that increase the participation of Aboriginal people in South Australia's economic prosperity. I am advised that the unit provides leadership on Aboriginal employment and procurement across the agency and is driving the development of PIRSA's forthcoming reconciliation action plan, which includes targets to create further opportunities for Aboriginal employment and economic development in South Australia.

The unit works across the agency to leverage existing PIRSA policies, programs and projects for broader investment opportunities and ensures the participation of Aboriginal people in South Australia's economy. Some of the results of this collaboration for PIRSA include the creation of five new positions for Aboriginal people who are keen to pursue careers in the fisheries sector through the Aboriginal Fisheries Officer Career Pathway Program, including the appointment of a traditional fisheries manager and four Aboriginal fisheries officers.

In addition to the above, and as part of our partnership with the First Steps program in 2016-17, we employed six Aboriginal people to support them with meaningful entry-level employment and training within PIRSA to develop work-ready skills and confidence to transition into longer term employment pathways. We are also assisting four Aboriginal people to complete tertiary studies through our PIRSA scholarship program and the South Australian Research and Development Institute bursary. We are supporting four external traineeships with Yalata Aboriginal community and Alexandrina Council through the Regional Youth Traineeship Program.

In addition, through PIRSA's partnership with the Indigenous Land Corporation, the state government is supporting new employment and economic development opportunities for up to 20 Aboriginal people through the extension of the North-West Indigenous Pastoral Development Program. Also, through the South Australian River Murray Sustainability (SARMS) Program, the Gerard Aboriginal community has successfully completed the irrigated hay enterprise, which has longer term economic potential for the community.

Building on this success, the SARMS Regional Development and Innovation Fund is supporting development of the native foods industry in partnership with two regional Aboriginal businesses. This includes the recently announced Wellington Native Greens Project and the Increasing Aboriginal Participation in NRM, Prime Production and Associated Industries in the SA River Murray Region Project with the Ngarrindjeri Regional Authority. It is anticipated that both

projects combined will create up to 46 full-time equivalent positions for the Ngarrindjeri Aboriginal community.

As part of the SARMS project, and in addition to the Regional Development and Innovation Fund projects highlighted above, the First Peoples of the River Murray and Mallee Aboriginal Corporation were engaged in the successful launch of the redeveloped Loxton Research Centre. PIRSA also procured landscaping services by the Aboriginal Learning on Country and Gerard Rangers for the redevelopment project. Through the Upper Spencer Gulf and Outback Futures Program, the Adnyamathanha were awarded a grant to support Wilpena Pound Resort to establish new infrastructure and improve the tourism experience for visitors to the Ikara-Flinders Ranges National Park.

While progress is positive and certainly improving, it is critical that we continue to leverage PIRSA's success so far and generate further opportunities to enable Aboriginal people to participate equally in South Australia's economic prosperity. This approach requires continued effort and partnerships from all levels of government, industry and the community, particularly if we are to create meaningful and long-term positive change for Aboriginal people in South Australia.

**Mr TRELOAR:** I refer to Budget Paper 4, Volume 4, sub-program 1.2, page 19, relating to aquaculture leases. Can the minister confirm how many new aquaculture leases and licences have been granted in the 2016-17 period and in what regions they were granted?

**The Hon. L.W.K. BIGNELL:** South Australia's aquaculture industry is the second largest in economic value and the most diverse in the country and makes a significant contribution to the economic growth and regional development of South Australia. In 2014-15 the state's total value of seafood production was \$468.9 million, with aquaculture contributing 49 per cent and wildcatch fisheries contributing the balance of \$241.1 million. Direct employment from the aquaculture sector was estimated to be 1,833 full-time equivalents. In relation to your specific question, I might ask Professor Doroudi to answer that. I know there are two aquaculture licences that we are aware of in that period.

**Prof. DOROUDI:** Unfortunately, I do not have the exact figure today, but the two that I can recall are, firstly, the Oceanic Victor Swim with the Tuna miscellaneous lease and licence that have been granted in Victor Harbor. The other one is the seven new research leases and licence that has been given to Ocean Grown Abalone in terms of running research trials around Port Lincoln.

**Mr TRELOAR:** Does the minister know for how many hectares, in total, the leases are?

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

**Prof. DOROUDI:** The seven new research leases is for about four that are each one hectare, in locations that could be trialled to see if they are going to be productive for that activity. There are research leases for a period of just 14 months, which means that by the end of 14 months they are going to take everything away from the site and are not actually going to have a production site. They are going to analyse the results of their research and, on that basis, they need to put in new applications back to the government to apply for a production site. I do not have the exact figure of how many hectares there are for Swim with the Tuna in Victor Harbor.

**Mr TRELOAR:** Minister, as a point of clarification for my benefit as much as anyone's, you referred to the value of both wild-catch fisheries and aquaculture as a total contribution. I am interested to know how tuna is counted or included in that. Is it regarded as wild-catch, or is it regarded as aquaculture?

**The Hon. L.W.K. BIGNELL:** It is kind of wild-catch that is fattened up, is it not? I will ask Professor Doroudi to explain it to both of us.

**Prof. DOROUDI:** In terms of all the calculations that we do in terms of our economic analysis, that is considered to be within the aquaculture revenue. The catch is a commonwealth catch, and that is under international treaties and agreements. If it was going to be assumed that we do not bring them to Port Lincoln to ranch them or grow them and they were going to be caught and sold in commonwealth water, then they are going to go under the commonwealth revenue figures and values in terms of a fishery.



At commonwealth level, they may still calculate the value and count that value in their calculations, but we bring about 5,000 or 6,000 tonnes of fish to Port Lincoln. We ranch them for about six to nine months, and around 9,000 to 10,000 tonnes are sold and mainly exported. All of that is calculated within our aquaculture revenue.

**Mr TRELOAR:** Thank you for that. In relation to the POMS outbreak late last year, can the minister confirm that SARDI is producing spat to provide to the market and selling that spat at the size of two millimetres? If that is the case, is the minister aware that the mortality rates for the two-millimetre spat are much higher than for the regular four-millimetre spat, and this is a cost that, unfortunately, growers are having to bear?

**The Hon. L.W.K. BIGNELL:** Thanks very much again for the question. I want to acknowledge the great interest you have in this issue and all fisheries and aquaculture issues, and the great way in which you deal with us. It is very collaborative, which is good. You come in and you ask questions either directly to us or through the department in the interests of the people you serve in an industry that is really important.

I also want to thank those people in the oyster industry here, and also the people at SARDI and the people in fisheries in PIRSA, who I think have done an amazing job since the POMS outbreak in Tasmania on 1 February, for the quick reaction that occurred to make sure that we could alleviate some of the risk. Of course, we can never totally eradicate all the risk, but I think people have done a really good job in very trying circumstances. I know a lot of the oyster growers are predicting some tough times in terms of stock levels because of the lack of spat and how they respond to that. I guess that is pre-empting, and I will now ask Professor Doroudi to actually answer the specifics of the question.

**Prof. DOROUDI:** Four hatcheries produced spat this year: Louth Bay, Coffin Bay, SARDI at West Beach and Yumbah Abalone, with the Cameron group starting to grow spat there as well. In total, 134 million spat were produced this year.

**Mr TRELOAR:** Over the four hatcheries?

**Prof. DOROUDI:** Over the four hatcheries. Specifically, if you are interested, SARDI produced about 30 million spat. In comparison with what used to happen for many years and what came from Tasmania, the 134 million here were smaller spat. As you mentioned, they were about two millimetres in size. The mortality rate is always higher when it comes to smaller spat going into the ocean or oceanic water. In some cases, we have had up to about 50 per cent mortality, but you need to know that this is the first time that South Australia, for the first year, really grouped together to produce enough spat to supply what the industry needs.

At the start of the outbreak, we were told that the industry usually grabs 110 million spat per year. Although we produced a higher number, but because the size was less than, we have been advised by the industry that, although there were previously 110 million coming in, there will be a shortfall of production over the next 12 months. On top of these four hatcheries, now, after one season, everyone believes that they can produce more and better spat. In Cowell, a new hatchery has also been established that is going to be added to the four. We are optimistic that there will not be a shortage into the future.

**The Hon. L.W.K. BIGNELL:** Can I pop in here to finish a bit of that question. The new land-based licence for the Franklin Harbour oyster hatchery is a new one that we have to include in that figure that we gave before to the question from the member for Flinders. Apart from Oceanic Victor and the seven new research leases for ocean-grown abalone that you mentioned, there are also some subdivisions of oyster leases that would impact on that number. I guess that is in answer to the question that you asked previously, to clarify all those things.

**Mr TRELOAR:** Minister, is it the intention of SARDI to continue to produce spat and ultimately get to a point where they can sell four-millimetre spat? Is that the long-term plan?

**The Hon. L.W.K. BIGNELL:** Again, I will ask Professor Doroudi to answer that, but I know when it was set up that it was an emergency response. We had the facilities down at SARDI and we only had two hatcheries in the state, and it was about trying to contribute to the volume so that we could get as much spat to the growers as possible. It was never the intention of SARDI or the

government to try to get in the way of commercial operations; it was about helping out in a really dire time of need for the oyster industry. I will pass over to Professor Doroudi to talk about what the future may entail.

**Prof. DOROUDI:** We provided funding to the two hatcheries in Tumby Bay and Coffin Bay to upgrade their facilities. They are hopeful that they are going to create a greater size of spat. The Cameron group in the Yumbah abalone farm would be able to produce greater and larger spat because they can set up their nursery ground and facilities with no problem. My understanding is that the design of Shellfish Culture's hatchery is a way that they are going to have a nursery ground. In short, as the minister said, SARDI will stay in as long as there is a need for spat. As soon as the spat is commercially available, SARDI's focus is R&D more than direct commercial production.

**Mr TRELOAR:** In the meantime, minister—and take this on notice if you need to—how much has SARDI collected from the sale of spat over the financial period that SARDI has been selling?

**The Hon. L.W.K. BIGNELL:** Again, I will ask Professor Doroudi to attempt to answer that question.

**Prof. DOROUDI:** Unfortunately, I do not have that figure. I know that the price per spat was competitive and I know that the spat was distributed through SAOGA, which is the peak industry body for the industry, rather than SARDI dealing with direct clients. I also know that that was cost recovery. It means that the activity was not for profit.

**Mr PEDERICK:** I refer to Budget Paper 3, chapter 2, expenditure, page 29, which relates to the PIRSA overall budget and full-time equivalents. In 2017-18, PIRSA's operating expenses are \$216 million. This falls to \$183 million in 2018-19 and \$165 million in 2019-20 and 2020-21. My first question is: what portion of these decreases in operating expenses is attributed to a decrease in the South Australian River Murray Sustainability funding over each period of the forward estimates?

**The Hon. L.W.K. BIGNELL:** I thank the member for Hammond for the question. Of course, SARMS has been a really important program for the South Australian River Murray community. Again, I want to commend the Premier for going in and fighting really hard to get that SARMS money. If we remember, the opposition at the time was willing to settle for a Mazda, I think, and we had the Premier out there saying, 'No, we want the Rolls-Royce.' I think we really did get the Rolls-Royce.

A great part of that length of the River Murray is, of course, in the member for Hammond's electorate. Some of the projects that have been undertaken out of the money provided by the federal government, after we went into fight hard for it, then administered by PIRSA, are terrific. Not only has it brought about great economic benefits but also really great environmental benefits to the health of the River Murray.

The \$50.7 million decrease in projected expenditure across the forward estimates between the 2017-18 budget of \$216 million and the 2021 estimate of \$165 million is mainly due to the timing and planned completion of time-limited specific initiatives within the next four years. In particular, the commonwealth-funded SARMS program is budgeted to cease prior to 2020-21, and that has \$46.9 million of expenditure in 2017-18. As I mentioned, the program is on track to achieve the 40 gigalitres of water to the River Murray system and is contributing towards South Australia's implementation of the basin plan.

In addition, budget initiatives of \$3.5 million, with expenditure in 2017-18, is budgeted to be completed before 2020-21. I might ask Stephen Johnke to add some more detail about that. Obviously, when we do budgets, money does come in from the federal government and outside sources that flows through our budget process to be administered by us. We are grateful for that. We have a good working relationship with the federal government. It is in our interests to maintain that good relationship because we would like to get as much money as we can from the federal government to help people in the agriculture, aquaculture and other primary industry sectors here in South Australia. I will ask Stephen Johnke to add some more detail.

**Mr JOHNKE:** In terms of expenditure across the forward estimates relating to SARMS, you will be able to see on page 28 of Budget Paper 4, Volume 4, which we have been talking about, that the expenditure related to the SARMS program in the 2016-17 estimated result is about \$71.3 million,

and in 2017-18 it is about \$46.9 million. For future financial years, at this point there is \$18.2 million in 2018-19 and, at this stage, that is when the program is budgeted to be completed.

**Mr PEDERICK:** In relation to the minister's comments about advocating for River Murray communities and advocating to receive commonwealth money into South Australia, did the minister advocate on behalf of those river communities when Premier Weatherill and Treasurer Koutsantonis flatly refused to take the \$25 million for River Murray communities for the diversification fund?

**The Hon. L.W.K. BIGNELL:** I think the Premier has answered those questions in here in the past.

**Mr PEDERICK:** So you did not advocate for those moneys?

**The Hon. L.W.K. BIGNELL:** It was the Premier who advocated for this great SARMS deal. It was the Premier who went up there and met with local irrigators and farmers in the river communities. I have been up there and spoken with people along the river who are very grateful for the work the Premier did. He was in there advocating on their behalf. As I said, he went after the Rolls-Royce. He had that Rolls-Royce delivered for South Australia instead of a crappy Mazda.

**Mr PEDERICK:** It is interesting that three other states accepted \$25 million each, yet this state did all it could and, in the end, did not accept that \$25 million. Anyway, I will go to the next question. PIRSA's operating expenses remained steady at \$165 million for the last two periods of the forward estimates. Can the minister confirm that there are no new programs or funding initiatives in either the 2019-20 or the 2020-21 periods?

**The Hon. L.W.K. BIGNELL:** We deal with new initiatives on a year-by-year basis. It is worth remembering that not all funding for initiatives that benefit the agricultural sector is contained within PIRSA's budget. Of course, in this budget we have \$200 million to help all sorts of businesses, big and small, to create more jobs. That does not fit wholly and solely in the PIRSA budget, but I am sure that there are plenty of operators throughout regional South Australia who will seek to benefit through either loans or grants that will be provided to small and medium-sized businesses to help them grow. As I have mentioned before, I am dismayed by the Liberal Party in South Australia jumping on board with the banks about this bank levy.

**Mr BELL:** Point of order: relevance.

**The CHAIR:** I am going to listen carefully.

**The Hon. L.W.K. BIGNELL:** We are talking about things that will help regional and rural South Australia, and the grants in this year's budget will help people in farming communities right across South Australia. The way we pay for that is by putting a one-third of 1 per cent levy on the profits of South Australian banks. These banks are the ones that have pulled out of regional communities around South Australia. We want to use that money to help small and medium-sized businesses throughout the community to do that. There is \$200 million out there to grow jobs in South Australia. Some of those jobs will be in regional South Australia, so we are keen to do that.

We have \$110 million that does not fall within the PIRSA budget but will benefit agriculture in South Australia. That \$110 million that we have put forward is for the Northern Adelaide Irrigation Scheme. We are hoping that the federal government will also come up with some funds out of the federal irrigation scheme. That will be a huge boon for the northern parts of the Adelaide metropolitan area, where some of the best horticultural produce anywhere in the world is produced. Using more treated water, that can then be used to expand the growing footprint we have in the Northern Adelaide Plains will create more jobs and put more money into our economy—hundreds of millions of dollars of benefits.

**Mr PEDERICK:** Minister, you talked about the northern area's irrigation scheme. Is that budgeted in those forward years? From what you are saying, you are confirming that there are no other funding initiatives in those forward years in the PIRSA budget line.

**The Hon. L.W.K. BIGNELL:** In the PIRSA budget line, we do that on a year-by-year basis. What I am saying is that across government we are doing many things that will benefit regional and rural South Australia. The \$110 million that we are putting up for the Northern Adelaide Irrigation

Scheme will not come out of the PIRSA budget. You will not see that \$110 million, that huge amount of money; that will come out of a different part of government, through SA Water.

**Mr PEDERICK:** What is PIRSA's total budgeted full-time equivalent allocation for each period over the forward estimates?

**The Hon. L.W.K. BIGNELL:** It is 913.8 currently. We still have 10 minutes to go, so we will get you the answer in the next 10 minutes.

**Mr BELL:** Minister, can you confirm that \$7.5 million was handed back to the federal government, which could have been used for dairy concessional loans?

**The Hon. L.W.K. BIGNELL:** It is a little bit like the questions and the explanation we had earlier about the Pinery fire, the hail damage in the Riverland and the Gawler River Floodplain flooding: a float is provided. We have contingency money to deal with as many successful applications as we possibly can. I am not sure whether the \$7.5 million figure is correct. The federal government would have provided us with a float to cover the amount for successful applications. What money is not loaned to people is then sent back to the federal government; it is their money.

**Mr BELL:** It was \$7.5 million, minister. Victoria was oversubscribed and, in fact, the federal government put in extra money. We were undersubscribed by \$7.5 million. Do you accept that not taking in the value of water and stock had an impact on successful applications?

**The Hon. L.W.K. BIGNELL:** No, I do not, and I have explained that before, that we looked at all those loan applications. No-one missed out on a loan because of water allocation not being included in the assessment. We have far fewer dairy farms in South Australia than there are Victoria, and we also have a different market. We have more competition through some really good strong dairies here, including Fleurieu Milk and B.-d. Farm. We also have a better retail model, with the addition of not just the big Woolworths and Coles but also Independent Grocers and the Foodland stores, which are more reactive and helpful when it comes to getting the message across to consumers.

The Murray Goulburn impact was far greater in Victoria than it was in South Australia. That is not to say that there were no dairy farmers who were severely hurt by the actions of Murray Goulburn. As I mentioned earlier, I want to congratulate the ACCC. It is a body that sometimes is criticised for perhaps not being as strong as it should be. I think that in the case of Murray Goulburn it has really done the right thing and gone after them. As a government, we have made submissions to the ACCC to make sure that they knew about the damage that Murray Goulburn had done in South Australia.

We get back to the fact that there are rules set by the federal government regarding who is able to be successful in getting these grants in times of need, whether it is for drought, or for dairy assistance in this case, and we followed through with those rules. What money is not spent quite rightly has to go back to the federal government; it is their money.

**Mr BELL:** My last question is: at the very start of this estimates committee, you indicated that you would get a breakdown of your ministerial office of \$1.57 million in specific detail for staff wages, travel, administration, etc. If you do not have that now, will you commit to bringing that back?

**The Hon. L.W.K. BIGNELL:** Yes, we do have that figure now, and I will ask Mr Johnkin to go through those items I outlined before.

**Mr JOHNKIN:** Yes, this is in reference to the minister's office costs on page 14 of Budget Paper 4, Volume 4. The actual costs for 2016-17 relating to employee expenses were about \$970,000; costs relating to accommodation expenses were about \$340,000; and costs relating to operating expenses were about \$250,000. That comes to about \$1.56 million last year.

**Mr BELL:** So no travel was included in that budget?

**The Hon. L.W.K. BIGNELL:** Yes, travel is included in the budget.

**Mr BELL:** Which part of those three figures does travel come under?

**Mr JOHNKIN:** Travel comes under the operating expenses of about \$250,000.

**The Hon. L.W.K. BIGNELL:** Before we finish up, I also have the updated figures as promised on the FTEs. In 2017-18, it is 911.8; in 2018-19, it is 904.9; in 2019-20, it is 877.9; in 2020-21, it is 877.9; and in 2021-22 it is 877.9.

**Mr PEDERICK:** Minister, I will now run through the omnibus questions:

1. Will the minister provide a detailed breakdown of expenditure on consultants and contractors above \$10,000 in 2016-17 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 2016-17 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 2017-18?

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 2015-16 and 2016-17.

4. For each agency for which the minister has responsibility:

(a) How many FTEs were employed to provide communication and promotion activities in 2016-17 and what was their employment expense?

(b) How many FTEs are budgeted to provide communication and promotion activities in 2017-18, 2018-19, 2019-20 and 2020-21, and what is their estimated employment expense?

(c) The total cost of government-paid advertising, including campaigns, across all mediums, in 2016-17, and budgeted cost for 2017-18.

5. For each agency for which the minister has responsibility:

(a) What was the cost of electricity in 2016-17?

(b) What is the budgeted cost of electricity in 2017-18?

(c) What is the provisioned cost of electricity in 2018-19, 2019-20 and, 2020-21?

6. For each grant program or fund the minister is responsible for please provide the following information for the 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21 financial years:

(a) Balance of the grant program or fund;

(b) Budgeted (or actual) expenditure from the program or fund;

(c) Budgeted (or actual) payments into the program or fund;

(d) Carryovers into or from the program or fund; and

(e) Details, including the value and beneficiary, of any commitments already made to be funded from the program or fund.

**The CHAIR:** The member for Flinders has one last question.

**Mr TRELOAR:** Thank you, Chair—and very well read, member for Hammond. I refer to Budget Paper 4, Volume 4, sub-program 1.3, highlights. In relation to artificial reefs, dot point 4 refers to the native shellfish reef restoration. Can the minister confirm the total cost of this project, how many reefs have been restored and where these are located?

**The Hon. L.W.K. BIGNELL:** Thank you very much for that question. Funding support of \$600,000 was provided for the artificial reef trial through the state government's \$3.25 million support package to boost recreational fishing and tourism opportunities as part of the 2014-15 state budget. PIRSA Fisheries and Aquaculture is leading the development and implementation of the trial shellfish reef, in partnership with the Department of Environment, Water and Natural Resources, Yorke Peninsula Council and The Nature Conservancy.

A South Australian company, Maritime Constructions, has been awarded the contract of approximately \$500,000 to construct the artificial reef trial. PIRSA is leading the development of the trial shellfish reef, which is focusing on the restoration of native shellfish reefs, in particular live native oysters, as a proactive approach to improve opportunities for recreational fishing.

**Mr TRELOAR:** How many have we—

**The Hon. L.W.K. BIGNELL:** We only have information on the artificial reef trial at this stage, but we will see how that goes. It is certainly good news for fishers, and let's hope it is very successful.

**The CHAIR:** The time for questions having expired, I declare the examination of the Minister for Agriculture, Food and Fisheries completed.

*Sitting suspended from 11:31 to 11:45.*

#### **Membership:**

Mr Williams substituted for Mr Treloar.

#### **Departmental Advisers:**

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

Mr S. Johnke, Chief Financial Officer and Acting Executive Director, Corporate Services, Department of Primary Industries and Regions.

Mr J. Coleman, Chief Executive, ForestrySA.

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

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

Mr M. Williams, Acting Director, Finance and Prudential Management, Department of Primary Industries and Regions.

**The CHAIR:** The portfolio is Primary Industries and Regions SA and the minister appearing is the Minister for Forests. The estimate of payments to the Department of Primary Industries and Regions is still open for examination and I refer members to the portfolio statements in Volume 4. I call on the minister to introduce his advisers and make a statement if he wishes.

**The Hon. L.W.K. BIGNELL:** I would like to introduce the members of the department and ForestrySA who are here today. To my right is Jerome Coleman, Chief Executive of ForestrySA. On my left is Scott Ashby, Chief Executive of PIRSA. Next to Scott is Stephen Johnke, Chief Financial Officer, PIRSA. Behind me are Rob Robinson, who is the Director of Forestry at PIRSA, and Julian Speed, the General Manager, Business Operations, ForestrySA.

The government's interests in forestry are led by both the Department of Primary Industries and Regions (PIRSA) and the South Australian Forestry Corporation (ForestrySA). PIRSA is responsible for providing policy advice to the government in relation to the forest and wood products industry, including associated environmental matters and for developing the industry in this state.

The government has progressed the South East Forestry Partnerships Program to support the development of innovative products and technologies that can benefit the entire forestry supply chain in South-East. Nearly all the funded projects are either complete or underway and making a difference to the region's economy. PIRSA is also leading the government's Mid North Forests Future Strategy to determine with industry, the community and government, both local and other state government agencies, the best future for the Mid North Forests to benefit the region and the state.

Given the bushfire damage in recent years, a business-as-usual approach for the Mid North Forests was not an option. Replanting the forest would have taken at least 20 years to produce commercial logs, so we have had to work with the community to prepare for a more sustainable future. Binding proposals received from the Mid North Forests Request for Proposal process have

all been evaluated and negotiations are being finalised. PIRSA is working with these private parties to implement their new and expanded enterprises that will increase the economic activity in the region, involving:

- grazing and cropping enterprises;
- commercial forestry to support local sawmilling; and
- horticultural and honey production.

We understand the need to progress matters as soon as possible, but we must be certain the proposals will deliver the best possible results and, most importantly, create and sustain jobs for the region. The forest industry generates \$1.2 billion worth of activity and around 7,000 jobs in the key log processing hub of Mount Gambier. PIRSA continues to monitor the comprehensive conditions included in the sale of the forward harvesting in the South-East to OneFortyOne Plantations. These conditions include:

- OneFortyOne Plantations matching ForestrySA's level of planned viable domestic supply;
- processes for uncontracted sawlog sales where local sawmills are able to compete with exporters on price and other commercial terms to secure supply;
- no restrictions on the length of contracts for local sawmills;
- no sawlog export contracts exceeding two years; and
- annual reports to the government on how conditions are met.

The forest industry for Australia is in the process of establishing a national centre for forestry innovation. The Mount Gambier research centre will be an important element of this national strategy.

The government, through ForestrySA, has long supported forest research through the Community Service Obligation fund. This activity will continue with a collaboration between UniSA, the federal government, state government and the forest industry. The South Australian government's contribution will match the federal government's investment of \$2 million over four years.

PIRSA has a memorandum of administrative arrangement 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's key commercial activity is now the management of the Mount Lofty Ranges forest estate, with over 11,000 hectares of commercial pine plantation area providing significant economic activity and employment in the region. The Mount Lofty Ranges provide an important community resource for recreation activities which are not as easily undertaken in the high conservation areas of our national parks. These include camping, motorsports, cycling, horse-riding, hunting and hiking. The Green Triangle's native forest reserves are also a significant asset to the state, and ForestrySA is focused on improving the accessibility of these assets to the local community.

**The CHAIR:** Do you have a statement, member for Hammond? Straight to questions? Member for Mount Gambier.

**Mr BELL:** I refer to Budget Paper 4, Volume 4, page 30, which talks about monitored compliance with the ForestrySA forward sale of the government contract. Have there been any concerns raised with you or any of your departments regarding compliance or noncompliance of OneFortyOne with the ForestrySA forward sale?

**The Hon. L.W.K. BIGNELL:** I thank the member for Mount Gambier for the question and acknowledge his advocacy for the forestry and timber industries in the South-East of South Australia. We have had concerns, and I think some of the people who have spoken with him have also had

discussions with me and other members of government, as well as with ForestrySA and PIRSA, about some of the concerns they have. We are working through those concerns. Obviously, we want to make sure that as much employment and economic activity as possible happens in the South-East around Mount Gambier and the rest of those forest lands.

In 2012, the state government announced that it had sold up to three forward rotations of its pine plantations in the Green Triangle to OneFortyOne Plantations for 105 years in return for an up-front payment of \$670 million. A comprehensive set of conditions was included in the sale of the forward harvesting rights in the South-East to OneFortyOne, which included OneFortyOne matching ForestrySA's level of planned viable domestic supply and processes for uncontracted sawlog sales where local sawmillers are able to compete with exporters on price and other commercial terms to secure supply. As I mentioned before, there are also no restrictions on the length of contracts for local sawmills, no sawlog export contracts exceeding two years and annual reports to the government on how conditions are met.

The government seeks to work cooperatively with OneFortyOne, as their continued business success is important to the South-East regional economy.

**Mr BELL:** Can you identify what the penalties are for noncompliance with the forward sale agreement? That is, if OneFortyOne are in breach, what can you do?

**The Hon. L.W.K. BIGNELL:** I will ask Rob Robinson to answer that question.

**Mr ROBINSON:** The focus, of course, is not to get into that situation. The point is that we have to work through these issues. It is a long-term business relationship, and we want them to be successful. There is a defined process by which these things are worked through in a negotiation sort of way. Of course, it is a contractual arrangement. The ultimate thing is it is a lease, and these things can be implemented via implementing the clawback provisions that are in the lease.

**Mr BELL:** So there are clawback conditions. These concerns have been raised. There are some provisions in there for penalties. What has the government or you as a minister done to investigate and address these concerns of noncompliance?

**The Hon. L.W.K. BIGNELL:** I will ask Rob Robinson to give some further information.

**Mr ROBINSON:** As I said, there is a continual dialogue with OneFortyOne in terms of these issues, and a formal process by which, if there are any breaches to be lodged, OneFortyOne are required to submit those breaches to us and they are then investigated. The details associated with these matters are confidential to the transaction documents, but it is a continual process of dialogue with them. As you would be aware, there is a requirement for them to submit an annual compliance report.

**Mr BELL:** Just to be clear, in your answer you said that OneFortyOne submit the breaches?

**Mr ROBINSON:** A breach notice. They are required to submit a breach notice when one is detected.

**Mr BELL:** Who detects that?

**Mr ROBINSON:** When they become aware of a breach.

**Mr BELL:** When they become aware of their own breach, they submit it, at their own application, to the government to then investigate it; is that correct?

**Mr ROBINSON:** Yes, they—

**Mr BELL:** That is putting the fox in charge of the henhouse.

**The Hon. L.W.K. BIGNELL:** That is a standard process, but if we become aware of breaches as well, we will follow those up.

**Mr BELL:** I go back to my original question: what has the government or you as a minister done to investigate or address the concerns of noncompliance/breaches without of course OneFortyOne reporting their own breach to you, which would be ridiculous?



**The Hon. L.W.K. BIGNELL:** I would like to point out that we are not aware of any breaches at this stage. We have had concerns raised with us as a government, and we are getting more information from people in the industry, in the South-East, to make sure that we have all the facts that we need to put to OneFortyOne, both at a local level but also with the owners of OneFortyOne in North America.

**Mr BELL:** Could you detail those types of investigations? Who are you talking about, who have you engaged, and how is that process actually occurring?

**The Hon. L.W.K. BIGNELL:** We are talking with processors and other people involved in the timber industry in the South-East. If they want to come out and say who they are, they are welcome to do that, but I do not think I want to be in the position of declaring publicly who we have been having the discussions with.

As you know, I was down in the South-East just a few months ago and heard the concerns there. As I mentioned, some of the people who have been talking to you have also raised their concerns with me, which I have asked ForestrySA and PIRSA to follow up on. They are trying to get a complete picture of all these concerns so that, when we go and ask the questions of OneFortyOne, we have all the information.

**Mr BELL:** Apart from talking with processors, and I accept we do not need to be identifying people, what other processes or procedures have you put in place to identify any breaches in the contract?

**The Hon. L.W.K. BIGNELL:** I will ask Rob Robinson to go through the process.

**Mr ROBINSON:** A primary component is their annual compliance reporting. They are required to comply with the various aspects that are detailed and prescribed in the transaction documents. That is submitted on a regular basis to us, so that is a primary way.

**Mr BELL:** Apart from PIRSA, are there any third-party entities looking at noncompliance of the forward sale contract?

**The Hon. L.W.K. BIGNELL:** Yes, ForestrySA has also been involved in this and dealing with the processors. The processors have done their own report, which they will get to government, so I will get to look at that. Any concerns that they have—and it is a good, thorough, proper report, I am sure—we can actually sit down with OneFortyOne and ask the questions that the local industry would like us to ask to make sure that there is full compliance.

**Mr BELL:** Has PIRSA, ForestrySA or any other department that you are responsible for put funds into that third-party report?

**The Hon. L.W.K. BIGNELL:** I think the processors paid for it themselves—yes.

**Mr BELL:** Have you or has anyone under your portfolio responsibilities made contact with the Campbell Group, which is the parent company of OneFortyOne, and raised concerns with compliance of OneFortyOne?

**The Hon. L.W.K. BIGNELL:** They are coming here in a few weeks' time and I am meeting with them then.

**Mr BELL:** A condition of the forward sale was that OneFortyOne have an arm's-length arrangement in respect to exports, which is 13.1 in the memorandum of lease. Can the minister indicate whether or not this is being achieved?

**The Hon. L.W.K. BIGNELL:** I think what we have is probably two sides here: OneFortyOne saying they are compliant, but some of the processors questioning whether they are, and this is part of the process. Unfortunately, today we do not have all those answers because we are still working through what it is that the processors have to say and then we can look at all those facts and, as a government, I guess get some legal advice as well.

**Mr BELL:** On that, from the government's point of view, how many FTEs are responsible for monitoring the compliance of ForestrySA?

**The Hon. L.W.K. BIGNELL:** I think you meant OneFortyOne, not ForestrySA. There are officers across three different areas: the Department of Treasury and Finance, PIRSA and also the Crown Solicitor's Office. They get together from time to time to make sure that things are being done the way that was intended under the deed.

**Mr BELL:** We have three people or FTEs—perhaps not full time, so it might not be an FTE—

**The Hon. L.W.K. BIGNELL:** And it could be more than three people; they are three different departments, so people from those departments who have responsibility for looking at all aspects of the contract.

**Mr BELL:** So we have three departments and people within those looking at compliance. Have any of them raised any concern about the exporting of log and breaches of that agreement?

**The Hon. L.W.K. BIGNELL:** That group is constantly looking at the operations and what is happening there and ensuring that everything is being done in accordance with the contract. As I said, concerns have been raised with us and we are in the process of working through those concerns to see what they are. There is a meeting with OneFortyOne and the Campbell Group in the next couple of weeks. I think this is still playing out.

**Mr BELL:** But these concerns were raised by processors, not by your internal mechanisms, which really should be alerting the government to these issues. I understand that we have OneFortyOne saying one thing and processors saying another thing. I am really interested in where the government's responsibility is in monitoring this. If three departments cannot raise these issues, I question what those three departments are actually doing.

**The Hon. L.W.K. BIGNELL:** Our role is to look at the information provided to us by OneFortyOne and to ensure that it is accurate. Part of that process is going back to the people involved in the industry and saying, 'This is what is being said; how does that marry up with your experiences?' As I said from the outset, there is a disparity in views there and that is something that this group—across the Department of Treasury and Finance, the Crown Solicitor's Office and PIRSA—is in the process of looking at at this stage. Unfortunately, we do not have an answer yet because we are in the middle of the process.

**Mr BELL:** In your opinion, minister, and perhaps that of your department, would a breach of the contract relate to OneFortyOne having their own land at the Port of Portland for the stockpiling of logs for export? Would that breach the sale conditions? I put it to you that that is not an arm's-length arrangement with any exporter.

**The Hon. L.W.K. BIGNELL:** That is probably a question best put to the expert in this particular area, which would be the Crown Solicitor.

**Mr BELL:** Can the minister assure the committee that local processors are being supplied the quantities of log needed to underpin local employment commensurate with the forward sale contract?

**The Hon. L.W.K. BIGNELL:** We are not aware of any breach at this stage.

**Mr BELL:** When did local processors first raise questions of noncompliance with you, any department that you have responsibility for or anyone else in government that you may know of?

**The Hon. L.W.K. BIGNELL:** These issues have come up a number of times over the past few years and each time there has been no finding of noncompliance. I had some concerns raised. I think you and I had a meeting with some of the processors here in parliament a couple of years ago and we had an initial conversation. Then, when I was in Mount Gambier in I think late March or early April, a processor approached me and we organised a meeting here in parliament I think the following week.

From that, we asked ForestrySA to convene a get-together of a wider group down there so that we could get a really accurate picture. As I have mentioned, these are the processes we are working through at the moment. As I said at the outset, we want to make sure that, for all those processes, everyone involved in the industry is getting a fair deal down there and that as many local people as possible are employed in the forestry industry in the South-East.

We want to see as much log as possible being worked on in South Australia rather than being exported as logs. If there is any possibility at all that we have processes here that can deal with those logs, we want to make sure that as much of that can be handled as possible. This is an ongoing process and one that we take very seriously. As someone who grew up down in the South-East, I totally understand how important the forestry industry is to people in the local community.

**Mr BELL:** From 2005 through to 2009, ForestrySA averaged an annual profit of \$26 million. Last financial year, OneFortyOne disclosed a \$125 million profit. Can the minister indicate why there is a quadrupling of profits under OneFortyOne versus ForestrySA's long-term average?

**The Hon. L.W.K. BIGNELL:** I think we should be careful to note that profit is not the same as a return to government. One of the increases we have had is an increase in the valuation of standing timber over the past few years as well.

**Ms WORTLEY:** I refer the committee to Budget Paper 4, program 2. Minister, can you provide details about how ForestrySA is providing support for mountain biking opportunities in the Cudlee Creek Forest?

**The Hon. L.W.K. BIGNELL:** Almost \$310,000 will be invested into ForestrySA's popular Cudlee Creek Forest mountain biking trail network within the next 12 months. The project will assist the South Australian government strategy to establish the Mount Lofty Ranges as an international mountain biking destination and increase general visitation to the area. A successful submission by Bicycle SA has secured a \$190,000 South Australian government Community Recreation and Sport Facilities Program grant, while a further \$120,000 will be contributed by ForestrySA through its Community Service Obligation funding program.

The Cudlee Creek mountain biking trail network is located in the Mount Crawford Forest near Lenswood, just 50 minutes' drive from Adelaide. The network of trails is set amongst 450 hectares of former pine plantation, which was burnt in the 1983 Ash Wednesday bushfire and which is now being returned to native bushland. Known as Fox Creek by mountain bikers, it has been a popular place to ride for more than 20 years and is acknowledged as one of South Australia's best downhill and cross-country mountain biking destinations.

It caters for mountain bikers of all skill levels, from children and families to advanced and experienced riders, and attracts around 10,000 riders annually. More than 35 volunteers and participants from employment and training programs and educational organisations, such as Urrbrae TAFE, have contributed thousands of hours to develop conservation and recreational assets at the site over many years. The 15-year partnership between the state government, through ForestrySA and the Office for Recreation and Sport and peak cycling organisation, Bicycle SA, has been critical in developing this strong community support.

It is envisaged this latest flow of funds will further develop Cudlee Creek as one of South Australia's premier mountain biking destinations. On-site development projects include a purpose-built facility, which will be used as a base for event, visitor and volunteer management, as well as for volunteer education and skills training. It will be established near ForestrySA's Thomas Hill House, an accommodation venue offering picturesque views across the area and out to Gulf St Vincent.

On-site development will also include the construction of toilet facilities at the top and bottom of the trail network, upgraded shedding to increase volunteer participation and storage capacity for event management, a new experienced national competition-grade downhill trail and a new beginner to intermediate climbing trail. It will also include upgrades to existing trails to meet International Mountain Bike Association standards and new parking areas, trail signage and an information bay.

As we know, recreation and sport are very important for the South Australian community. It is great that we have these areas within ForestrySA-owned land where we can help accommodate people who want to be fit, who want to be involved and who want to be active. Not only is this great for South Australians but also for tourists, who are increasingly travelling for experiential activities, like mountain biking.

**Mr BELL:** Can the minister describe to the committee what support the government provided to ex-CE of ForestrySA Adrian Hatch?

**The Hon. L.W.K. BIGNELL:** None that we are aware of.

**The CHAIR:** The time having expired for questions, I declare the examination of the proposed payments adjourned and referred to committee B.

*Sitting suspended from 12:17 to 13:15.*

**SOUTH AUSTRALIAN TOURISM COMMISSION, \$89,112,000**

**MINISTER FOR TOURISM, \$5,039,000**

**Membership:**

Mr Pengilly substituted for Mr Bell.

**Minister:**

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

**Departmental Advisers:**

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

Ms S. Rozokos, Chief Financial Officer, South Australian Tourism Commission.

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

Ms H. Rasheed, Executive Director, Events South Australia, South Australian Tourism Commission.

Mr C. Miller, Commercial and Contracts Manager, South Australian Tourism Commission.

Mr N. Cayzer, General Manager, Adelaide 500.

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

Ms M. Hannaford, Chief Financial Officer, Adelaide Venue Management Corporation.

**The CHAIR:** The estimate of payments for the Department of State Development and administered items for the Department of State of Development are still open for examination, and I refer members to the portfolio statements in Volume 4. I call on the minister to introduce his advisers, and then he can make a statement if he wishes.

**The Hon. L.W.K. BIGNELL:** Thank you, Chair, and good afternoon to you and the committee members. It is my pleasure to provide information about the work conducted by the South Australian Tourism Commission in supporting our growing reputation as a destination for tourism and events and in providing revenue to the economy and in creating jobs and wealth for our state.

I would first like to introduce the members of the department who are with me today. We have Chief Executive, Rodney Harrex; Stephanie Rozokos, Chief Financial Officer at SATC; Hitaf Rasheed, Executive Director of Events South Australia; Chris Miller, Commercial and Contracts Manager; Nick Jones, Executive Director, SATC; Nathan Cayzer, General Manager, Adelaide 500; Anthony Kirchner, Chief Executive, Adelaide Venue Management Corporation; and Marie Hannaford, Chief Financial Officer, Adelaide Venue Management Corporation.

I thank you for the opportunity to highlight the great achievements for tourism in South Australia during the past year. Tourism is a key part of the state government's economic

development strategy, and we have consistently supported this important industry. The additional funding that the government has put into tourism has allowed the South Australian Tourism Commission to expand its reach, especially into international and interstate markets, and enabled us to win new conferences and events for the state.

This continued investment by the state government has already delivered significant results for tourism operators across South Australia and seen a record visitor economy and jobs growth for South Australia. The supergrowth sector is represented by 18,000 tourism businesses and 36,700 workers, many of whom are young people employed in both the city and the regions. The tourism sector has grown by 5,400 jobs since 2014.

We have experienced unprecedented growth in visitors and expenditure, and we are getting closer to our stretch goal of an \$8 billion tourism industry in South Australia by 2020. During the past four years, the state government has invested more than \$70 million to market South Australia interstate and overseas. This investment has resulted in strong and consistent growth in tourism. Our national and international visitor survey results show that there were 6.5 million visits to South Australia in the past year, taking the overall visitor economy to a record high of \$6.3 billion. We also saw international expenditure pass the \$1 billion mark for the first time, to reach \$1.1 billion.

State government investment has allowed us to make significant strides in high growth markets, such as China. Since I last presented to the committee, South Australia has also reached a critical milestone in aviation and access. The securing of direct flights by China Southern Airlines between mainland China and Adelaide is a game-changer for South Australia. Chinese visitors make up 11 per cent of South Australia's international visitor numbers and account for a valuable 29 per cent of international expenditure at \$315 million, which is up 49 per cent.

From October, Air New Zealand will start flying the new Dreamliner aircraft, offering an additional 400 seats into Adelaide each week and an improved route between Adelaide and the west coast of the United States of America. As at 1 July 2017, international flights to Adelaide were at 46 per week, which equates to 11,518 international seats per week. This will increase to 11,800 in October once Air New Zealand starts flying its larger Dreamliner on the route.

In another major coup, Australia's national carrier, Qantas, will offer direct flights to Kangaroo Island, one of the state's premier tourism destinations, from both Adelaide and Melbourne. The flights will commence from December this year as part of an agreement between Qantas, the state government, Kangaroo Island Council and Adelaide Airport Limited. We are very pleased with these wins, which continue to open up all South Australia's amazing offerings to the world.

South Australia also received significant recognition when we were named one of the five best regions in the world by internationally renowned travel guide, *Lonely Planet*. We know South Australia is a great place to live and home of some of the nation's best events, and this major accolade will help thousands more people from interstate and overseas discover what our state has to offer. We also won the Best Event State for the second year in a row at the Australian Event Awards, a testament to our strengths in hosting world-class events.

We will continue to invest in events that will bring interstate and international visitors to South Australia and increase the vibrancy and reputation of our state as a world-class events destination. Our managed events have continued to break records and deliver fantastic results for the state. The Santos Tour Down Under injected a record \$56.5 million into South Australia's visitor economy, with almost 840,000 spectators lining the streets throughout the event. The first annual Tasting Australia event held in May was a record breaker, with more than 52,000 people visiting Town Square over eight days, which is around 12,000 more than the 2016 event.

The Clipsal 500 Adelaide event was another success for the state. The Adelaide 500 remains the largest ticketed motor racing event in Australia. It is a fantastic showcase for our state, the envy of other jurisdictions and highlights our strengths in hosting major events. Clipsal, the naming rights sponsor of 18 years, announced a change in its sponsorship focus recently, and we thank Clipsal for their generous support since the event's inception. We are currently in negotiations with potential naming rights sponsors and expect to make an announcement once the new contracts are in place.

For the 2017 event, we also secured a new local South Australian grandstand provider in McMahon since Elite Systems went into administration. With regard to the Elite situation, we continue to work closely with the administrator to provide the best possible outcomes for those South Australian businesses affected by the collapse of the company.

Our bid fund initiative has also been a major contributor to the tourism sector. With almost \$550 million of economic benefit, it is a proven performer. The state government has invested significantly in the bid fund initiative, contributing \$52.5 million from 2014-15 until 2020-21. Through this fund, we have secured 38 leisure events, with an estimated economic benefit of \$126 million. Among these event wins were the Green versus Mundine boxing match at Adelaide Oval. Thousands of fans from interstate made their way to South Australia to attend the historic bout, and millions of people from around Australia and the world tuned in to watch the television coverage. Over and above the economic impact, the event generated an estimated \$48 million in PR value.

We have also secured 72 conventions and conferences with around 86,000 delegates who will generate an estimated economic benefit of \$417 million. Among these are the Australian Tourism Exchange, Australia's largest annual travel and tourism business-to-business event; Perfect China, the largest incentive group ever to come to Adelaide; and World Routes, the largest aviation conference in the world. The additional budget also went towards the development and launch of our new global ad campaign, which showcases the best of South Australia with 17 variations created to suit our different key markets.

We not only continued to make strategic marketing investments in our traditional growth markets but also made significant inroads into emerging markets. We ran more than 85 international campaigns to increase awareness and consumer demand for South Australia across South-East Asia, including India, Europe, America and New Zealand. The successes of these campaigns are clearly reflected in our latest visitor and expenditure result. International expenditure passed \$1 billion for the first time and four of our top five international markets have registered growth in expenditure, with one staying unchanged.

The most recent cruise ship season closed with a record 49 cruise ship visits to Port Adelaide, Port Lincoln and Kangaroo Island, and a record passenger and crew capacity of more than 106,000 people, providing a significant boost to the state's economy. The 2017-18 season will begin in October this year, and 68 cruise ship visits are scheduled for South Australia with a total capacity of just over 162,000 passengers and crew.

The state government looks forward to continuing to work with industry, our regions and, importantly, the broader community, to grow the visitor economy and play a vital role in the economic transformation of South Australia. We have committed additional marketing funds to drive demand and strengthen the visitor economy. As the Minister for Tourism and on behalf the state government, I would like to thank all the hardworking people involved in tourism for their efforts in delivering fantastic experiences across South Australia. Thank you to Rodney Harrex and the team at the South Australian Tourism Commission for all they have done and continue to do to support this wonderful industry.

**Mr PEDERICK:** I refer to Budget Paper 4, Volume 4, page 126, ministerial responsibilities and program tourism events. Minister, was your most recent trip to Europe taxpayer funded or a private trip?

**The Hon. L.W.K. BIGNELL:** Which trip are you talking about?

**Mr PEDERICK:** I think it was to do with heading to France. It is under ministerial responsibilities, on page 126, under tourism events.

**The Hon. L.W.K. BIGNELL:** This year's Tour de France? Yes, I was there. It was great. It was fantastic. I also had the opportunity to visit our sister city in the Great Wine Capitals network in Verona in Italy. I went to the Great Yorkshire Show as well, which is the biggest agriculture show in the UK, and built a lot of really good, important relationships. Christian Prudhomme, the head of the Tour de France, invited me across to the tour this year. It was terrific and great to see an Australian win the green jersey. Unfortunately, Richie Porte crashed out.

It is really important that, with our network of global partners, we keep up these relationships and keep meeting and having chats with them so that South Australia and Adelaide remain firmly in their sights. On Friday night in Qatar, I met with Akbar Al Baker, who is the CEO of Qatar Airways. He spoke again of his great support for South Australia and the tremendous opportunities that are here in this state.

Of course, Qatar Airways began direct flights from Qatar, linking 140 destinations around the world into Adelaide in May last year. Mr Al Baker is very, very buoyant about the numbers they are seeing in Adelaide. It was a terrific trip. I did a great deal across a lot of the portfolios I have responsibility for and I paid for it myself.

**Mr PEDERICK:** I refer you to Budget Paper 4, Volume 4, investing expenditures summary, page 127. There is a figure of \$646,000 in the 2017-18 period for capital works and equipment. Can the minister explain what this expense pertains to?

**The Hon. L.W.K. BIGNELL:** The money allocated there is for things like pageant floats, Clipsal assets that we have and also for general plant and equipment, such as computers.

**Mr PEDERICK:** In regard to the Clipsal assets, does the South Australian Tourism Commission still own or is it still in possession of the old Clipsal grandstand?

**The Hon. L.W.K. BIGNELL:** Yes, we are.

**Mr PEDERICK:** You talked about the Elite Systems contract debacle. Can the minister advise if any of the \$646,000 of taxpayer money will be recovered following the failure of the Elite Systems contract?

**The Hon. L.W.K. BIGNELL:** I am advised that none of the money owed to the South Australian Tourism Commission is included in that \$646,000 that you referred to.

**Mr PEDERICK:** So none of that \$646,000 is related to writing off the old grandstand following the Elite Systems debacle?

**The Hon. L.W.K. BIGNELL:** That is correct.

**Mr PEDERICK:** Regarding the old grandstand, is the government going to liquidate that to get money back? Does the government own it or just hold it in storage?

**The Hon. L.W.K. BIGNELL:** I will ask Chris Miller if he can answer that one.

**Mr MILLER:** That grandstand asset from last year and from the 2015 Clipsal event is held in our store down on Churchill Road, in a warehouse down there. We are retaining that and will consider our options. We received one payment from Elite under the contract; they did not make the remaining payments, so we will consider our options on that on the finalisation of Elite's administration.

**Mr PEDERICK:** Basically, it is in your possession awaiting where the discussions go.

**Mr MILLER:** Yes, that is correct. We own it; we have contended from the start that we own it and we have had no argument to the contrary. We are holding that asset, but waiting until the administration is finalised to decide what it is that we choose to do with it.

**Mr PEDERICK:** Do you have any idea of the time line, how long that will be?

**Mr MILLER:** I spoke to the receiver manager on Friday. They said that they were acting for the secured creditors. They have just about finished their portion of that, and they will then finalise their parts of the arrangement and then turn it over to a liquidator if a liquidator is appointed.

**Mr PEDERICK:** Thank you. The EIR Group, a small business that lost over \$450,000 in the Elite Systems debacle last year, had to pay payroll tax on the wages paid to staff who worked on the 2016 Clipsal event. Can the minister confirm this small business was refused an exemption for payroll tax relief?

**The Hon. L.W.K. BIGNELL:** That is a matter you should take up with the Treasurer.

**Mr PEDERICK:** You have not taken it up with the Treasurer, minister?

**The Hon. L.W.K. BIGNELL:** No-one has asked me to take that up with the Treasurer, and it is up to the Treasurer to decide on payroll tax and any tax relief.

**Mr PEDERICK:** You do not have an answer to why this business was not exempt from paying payroll tax on money they were never paid due to the government's failed Elite Systems contract?

**The Hon. L.W.K. BIGNELL:** As I said, I suggest you contact the Treasurer if you want an answer to that.

**Mr PEDERICK:** Why did you not lobby the Treasurer in regard to this massive loss of \$450,000 to one business?

**The Hon. L.W.K. BIGNELL:** We run the car race. We did not run the private business. It is up to businesses who want exemptions to go to the person who can grant those exemptions, which, in this case, is the Treasurer of South Australia.

**Mr PEDERICK:** Do you think this is a fair outcome for the business involved?

**The Hon. L.W.K. BIGNELL:** As I said, we run a car race and we have no responsibility for a private business and for what happened with the private business.

**Mr PEDERICK:** It had a direct issue with the Clipsal grandstand supplier. What is the minister doing to support these small businesses who are, collectively, being left over \$1 million out of pocket?

**The Hon. L.W.K. BIGNELL:** We understand that four of the six businesses that have contacted your office have completed additional work at this year's event as well. Those businesses largely still have work they are carrying out at the race.

**Mr PEDERICK:** But nothing is being done to fix up the debts owed to them from the past 2016 event?

**The Hon. L.W.K. BIGNELL:** That is for them to work out with the administrators of Elite Systems. We went through all this last year, and we have explained that we did due diligence on this company. They were caught up in the largest maritime insurance payout in the history of the world, and consequences that flowed from that meant that they did not survive as a business. Remember that this company had contracts right around Australia with motorsport, including the Australian Formula One Grand Prix in Melbourne and other supercar events. The due diligence report, at the time we did it, was correct.

**Mr PEDERICK:** In regard to due diligence, have you tightened up procedures so that these debacles do not happen again?

**The Hon. L.W.K. BIGNELL:** The thing is that the point of time at which due diligence was done, as I understand it from memory, was several months before the fires that caused the problem. Anyone does due diligence at a particular time when they sign a contract, but things can come along after that point in time that change the circumstances. I would advise all companies, if they are entering into a contract with a company—and they did not enter into a contract with us: they entered into a contract with a company called Elite Systems—to do their own due diligence.

**Mr PEDERICK:** I will go to Budget Paper 4, Volume 4, page 126, the full-time equivalents workforce summary. The FTE allocation for the 2017-18 period is 128.2. However, in evidence to the Budget and Finance Committee this year the commission advised the committee that there will be 110.7 FTEs within the commission in the 2019-20 period. Can the minister provide detail around which programs within the South Australian Tourism Commission will have full-time equivalents cut to achieve this target in 2019-20?

**The Hon. L.W.K. BIGNELL:** As at 30 June 2017, full-time equivalents were 126.36, which is 0.16 FTE above the year-end cap of 126.2. During 2016-17, there have been four targeted voluntary separation packages offered, all of which have been accepted. The South Australian Tourism Commission's full-time equivalent cap remains at 126.2 between 2015-16 and 2016-17. The SATC's full-time equivalent cap is scheduled to be 128.2 in 2017-18 and reduce to 126.2 in 2018-19.



In 2019-20, there is a scheduled reduction of 17.5 full-time equivalents, resulting in an overall full-time equivalent count of 108.7.

The additional two full-time equivalents in 2017-18 are associated with Adelaide hosting the Australian Tourism Exchange next year. The SATC will work through a workforce strategy to realise these savings at the time. As part of its FTE reduction strategy for future years, the SATC will aim to meet its FTE cap targets through natural attrition, contract and temporary appointments conclusions.

**Mr PEDERICK:** I refer to Budget Paper 4, Volume 4, page 133, highlights 2016-17, the Hybrid World Adelaide 2017. One of the highlights listed for 2016-17 is securing the Hybrid World Adelaide 2017 event. I note the state government has committed to the event for two years: 2017 and 2018. How much has the SATC budgeted for establishing and managing this new event in the 2017 and 2018 periods, and can you confirm the budget across both years?

**The Hon. L.W.K. BIGNELL:** The inaugural Hybrid World Adelaide will be held from 4 to 8 October 2017. Hybrid World Adelaide supports the state government's agenda in positioning Adelaide as a leading smart city and attracting entrepreneurs and start-ups in the technology industry.

The South Australian Tourism Commission is providing financial support to stage the event in 2017 and 2018. The event organiser, the Adelaide Film Festival, has projected that Hybrid World Adelaide will attract attendances in its first year of 15,000 to 20,000 people, with more than 2,500 visitors from interstate and overseas generating an estimated \$2 million in economic expenditure to the state.

Hybrid World Adelaide is a new five-day event for South Australia that explores how the real and digital worlds are intertwined. It celebrates ingenuity, human engagement with technology and advances in digital technology. The event is positioned as a digital playground for both industry experts and the public.

Hybrid World Adelaide will feature a program of public events for people of all ages and digital knowledge, as well as an industry stream that includes a conference and a hands-on lab to mentor and develop selected tech projects. The aim is for there to be something for everyone: from digital savvy experts and industry professionals, kindergarten kids through to grandparents, gamers, YouTubers, drone enthusiasts and people who just want to see what the future holds.

The South Australian Tourism Commission's Events South Australia group is supporting Hybrid World Adelaide as part of its charter to develop and attract new major events to South Australia that have the potential to help drive visitation, create economic benefit and profile the best of the state. The event concept was originally pitched to Events South Australia and later refined and developed by the Adelaide Film Festival. Hybrid World Adelaide supports the state government's agenda in positioning Adelaide as a leading smart city and attracting entrepreneurs and start-ups in the technology industry.

The Adelaide Film Festival, the event organiser, is responsible for managing all aspects of Hybrid World Adelaide, including the event programming, delivery, marketing and budgets. Robert Tercek and Janet Gaeta are the creative directors for Hybrid World Adelaide. Robert Tercek is recognised globally as a leader in the digital and disruptive space, while Janet Gaeta is the creator of ABC TV's *Good Game* program, *Spawn Point* and *Good Game Pocket*, and has been instrumental in bringing the interactive world into Australian homes.

The Adelaide Film Festival will also run in 2017 and 2018 alongside Hybrid World Adelaide, enabling the Adelaide Film Festival to run in consecutive years for the first time. Events South Australia sits on the Hybrid World Adelaide steering committee. Hybrid World Adelaide will be based at the Tonsley Innovation Precinct and will also have a presence in the Adelaide CBD, the details of which are to be announced in mid-August.

The Tonsley precinct has been transformed from a car assembly plant to an emerging economic growth engine for South Australia, uniting industry, research, education and commerce. It is envisaged that Hybrid World Adelaide will enable Tonsley to become a hub of mind-expanding interactive technology.

Hybrid World Adelaide will feature a program of public events, including YouTube master classes, interactive games and video game launches, film, virtual reality, drone racing, music and more. These will be announced by the event organiser in August. Screen and technology-based experiences will form the core of Hybrid World Adelaide. The event has an industry conferencing component led by US-based digital pioneer and co-creative director Robert Tercek, one of the world's most prolific creators of interactive content.

On Thursday, organisers announced that they are bringing Australia's biggest game of zombie-themed tag to South Australia for the first time. This will be based at the University of Adelaide and we understand that it has generated excitement amongst its target market. All questions regarding budgets should be directed to the Minister for The Arts.

**Mr PEDERICK:** I love estimates! After all that input, are you saying that there is nothing allocated in the South Australian Tourism Commission budget over the two years?

**The Hon. L.W.K. BIGNELL:** Like all events, the amount of money that we spend on it is commercial-in-confidence. It is the same as every other state government. Their tourism offices, regardless of their political colour, have the same responses to these sorts of questions: we do not divulge how much we are spending on getting new events, creating new events or maintaining existing events.

**Mr PEDERICK:** What is the SATC's marketing budget specifically for this event?

**The Hon. L.W.K. BIGNELL:** That is all part of the overall figure, which is commercial-in-confidence. I recall the Leader of the Opposition saying a few months ago that if the opposition ever made it into government they would probably be bound by the same commercial-in-confidence rules that bind us all.

**Mr PEDERICK:** Hopefully, you will get the chance to ask these questions next year. Can the minister confirm that this event has a budgeted cost of \$4 million?

**The Hon. L.W.K. BIGNELL:** As I mentioned earlier, we are not the organiser of the event. That falls under the Minister for The Arts and is a question best directed to him.

**Mr PEDERICK:** Obviously you are trying to attract tourists, but you are saying that you have no idea of the money involved. How many interstate and international tourists have you budgeted on attending?

**The Hon. L.W.K. BIGNELL:** For 2,500 visitors from interstate and overseas.

**Mr PEDERICK:** Have you done any modelling on the expected economic benefit to South Australia?

**The Hon. L.W.K. BIGNELL:** We estimate \$2 million in economic expenditure for the state from the 2,500 visitors.

**Mr TRELOAR:** I refer to Budget Paper 5, page 81, the Events Bid Fund. Can you provide a breakdown of the total amount budgeted in the Events Bid Fund over the forward estimates, perhaps separating the Convention Bid Fund and the Major Leisure Events Bid Fund?

**The Hon. L.W.K. BIGNELL:** The Events Bid Fund for 2017-18 is \$6.5 million; for 2018-19, it is \$6 million; for 2019-20, it is \$2.5 million; and for 2020-21, it is \$2.5 million. The Convention Bid Fund for 2017-18 is \$6 million; for 2018-19, it is \$2.5 million; for 2019-20, it is \$2.5 million; and for 2020-21, it is \$2.5 million.

**Mr TRELOAR:** How much of that is allocated for marketing?

**The Hon. L.W.K. BIGNELL:** That money is to go out and win events and conferences for South Australia. If there are any marketing costs involved in that they would be met from that budget, but we have a separate marketing budget for the South Australian Tourism Commission. This is to actually have money on the table when our people are sitting around trying to win events.

**Mr TRELOAR:** So it is for the bid itself?

**The Hon. L.W.K. BIGNELL:** Yes, and we set up the bid fund for this purpose. There is always the opportunity to come to cabinet for more money for different events, but what we needed to have was the ability for our people out there bidding for events to be agile in the marketplace. If someone comes to cabinet and says, 'We need X dollars to get this bid,' and then the price goes up by \$20,000 or \$50,000 or \$100,000, we want the people making these decisions not to have to come back to cabinet but be able to work that out themselves with a pool of money that has been set aside for the bid fund, both for events and for conventions and conferences.

**Mr TRELOAR:** So you are quite comfortable with the agility that you have provided?

**The Hon. L.W.K. BIGNELL:** Yes, it works really well. As I said, if we get something that is bigger and beyond the need or the capabilities of the bid fund, then the old process of coming to cabinet for special money can always be considered as well.

**Mr TRELOAR:** How many new events has the SATC secured since 2005 that have turned out to be annual and ongoing events?

**The Hon. L.W.K. BIGNELL:** Are we dealing with back to 2005? That predates my role as minister by about eight years and the chief executive's position by about eight years as well. The bid fund was only established in 2014-15, so to ask questions about 2005 when we did not have a bid fund—

**Mr TRELOAR:** For the life of the bid fund then, do you have that information?

**The Hon. L.W.K. BIGNELL:** To date, 38 events have been secured through the Events Bid Fund, which are forecast to inject more than \$126 million into the South Australian economy. Two of these events are still to be publicly announced. In addition to benefiting the economy, these events generate significant publicity value and provide visitors with a compelling reason to come to South Australia.

I mentioned in my introduction the Mundine versus Green fight we had here, which had almost \$50 million in PR value. I think that in the first 24 hours after the fight was announced for Adelaide we had more than \$1 million in PR value, so that really got people talking. We have had Liverpool Football Club versus Adelaide United, and the match at Adelaide Oval in July 2015 was a sellout, with 53,000 fans. The Liverpool Football Club reported that 18,109 visitors travelled to South Australia to attend the match, resulting in a direct economic impact to the state of \$11 million.

The 2016 Australian Swimming Championships were also the selection trials for the 2016 Rio Olympic Games, so we had the eyes of the nation on us then. The 2018 Lifesaving World Championships will be held here. It will be the largest international lifesaving sport competition in the world, and it is anticipated that more than 4,000 competitors, as well as thousands of accompanying visitors, will attend the event in November next year. It was announced at the 2015 Pacific School Games that Adelaide would host the 2017 Pacific School Games. The 2015 games attracted 8,900 participants, officials and accompanying visitors, with organisers reporting an economic benefit of more than \$13 million to the state's economy.

We have the 2016, 2017 and 2018 ISPS HANDA Australian women's golf tournament. A record 32,064 spectators attended the 2017 tournament at the Royal Adelaide Golf Club. Golf Australia reported that the 2017 event delivered an estimated \$7.2 million in economic benefit to South Australia compared with \$6.5 million for the 2016 event. It was a huge improvement on when Victoria held it, up until 2015, and about 22,000 fans went along to the four-day tournament; we had over 30,000 both for the 2016 event and for this year. We had the Socceroos here last year and again this year in important World Cup clashes. We had the 2016 International Netball Series test match, Australia versus England, as well as the cricket T20 international double-header and many more events.

If we look at the Convention Centre bid fund, leading event themes include health and biomedical, scientific, agricultural and resources because we want to play to our strengths in South Australia, and those are our strengths. Examples of some successful bids made through the convention bid fund include World Routes 2019, which will attract more than 3,000 delegates, 15,923 bed nights and an economic benefit to the state of more than \$20 million, and the

2018 Australian Tourism Exchange will have 2,500 delegates, 21,500 room nights and \$10 million in economic benefit to the state.

Those who have been to the Australian Tourism Exchange when it has been in Adelaide in the past will know what an important event it is for our state because tourism wholesalers from right around the world come to Australia once a year to look at what is on offer. Because we are going to have them in Adelaide, we can get them out to our regions and really show off what we have not just in our beautiful city and at the Convention Centre but in the regions as well. It is a huge opportunity for South Australia and one that I am sure everyone, whether or not they are involved in the tourism industry, will get behind and welcome visitors to our state next year.

We have the Australian Petroleum Production and Exploration Association Conference and Exhibition 2018, which will have 2,500 delegates, 11,377 bed nights and a \$9.4 million economic benefit to the state. We also have Land Forces 2018, with 1,600 delegates, 5,284 bed nights and \$18½ million in economic benefits to the state. We have the 37<sup>th</sup> Australian Dental Convention, with 3,500 delegates, 11,000 bed nights and a \$10.3 million economic impact for the state.

Next month, we will see the opening of stage 2 of our brand-new Convention Centre. It is a tremendous asset and something that will help us when we go out there with our bid funds. So not only have we put money into the bid fund but we have also put \$400 million into stages 1 and 2 of the new Convention Centre. It will really help us attract more and more major conventions and conferences to our state. When we look across the footbridge to the Adelaide Oval, I think everyone is very well aware of the pulling power of the Adelaide Oval. The Convention Centre is just the same.

It is a huge asset for South Australia and something that we will say, when we look back on the history of South Australia, that when it comes to infrastructure the past decade has been really important—and not just the Adelaide Oval and the Convention Centre, but also the SAHMRI site, where we see so much world-leading medical research and the brand-new hospital, which is about to open as well. We have a health and bioscience precinct here that is recognised right around the world. We now have the Convention Centre facilities to match the outstanding infrastructure that is already in place.

**Ms WORTLEY:** I refer to Budget Paper 4, Volume 4, page 129. Minister, can you update the committee on the importance of aviation access to South Australia? I know that you spoke about it briefly in your opening statement, but that was in reference to only one particular area. Can you provide some more detail on that?

**The Hon. L.W.K. BIGNELL:** I thank the member for Torrens for the question. The state government has worked hard to increase direct flights into South Australia and is committed to maximising the opportunities airlines bring to the state through cooperative marketing initiatives. We have seen a considerable increase in international airline seat capacity in recent years, growing from 13 flights per week in 2003 to 46 flights in 2017.

In 2016, two new international airlines commenced flights into Adelaide and a third international airline started flights direct to Adelaide in 2017. In May 2016, the state welcomed the award-winning Qatar Airways to South Australia. The airline currently operates five direct flights from Doha to Adelaide each week, offering great connections to services from the United Kingdom and key European destinations.

In December 2016, South Australia welcomed China Southern Airlines. The airline now operates direct from Guangzhou to Adelaide, expanding connections to services from destinations in Europe and the United States of America as well as throughout one of our key international markets, China. Fiji Airways also commenced direct flights to Adelaide from Nadi on 30 June 2017, initially offering two services per week.

These additional flights see our total international seats increase to just over 11,500 seats each week, and we are on track to achieve our goal of 14,500 international weekly seats into Adelaide by 2020. Air New Zealand's announcement on 15 March 2017, regarding increased flight capacity on the Auckland-Adelaide route from 26 October 2017, will again add to our international seat numbers, as they offer a capacity increase of approximately 25 per cent.

Scheduled international flights to Adelaide as at 30 June 2017 are New Zealand, six weekly services from Auckland; Cathay Pacific Airways, five weekly services from Hong Kong; China Southern Airlines, three weekly services from Guangzhou; Emirates, seven weekly services from Dubai; Fiji Airways, a twice-weekly service; Jet Star, a seven times a week service from Bali; Malaysia Airlines, a four times a week service from Kuala Lumpur; Qatar Airways, five weekly services from Doha; and Singapore Airlines, seven weekly services from Singapore.

Aviation access is about not just international airlines but also domestic services. Four domestic interstate airlines currently operate into South Australia: Qantas, Jetstar, Virgin and Tigerair. These domestic carriers scheduled a total of 85,159 seats per week to Adelaide as at April this year. This is an increase of 3 per cent compared with the same time the previous year. Major domestic routes for South Australia are Melbourne, Sydney and Brisbane, with all four carriers servicing these markets, plus additional interstate routes to Adelaide from Perth, Cairns, Darwin, Alice Springs, Canberra and the Gold Coast.

On 30 September 2016, Jetstar commenced a new service from Sunshine Coast Airport, operating twice a week. In addition, Regional Express Airlines (Rex) operates interstate flights from Adelaide to Broken Hill and Mildura and from Mount Gambier to Melbourne. Our regions are also very important. Seven regional destinations in South Australia are serviced by three carriers: Regional Express, QantasLink and Alliance Airlines. I am also delighted by the 5 June 2017 announcement about QantasLink commencing flights from Adelaide to Kingscote and Melbourne to Kingscote, starting in December 2017.

All airlines servicing South Australia, both existing and potential, are important to the state government, and we work hard to build and maintain relationships with each of them. The SATC engages in cooperative marketing activities with airlines operating flights to South Australia in order to support and drive visitation. By aligning our marketing activities with partner airlines, we are able to maximise the impact of marketing messages and further contribute to South Australia's 2020 potential visitor expenditure target of \$8 billion.

In the 12 months to March 2017, international visitor expenditure has contributed a record \$1.1 billion to the state. Combined with national visitor statistics, our overall visitor economy has also reached a record high \$6.3 billion. That comes just after we had \$4.9 billion not that long ago. There have been some great increases in recent years in our visitor economy, a 30 per cent increase in terms of the value to our state in this industry.

When we talk about airline connectivity, with my tourism minister's cap on we concentrate on the visitors we bring into the state from interstate and around the world but, with my agriculture, food and fisheries hat on, we must also remember the capacity that that gives those aircraft to take the wonderful produce of South Australia to all ends of the earth. There is increasing demand for the produce we have here in our beautiful premium clean environment, and we want to export as much of that as we possibly can to the rest of the world.

I would like to take this opportunity, too, to thank Nick Jones and his team for the continual work they do in the Destination Development area. You have to have good relationships with these airlines as it is such a competitive sector. We are up against every other state and, in some cases, several different cities within some of those states. It is not an easy task for Nick Jones and his team to be out there, often working alongside Adelaide Airport Limited, to make sure that the rest of the world is very aware of what Adelaide and South Australia have to offer them.

As I mentioned earlier, when I sat down on Friday night in Qatar with the head of Qatar Airways—and he has 140 destinations in the world—he was right across what is happening in Adelaide. He knows what we have to offer with Adelaide Oval, he knows that the new Royal Adelaide Hospital is about to open, he knows that the new Convention Centre is about to open and he knows that we have this great medical and research precinct here. You do not get that sort of connectivity without people doing a lot of work on those relationships.

I mentioned one airline, Qatar Airways, but we also have similar great relationships with Singapore Airlines, Cathay Pacific and Malaysia Airlines, which have been servicing South Australia for decades and have done a tremendous job. Our friends at China Southern also speak glowingly not just to us when they talk to us, but we hear very good feedback from Tourism Australia. John

O'Sullivan, who does a tremendous job heading up Tourism Australia, has spoken to China Southern in the past six months and they were really impressed with the launch we had here in Adelaide for those direct flights to Guangzhou on mainland China. It is really important that we continue those great relationships with existing airlines and continue to try to get more airlines to fly direct into Adelaide.

**Ms WORTLEY:** Thank you minister. Can I have a follow-on from that?

**The CHAIR:** Yes, member for Torrens.

**Ms WORTLEY:** How has the Understanding China initiative benefited tourism operators in South Australia?

**The Hon. L.W.K. BIGNELL:** Yes, that is a really good point. It is something we have been working on closely with tourism operators because it is important if we have people come here. What we always have to do is to change the perspective and think how would we go in China without any English signs or menus that are written in English and people who run hotels and restaurants having no understanding of what our cultural beliefs are.

We have been running a lot of programs here to get tourism operators across what it is that the Chinese market is after. China is a priority market for us regarding attracting visitors to South Australia. We currently attract just over 50,000 visitors from China to South Australia each year, accounting for 2.6 million visitor nights and \$315 million in expenditure. We expect these numbers to continue to grow and we are working really hard on that.

To make sure that tourism operators across South Australia are ready to cater for the growth in Chinese visitors, we engaged a China expert to develop a visitor economy assessment and development plan for the China market for South Australia. The work provides detailed information on how South Australia and our service delivery are received by Chinese visitors, as well as recommendations on how we can improve service delivery.

Following the development of this plan, a series of Understanding China workshops and one-on-one meetings were held in all South Australian regions. These were publicly advertised for all tourism operators and interested parties to attend, and more than 1,000 participants attended workshops and meetings between July 2016 and February 2017. The program was applicable not only to tourism operators across the state but the Adelaide city council also took note, adding some Chinese language signs throughout the CBD to help welcome Chinese visitors to Adelaide and help them navigate their way to key destinations within the city.

I also note that when you go around the Yankalilla council area, particularly when it comes to public conveniences, they have signs in Chinese as well, which is a really important place for us as Chinese self-drive tourists make their way from Adelaide down to Kangaroo Island and enjoy the wonderful Fleurieu Peninsula. The state government also installed new signage between Adelaide Airport and the city prior to the arrival of China Southern Airlines. We have also expanded our use of WeChat, China's most popular and powerful social media app with 700 million active users per month.

On 7 December 2016, a workshop was held in Adelaide on UnionPay and WeChat with more than 200 attendees. The workshops provided information on how to engage the South Australian Tourism Commission's WeChat site and how to develop and produce content for individual businesses, WeChat pages and the importance of UnionPay to the Chinese visitor. UnionPay is the card payment most Chinese visitors carry and more than 85 per cent of them are debit cards. It is really important that, if people want to be able to spend money here from China, they can actually do that.

I want to pay tribute to those tourism operators who are doing so well in the China space. We have a few in particular who are doing well not only in terms of their own business. If we look at Andrew Holmes at Hahndorf Inn, he is not only doing great business for his operation but he has little cards in there in Chinese explaining what else is on in Hahndorf so that people go and spend their money not just at his establishment but around the town.

Anyone who has been up to Hahndorf lately and seen the number of Chinese tourists there knows that it is terrific. I am also hearing great stories from places like Kangaroo Island and Mount

Gambier about the big increase there as well. As people increasingly find out about Port Lincoln and the wonderful seafood you can have over there, with a 25 or 30-minute flight from Adelaide, those numbers will improve.

Getting back to Hahndorf Inn, Andrew Holmes has also shared his experience with other tourism operators in South Australia. He could have been selfish and kept it all to himself, but he is actually out there as an exemplar, as someone who is spreading the word about how they have been able to engage with Chinese visitors and increase visitor numbers. There are other examples as well.

Richard Beere, a China expert who was actually a former Tourism Australia employee and one of the first in the China office, came here and brought so many ideas. He also thanked the tourism operators who were open enough to have him come in and look at their business. Even at places like Adelaide Airport, who thought they were doing a terrific job, he walked through the airport with them and was able to point out a couple of places where they could improve. To the airport's credit, and to all these other tourism operators' credit, they listened to what Richard had to say.

We want to aim to be the most China-friendly city and destination in Australia, and it is through working together with all the tourism operators, the thousands of tourism operators around this state, that we will make those improvements. It is important that we, as the government, help lead that process because if you are sitting out there on your own, as so often is the case with a two-person tourism business or a one-person tourism business, it is pretty hard to find all the answers. The more workshops we can do, the more knowledge we put out there on our websites and other things, the better it is going to be not just for our tourism operators, and for the 35,700 people they employ, but also for those visitors from China and around the world who come to our great state.

**Mr PEDERICK:** I refer you to Budget Paper 5, page 81, and this is in relation to The Bend Motorsport Park in Tailem Bend in my electorate. There was a \$3 million commitment over three years to support the licensing costs of hosting a second South Australian V8 supercar event at Tailem Bend, and this has been listed as an initiative prior to the 2017-18 budget for the South Australian Tourism Commission. Can the minister confirm that South Australia will host a second V8 supercar race in 2018; if that race is secured, what additional contribution will the SATC make to the event, or will it be entirely privately managed?

**The Hon. L.W.K. BIGNELL:** The ultimate decision on whether South Australia gets a second event will rest with Supercars Australia. Obviously we are very keen to have it, and we are working with James Warburton and Supercars Australia to hopefully realise that dream. We are big backers of Tailem Bend and your part of the world, member for Hammond, as you know. It is great to work with the local councils down there, the Coorong council and the neighbouring council at Murray Bridge. These are councils that really want to see their local areas go ahead in an economic sense.

When I took over the motorsport responsibility, there were about four or five different proponents racing around saying that they wanted to build a motorsport complex in their part of the world. There were two from Gillman and there were a couple out in the northern suburbs. No-one really had a firm proposal, but people were identifying the old Mitsubishi test track at Tailem Bend as a possibility. We got CAMS, as the governing body of motor racing in Australia, to come and do a pros and cons assessment of all the sites. They came up with Tailem Bend as the preferred site at about the same time as the Shahin family, through the Peregrine group, identified that they were interested in purchasing land and building a motorsport complex.

I want to thank not only Sam Shahin in particular, with whom I have had the most dealings in the Shahin family, but all the family for putting back what is an enormous amount of money—I think it is up around the \$100 million mark—in terms of the development. We have been on board since the beginning, and in February 2014 the South Australian government committed \$7.5 million towards the establishment of a privately built and operated motorsport park at Tailem Bend with the capacity to host a second supercar race in South Australia. The 2017-18 budget included a grant of \$3 million over three years to Peregrine Corporation to offset the cost of licensing and set-up associated with the attraction and running of a second race as part of the Virgin Australia Supercar Series.

The Bend Motorsport Park is proposed to have facilities for a variety of activities, including drag racing, carting, and four-wheel driving, as well as a hotel, caravan park, camping, airstrip, service station and transport hub. The South Australian Tourism Commission has a sanctioned agreement with Supercars Australia to host the opening round of the championships, currently known as the Adelaide 500, through to 2021.

Supercars Australia and Peregrine Corporation have advised that negotiations to host a second supercars race in South Australia are in their final stages. The timing of the event will be negotiated between all relevant parties, ensuring an appropriate distance from the Adelaide 500 in the calendar. We believe that South Australia, with our strong motorsport heritage, and given the very different events that would take place, can successfully play host to two supercar races.

Talking to the Shahins, I do not think that they want to rest with having just a supercar race there. They have some wonderful ambitions for down the track to host, perhaps, Moto GP and other facilities. Again, I would like to place on the record our thanks to this private family-owned company for their commitment to building this because, if we had to go out and find \$100 million to build a motorsport complex in South Australia, I am not sure that the money would be there. We know that we have 7 per cent of Australia's population but that we have 11 per cent of participants in motorsport in South Australia. Up until Tailem Bend was conceived, we only had the Mallala track north of Adelaide.

That put us in a pretty dire position in terms of having one track and no real security over the future of that facility. So we were delighted with the contribution of the Peregrine group and the Shahin family. We think this will be a wonderful asset, up there with our Convention Centre, our hospital and Adelaide Oval, but one that has been largely funded through private resources.

**Mr PEDERICK:** In regard to the operations and management of a second V8 supercar race at Tailem Bend, will the SATC have any involvement in its operations and management? Will they have additional marketing expenditure associated with the event?

**The Hon. L.W.K. BIGNELL:** The private operators, the Peregrine group, will own the race and run the race but we will work closely with them. We have some pretty good resources as part of the Adelaide 500, and we have some good database material, and I am sure we will work closely to make sure that we grow the pie rather than anyone being cut out of a piece of the pie.

As I said, we have had a good relationship with the Shahins and with the Peregrine group dating back to 2014, right from the very first discussions around the Tailem Bend motorsport park, and we look forward to continuing that close involvement between the government and the Tailem Bend motorsport park.

**The CHAIR:** The time having expired for this line, I declare the examination of the proposed payments completed.

*Sitting suspended from 14:16 to 14:30.*

**DEPARTMENT OF PLANNING, TRANSPORT AND INFRASTRUCTURE, \$860,537,000**  
**ADMINISTERED ITEMS FOR THE DEPARTMENT OF PLANNING, TRANSPORT AND**  
**INFRASTRUCTURE, \$9,208,000**

**Membership:**

Mr Wingard substituted for Mr Pederick.

Mr Whetstone substituted for Mr Treloar.

**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:**

Ms K. Taylor, General Manager, Office for Recreation and Sport, Department of Planning, Transport and Infrastructure.

Mr I. Houridis, Director, Facility Development and Infrastructure, Office for Recreation and Sport, Department of Planning, Transport and Infrastructure.

Mr R. Mellon, Manager, Industry Support, Office for Recreation and Sport, Department of Planning, Transport and Infrastructure.

Mr T. Nicholas, Manager, Finance and Accounting Operations, Office for Recreation and Sport, Department of Planning, Transport and Infrastructure.

Mr W. Battams, Director, South Australian Sports Institute, Office for Recreation and Sport, Department of Planning, Transport and Infrastructure.

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

**The CHAIR:** The estimate of payments, Department of Planning, Transport and Infrastructure and administered items for the Department of Planning, Transport and Infrastructure, is open for examination, and I refer members to the portfolio statements in Volume 4. I call on the minister to introduce his new line-up of advisers and make his opening statement should he have one.

**The Hon. L.W.K. BIGNELL:** Thank you, Chair. Good afternoon to members of the committee. I would like to introduce the members of the department who are with me today. On my immediate left is Kylie Taylor, the General Manager of the Office for Recreation and Sport. Iliia Houridis, who is the Director, Facility Development and Infrastructure, Office for Recreation and Sport, is the next one over on the left. We also have Tim Nicholas, Manager, Finance, Office for Recreation and Sport; Richard Mellon, Manager, Industry Support, Office for Recreation and Sport; Wes Battams, Director of the South Australian Sports Institute; and Ben Seidel, the Acting Chief Finance Officer of DPTI.

The Office for Recreation and Sport is the lead agency for the state government's policy on sport and active recreation. The agency's vision is for an active state because sport and active recreation develop stronger, healthier, happier and safer communities. Every member of parliament would be aware of athletes and organisations who are working with the Office for Recreation and Sport, improving their club through Starclub, training at elite levels with SASI, or applying for funding for everything from new equipment to a new facility through one of our grant programs. The Office for Recreation and Sport regularly engages with and assists:

- 67 state sport and recreation peak bodies and organisations;
- 2,264 registered Starclubs;
- seven industry representative bodies;
- 68 local councils;
- national committees;
- 47 members of parliament and electorate offices; and
- state government departments.

At the same time, the Office for Recreation and Sport administers nine separate grant programs, ensuring all processes are at best practice with good governance. During the past 12 months, the Office for Recreation and Sport has assessed more than 1,696 grant applications requesting more than \$58.7 million in equipment, programs, facility planning and development, and organisational development. In the same period, 1,324 grant agreements were managed. During 2016-17, across

a range of grant programs, \$18.1 million has been approved to 697 grantees. A breakdown of this allocation is:

- Active Club Program, 386 successful applicants sharing in \$2.55 million;
- Sport and Recreation Sustainability Program, 67 eligible organisations sharing in \$2.64 million;
- Sport and Recreation Development and Inclusion Program, 129 successful projects and 55 individual scholarships totalling \$3.6 million. Of these, 39 projects were identified to assist with inclusion-based initiatives;
- Community Recreation and Sport Facility Program, 29 successful projects sharing in \$4.18 million;
- Female Facilities Program, 13 successful projects sharing in \$4 million;
- State Facility Fund, \$500,000 was shared between two projects; and
- VACSWIM funding program, 10 organisations shared in \$410,969. The delivery of the iconic VACSWIM program allowed for better connections at a community level and saw the program delivered across 126 locations statewide.

The Sports Vouchers program provides up to \$50 every year for every primary school student to reduce the cost of club fees and participation in sport. There have now been 53,432 vouchers redeemed for a total of \$2.66 million in 2016-17. In addition to grant programs, the office also made one-off grant payments to:

- the Football Federation of South Australia, \$10 million to invest in high-quality playing fields and facility upgrades;
- Charles Sturt council, \$7.5 million towards the redevelopment of the St Clair Recreation Centre;
- the City of Port Adelaide Enfield, \$4.7 million in support of a recreation and sports centre on the former Ross Smith school site;
- South Australian Olympic Council, \$1 million to support activities over the 2017-20 Olympic, Paralympic and Commonwealth Games cycle; and
- Thoroughbred Racing South Australia, \$3 million to increase prize money for the autumn racing carnival.

To support its performance-based investment strategy, the Office for Recreation and Sport places a strong focus on customer and industry relationships. Each funded state sport, recreation or industry body is assigned a designated industry adviser who works with the paid staff, boards and volunteers to support business improvement initiatives and ensure government understanding of sport and recreation is complete, up to date and minimises duplication.

During the past 12 months, the Office for Recreation and Sport provided 101 training and development opportunities to support the industry in the following areas: coaching, volunteering and officiating; child safe environments; governance and board-related functions; integrity; inclusion; and leadership. A range of partnerships have been developed to deliver 104 participation programs for people traditionally under-represented in sport and active recreation participation. This includes the following population groups: Aboriginal and Torres Strait Islanders, women and girls, people with disabilities, and people from a cultural and linguistically diverse background.

The Starclub Club Development Program is a key tool in this project and its overall support of grassroots sport. At 30 June 2017, 2,264 organisations have achieved level 1 status by registering with Starclub. Of these, 1,368 organisations have achieved level 2 status by submitting responses to all questions; 639 have achieved level 3—provisional online Starclub status; and 92 have achieved full Starclub recognition.

In 2016-17, the state government has continued its program to plan for and deliver excellent recreation and sport infrastructure. In association with the Local Government Association, the Office

for Recreation and Sport has developed guidelines to improve the planning and decision-making processes for major community-level facilities.

Throughout this period, the Office for Recreation and Sport has assessed or assisted more than 260 proposals, applications and inquiries from across the state relating to facility planning and development, development plan approvals, master plans and partnerships between federal, state and local governments, and state sport and recreation organisations for better facilities across metropolitan and regional South Australia.

The state government provided \$2 million, together with \$750,000 each from the cities of Marion and Onkaparinga, to develop a UCI-standard BMX track as part of the O'Halloran Hill Recreation Park. Concept design, costing and a staging plan is well underway for this facility. Eight soccer facilities across metropolitan Adelaide are being developed through the state government's \$10 million grant to the Football Federation of South Australia to deliver synthetic soccer pitches and other facility developments. Facilities at Modbury and the Parks are now complete.

The state government has provided funding of \$5 million to the Port Pirie Regional Council for the redevelopment of the Port Pirie Memorial Oval multi-use sport facility. Works are well underway, and I was pleased to see those when I was up there earlier in the year. The \$27 million Campbelltown Leisure Centre, built with the assistance of \$3 million from the state government, is now completed and has already increased participation in recreation and sport well beyond expectation. Again, it was terrific to be out there for the opening of that facility. In an exciting project, the largest solar array on a sporting facility in the Southern Hemisphere has been installed at South Australia's Aquatic and Leisure Centre. It is expected that the panels will generate around 750,000 kilowatt hours of electricity and pay for itself in less than four years.

In the area of elite high-performance sport, the South Australian Sports Institute has excelled in the major sporting events of 2016-17. The performances of our athletes showcased the success of our pathway programs, talent identification and coach and athlete development. So far in 2017, 43 South Australian athletes have been selected for junior and/or senior world championships. Of those who have competed so far, five South Australian athletes have won seven world championship medals. Many of the remaining athletes are yet to compete and SASI is optimistic of further medal success.

At the 2016 Rio Olympic and Paralympic Games, 50 South Australian athletes were selected to the 2016 Rio Olympic team across 14 sports, and nine SASI athletes were selected to the Paralympic team across six sports. Cyclist and four-time Olympian, Anna Meares, was announced the Australian team captain and flag bearer for the opening ceremony. Anna won a bronze medal in the women's keirin to take her overall Olympic medal tally to six, making her the most successful Australian cyclist of all time.

Young swimmer Kyle Chalmers debuted at Rio. His Olympic campaign began with a bronze in the men's 4 x 100-metre freestyle relay. He then went on to swim an amazing 100-metre freestyle final to claim Olympic gold. Kyle then anchored the 4 x 100-metre medley relay team to a bronze, bringing his total medal tally to three. As a government, we are very proud of all our athletes at all different levels.

Since the corporatisation of the racing industry in 2000, the state government has not sought to interfere in the day-to-day management of the racing industry. The government's dealings with the racing industry since then have revolved around major policy issues of local and national significance. The government has continued to acknowledge the importance of the South Australian racing industry and its economic and social contribution to South Australia.

**The CHAIR:** Do you have any statement, or is it straight into questions, member for Mitchell?

**Mr WINGARD:** Straight into questions, please. I refer to Budget Paper 4, Volume 4, page 179, half way down the page, Sport and Recreation Fund. There was \$3.5 million in 2017-18, \$3.5 million estimated in 2016-17 and \$3.5 million actual in 2015-16. Minister, can you please confirm the balance of the Sport and Recreation Fund as at 30 June 2017?

**The Hon. L.W.K. BIGNELL:** The balance at 30 June 2017 was \$3.3 million.

**Mr WINGARD:** What are the budget inflows into the fund in 2017-18 and each of the years in the forward estimates?

**The Hon. L.W.K. BIGNELL:** I will just get Kylie Taylor, the head of the Office for Recreation and Sport to answer that.

**Ms TAYLOR:** The standard balance has been \$3.5 million but, with the lease from the Stadium Management Authority for Adelaide Oval commencing the last financial year for the first time, \$200,000 extra, rising by \$200,000 each financial year, up to \$1 million. So each year it will rise by \$200,000.

**Mr WINGARD:** Up to \$1 million and then it will be \$1 million more in the fund?

**Ms TAYLOR:** Up to \$1 million and then it will be \$1 million indexed.

**Mr WINGARD:** Is that \$1 million a year extra that goes into the fund?

**Ms TAYLOR:** That is right.

**Mr WINGARD:** Fantastic. What are the budgeted outflows for the fund from 2017-18 and in each year of the forward estimates?

**The Hon. L.W.K. BIGNELL:** In 2017-18, the funding will provide \$2.75 million to the Active Club Program, \$500,000 to the state facilities fund, and \$650,000 to the Sport and Recreation Development and Inclusion Program.

**Mr WINGARD:** Have any commitments been made on the fund in 2017-18 or in any year of the forward estimates?

**The Hon. L.W.K. BIGNELL:** That was the 2017-18 figure.

**Mr WINGARD:** Is there anything in the forward estimates? They are the only commitments from the fund?

**The Hon. L.W.K. BIGNELL:** It will be the same commitment from the fund for all those three things, except \$200,000 will be added each year to the Active Club Program. So \$2.75 million becomes \$2.95 million and then it goes up in those increments.

**Mr WINGARD:** And that will grow to what?

**The Hon. L.W.K. BIGNELL:** Until it reaches the end, which is the \$1 million additional into the fund.

**Mr WINGARD:** Are there any provisions made on funds allocated from the fund in 2017-18 or in any year of the forward estimates other than those you have just mentioned? There are no others?

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

**Mr WINGARD:** Are you able to provide, perhaps on notice, budget inflows and outflows for the programs that are funded by the sport and recreation fund in 2017-18 and in each year of the forward estimates?

**The Hon. L.W.K. BIGNELL:** We have just gone through all that, if I understand your question right. It is \$2.75 million to the Active Club Program, \$500,000 to the state facilities fund and \$650,000 to the Sport and Recreation Development and Inclusion Program.

**Mr WINGARD:** I meant to say the different lines, but I will come back to that in a second. My apologies. That is what is happening with the Active Club Program; we know that there is a growth in that, and that is very good. Again, none of the growth in those grants, the \$200,000 growth each year that you talked about, has been allocated in forward estimates as yet?

**The Hon. L.W.K. BIGNELL:** As I mentioned, that will be added to the Active Club Program.

**Mr WINGARD:** What I am asking is: none of those allocations have been made in advance to anyone?

**Ms TAYLOR:** No.

**Mr WINGARD:** They will just roll around year on year. Thank you, that is the clarification I was after. If we can go to Budget Paper 4, Volume 3, page 83, the table shows that in 2016-17 there was \$786,000 in other expenses. In 2017-18, it is \$18.375 million. Can you explain the \$18.375 million?

**The Hon. L.W.K. BIGNELL:** Netball has the option to buy the Priceline Stadium for \$1. This is in there as a provision if they do that and we have to write down that \$17.6 million.

**Mr WINGARD:** Have they decided to take up that option?

**The Hon. L.W.K. BIGNELL:** We have not been advised at this stage.

**Mr WINGARD:** Do you know when the deadline is for that?

**The Hon. L.W.K. BIGNELL:** It will be soon.

**Mr WINGARD:** If they choose not to buy it for \$1 and lease it instead, what then happens to the \$18.375 million?

**The Hon. L.W.K. BIGNELL:** It is not appropriated. We will wait to see what the decision is from Netball and then work out what happens from there.

**Mr WINGARD:** If they decide not to buy it and just continue their lease for \$1, you then have \$18 million sitting in there that you can distribute?

**The Hon. L.W.K. BIGNELL:** No, we would have to go to Treasury to ask for that money.

**Mr WINGARD:** So Treasury keeps hold of it, so to speak?

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

**Mr WINGARD:** I will go back to the total expenditure, the \$77 million. If you take out the \$17.6 million for the stadium, it means that there has been no growth in expenditure for recreation and sport, with \$63 million being the estimated spend last year. It probably comes in a little bit under that. I want to go through each of the programs to get clarification on how much has been spent on the programs and what is budgeted in the forward estimates from the Active Club Program. Can you tell us how much was spent on the Active Club Program last year and how much is budgeted to be spent in the coming year and then the forward estimate years after that?

**The Hon. L.W.K. BIGNELL:** In 2016-17, it was \$2.55 million; 2017-18, \$2.75 million; 2018-19, \$2.95 million; 2019-20, \$3.15 million; and 2020-21, \$3.35 million.

**Mr WINGARD:** Can I ask the same question about the Community Recreation and Sport Facilities Program: how much was spent last financial year, this financial year and in the forward years in estimates?

**The Hon. L.W.K. BIGNELL:** For 2017-18, it is \$4.283 million; 2018-19, \$4.38 million; 2019-20, \$4.49 million; and 2020-21, \$4.6 million.

**Mr WINGARD:** Can I check the figure for 2016-17?

**The Hon. L.W.K. BIGNELL:** It was \$4.187 million.

**Mr WINGARD:** There is no projection to get back the figure for this program in 2014-15, which was \$7,085,000?

**The Hon. L.W.K. BIGNELL:** We are putting record amounts of money into recreation and sport. I think anyone who looks at the budgets of the past two years will see that the amount of money that we are spending on recreation and sport has never been achieved in the past. It is not which lines in the budget you put the money into: it is the overall amount of money that we are putting into the budget, and this is at record levels.

**Mr WINGARD:** Given that, looking back at the budget figures from 2011-12 to 2014-15, there is an underspend of \$14.2 million in your budgeted spend and actual spend over those four years. Can you confirm that figure?

**The Hon. L.W.K. BIGNELL:** Chair, I was not the minister in 2011. We are dealing with this year's budget. As I said, record amounts are being spent on recreation and sport.

**Mr WINGARD:** I will take that as a yes. What is the 2016-17 spend for the Sport and Recreation Development and Inclusion Program and the budgeted spend in the forward estimates?

**The Hon. L.W.K. BIGNELL:** That is \$3.388 million for 2017-18 and the same in 2018-19, 2019-20 and 2020-21, that \$3.388 million figure.

**Mr WINGARD:** And for this year?

**The Hon. L.W.K. BIGNELL:** The same: \$3.388 million.

**Mr WINGARD:** So it is the same each year through forward estimates?

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

**Mr WINGARD:** I will backtrack a little bit to the Active Club Program, the Community Recreation Sport Facilities Program and the Sport and Recreation Development and Inclusion Program. Are they all ongoing programs? Am I correct in saying that? They are not being wound up or anything like that?

**The Hon. L.W.K. BIGNELL:** Yes, that is correct: they are ongoing.

**Mr WINGARD:** The next is the Sport and Recreation Sustainability Program. What are the figures for this financial year and the forward estimates, and can I have confirmation that it is an ongoing program?

**The Hon. L.W.K. BIGNELL:** That is \$3.1 million each year ongoing.

**Mr WINGARD:** Was it \$3.1 million this year, just to clarify?

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

**Mr WINGARD:** I note that the Female Facilities Program is new. Is that an ongoing program? Can you give me the breakdown of the commitment?

**The Hon. L.W.K. BIGNELL:** We had \$4 million in there in 2016-17, \$10 million in 2017-18 and \$10 million in 2018-19.

**Mr WINGARD:** And no spend beyond that? That finishes at that point, at 2018-19?

**The Hon. L.W.K. BIGNELL:** At this stage it does. We have a three-year commitment, and it is record spending on female participation. We are a government that absolutely backs in women and girls in sport. Historically, their facilities have not equalled what the men and the boys have had, so this is something we have taken on.

We came out with a pledge in last year's budget, and as soon as we went to find out what sort of interest there was we realised that it was even bigger than anyone had contemplated before, which meant that in this year's budget we put another record amount in to improve facilities for female change rooms and other facilities. We will keep looking at that on a year-on-year basis.

**Mr WINGARD:** Can I just clarify so that my understanding is right: unlike the other ongoing programs we talked about, at the moment this one is not?

**The Hon. L.W.K. BIGNELL:** Yes, and they are big chunks of money. It is \$10 million this year and \$10 million next year to try to get as many of these facilities up to grade as quickly as possible.

**Mr WINGARD:** Have you done an assessment? Obviously these facilities were allowed to run down, or were not supplied over a long period of time. Have you done an assessment and/or any modelling to say, 'This is how much we need to spend to catch them up,' if they are falling behind?

**The Hon. L.W.K. BIGNELL:** Yes. What we know is that in that first call for applications we had 100 applications worth \$24 million. That was the first call, so we will deal with those most in need. That is not necessarily all those 100, but that was the first 100 who were in that first call for expressions of interest to receive this money.

What we are also attempting to do is to work with local government as well and sporting organisations to see if we can leverage even more money now that we have a clearer idea of the demand out there. The first year we rolled this out we said, 'We won't make it contingent on dollar-for-dollar funding by the sporting organisation or council because we just want to get the money out there,' but I think a lot of councils are reporting back that they are seeing the benefits as well. While we have put this \$24 million up over the three-year period, it is hoped that we will also get some extra funding from local government.

**Mr WINGARD:** Is there any commitment on this funding that it is dollar-for-dollar funding, or is this all grant funding and there is no commitment to match funding on any of these projects?

**The Hon. L.W.K. BIGNELL:** Yes, it was not required in the first round when we put it out. In the second one, if other partners can contribute then obviously the money can go further. It was not a requirement at all in the first round, but in the second round, if clubs or local government can make a contribution, that would be welcomed.

**Mr WINGARD:** Just for my clarification, does that mean that they will be looked on favourably? Is it the best deal you are looking for, or—

**The Hon. L.W.K. BIGNELL:** Yes, it will be considered, but it is basically needs based. We go around the state, and I have been to the Dudley netball club, which was one of the first to get some money over on Kangaroo Island. They had a tiny little room where they had two showers, but only one worked, and it had only one toilet; both teams had to squeeze into that little space. For their rub-downs and their strapping, they had to lie out on the one massage table that was available. That was out in the open, and when I saw it it was covered in pigeon poop. We are seeing these absolute needs right around the state, and I am sure you would see it in your local area, and the member for Chaffey would see it in his local area as well.

There are clubs that are in dire need. We have heard the stories of girls and women getting changed in their cars, behind bushes, in offices and all of that sort of stuff. It really has to be based on need. I have spoken to some people in my own local area who have said, 'We have a bit of money and we would like to put that towards women's change facilities,' so they are going to put in a grant application on that basis. It will be absolutely a case-by-case scenario.

**Mr WINGARD:** I understand the dire situation of some of these facilities and that they have been let go they have. Have you done an audit on facilities across the state so that you can do some modelling and work out where the greatest needs are and when there might be a completion date?

**The Hon. L.W.K. BIGNELL:** Yes, I guess what we are doing is that by putting out the calls for interest that information is coming to us. It is not even just about stuff being let go: it is about stuff that has never been built in the first place. Again, you would know from your own communities the explosion in growth around women's Aussie Rules, women's soccer and other sports. We are seeing unprecedented numbers of women and girls flooding into these sports. It is actually changing all the time.

In the Great Southern League, I think we had six teams in the competition. We had women's teams this year and now Yankalilla is looking to put a women's team in and the McLaren Eagles are looking to put a team in, so it is just going to keep growing and growing and growing. We do not know where the end of this is going to be, but what we do know is that there is a huge demand out there and this \$24 million will go a long way to helping secure that. Any additional funding that local councils can provide will be welcome.

**Mr WINGARD:** Just to confirm, no audit as such has been done.

**The Hon. L.W.K. BIGNELL:** Individual sports associations, like Football Federation South Australia, do their own needs base, and councils do as well, and they feed that information in to us, so it is a real collaborative exercise. The number one thing is that you recognise that there is an issue here. The second thing is that you put funding towards it. The third thing is that you monitor it to make sure that enough is being done in those areas, and the fourth is getting back to the collaboration, identifying and then working together on funding sources.

**Mr WINGARD:** Can I just get back to my other line of questioning from before and get a breakdown on how much was spent on the VACSWIM SA program this financial year, how much is planned in the forward years and does that have an end date, or is it an ongoing program?

**The Hon. L.W.K. BIGNELL:** It does not have an end date. It is ongoing and it is \$430,000 a year.

**Mr WINGARD:** Was that this year as well?

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

**Mr WINGARD:** And every year on—

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

**Mr WINGARD:** For the SASI individual athlete program, can you give me that breakdown again? Do not let Wes get in your ear. He will want extra, that is all.

**The Hon. L.W.K. BIGNELL:** The standard budget for that fund is \$135,000 a year, but last year we put some extra money into it to take it up to \$150,000, which funded 55 athletes.

**Mr WINGARD:** Fantastic, so \$155,00 last year—

**The Hon. L.W.K. BIGNELL:** Sorry, it was \$150,000 last year, but in the normal run of the mill it is \$135,000.

**Mr WINGARD:** So it is going back to \$135,000 each year of the forward estimates after that?

**The Hon. L.W.K. BIGNELL:** Yes, it is usually \$135,000. Last year, an Olympic year, it got a few more people and some assistance and it was boosted with \$15,000.

**Mr WINGARD:** I appreciate that. Just to confirm, it is \$135,000 again next year and every year of the forward estimates and it is an ongoing program as well. For the vouchers program, again, can I get the breakdown on that—the money for the vouchers in the last financial year and the estimated money for vouchers in the years going forward?

**The Hon. L.W.K. BIGNELL:** This has been an enormously successful program. It is the best in Australia. Other states and territories have put this out there. In many cases, they have introduced very complex and complicated systems to do it. We have made it pretty easy for people, as there is no means testing on it. You do not have to have a certain card or anything to be able to qualify because what happens then is that your administrative costs just go through the roof.

We have it available to all primary school children in South Australia. They have to be part of a bona fide club or some sort of program, like Auskick. It is terrific to see the uptake, particularly in country South Australia. I think Mount Gambier is still leading the charts. Every member of parliament can go online and a live portal tells you which sports are the most successful in terms of the vouchers that have been claimed. You can also look at which council areas and state electorates are claiming the sports vouchers and for which sports and activities they are claiming them.

Getting around to local sporting clubs in my area, I know that it is \$65 for the Auskick program and parents are getting \$50 back per child, so it is only \$15 and it is teaching those kids so many skills that are far more important than just basic footy skills. It is teaching them to get on with other kids, it is teaching them a bit of teamwork, it is teaching them some coordination and life skills and, really importantly, it is getting them out of the house.

I was down at the McLaren Eagles Auskick six weeks ago and the number of kids there was incredible. Really importantly, a large number of girls were participating. The McLaren Eagles are an interesting club. They have this huge rivalry with Willunga. Willunga had three women's teams in the competition this year. I said, 'With all these girls out here, are some of them playing for Willunga?' Because the rivalry is so strong, the McLaren girls are all going to Strathalbyn, which is a much farther drive, to go to play for Strathalbyn, rather than play for Willunga. That is just a little bit of anecdotal feedback. Willunga did really well, and they have Courtney Cramey as their number one women's ticketholder. I know that she has been down to the Willunga footy club and is doing a lot down there.



Getting back to the sports vouchers, if we go back to just after the election, the original commitment was \$1.08 million in the first year, \$2.18 million in the second year, and, in the third year, \$2.2 million. For 2017-18, it was \$2.249 million. We always said that we hoped that it would be more successful than the money that we had allocated and that we would meet any additional funding we needed to. The total budget for 2017-18 is \$3.2 million. We have actually topped that figure up by \$737,000 in 2016-17, and \$1.917 million in 2017-18, taking the total amount of money we have spent on sports vouchers to—we are just doing a little bit of arithmetic here and we will get that figure to you.

**Mr WINGARD:** While you do that, maybe we will get back to the question: how much was spent last financial year and how much do you have budgeted for next year and each year of the forward estimates? Again, is it an ongoing one as well? You do not have an end date on that?

**The Hon. L.W.K. BIGNELL:** That was an election commitment for four years, but it is something that we will look at strongly. It has been so successful that we will continue to look at it into the future.

**Mr WINGARD:** Can I just get clarification on what commitments there are within these budget papers for that program?

**The Hon. L.W.K. BIGNELL:** In 2017-18, it is \$3.2 million.

**Mr WINGARD:** And there is no commitment for 2018-19 as it stands?

**The Hon. L.W.K. BIGNELL:** As it stands, that is right.

**Mr WINGARD:** How much in 2016-17 was spent on this program?

**The Hon. L.W.K. BIGNELL:** About \$2.9 million.

**Mr WINGARD:** So \$2.9 million in 2016-17?

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

**Mr WINGARD:** What was budgeted to spend on this program in 2016-17?

**The Hon. L.W.K. BIGNELL:** It was \$2.214 million.

**Mr WINGARD:** So we have gone over a little bit.

**The Hon. L.W.K. BIGNELL:** We whacked an extra \$737,000 in there, and this year we have put in an extra \$1.91 million.

**Mr WINGARD:** Again, just to confirm, that technically finishes at the end of 2017-18?

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

**Mr WINGARD:** There are a couple of grants I was going to ask you about, but you did touch on a few. Can you outline how much was spent on the state's facility fund in 2016-17 and what is budgeted going forward?

**The Hon. L.W.K. BIGNELL:** That one is \$500,000 a year ongoing.

**Mr WINGARD:** Ongoing?

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

**Mr WINGARD:** And that does not go up; it just stays at that fixed level?

**The Hon. L.W.K. BIGNELL:** It just stays at \$500,000, yes.

**Mr WINGARD:** Have the Port Pirie Regional Council and Marion council grants ended?

**The Hon. L.W.K. BIGNELL:** Yes, they were one-off grants. I must say, on the Marion council and the Onkaparinga council and the Sam Willoughby international BMX track, again that is just a great example of two councils—obviously the facility can be in only one council area—which have a big pool of young people who are looking for really elite facilities and which are working together with \$750,000 each, and then we put in money as well. The more collaboration we can see across local government and state government, and where possible federal government, the better.

**Mr WINGARD:** The YMCA of SA and the YMCA Aquatic and Event Services in 2014-15 both got just over \$1.5 million, and in 2015-16 they got \$1.4 million and \$1.3 million. Did they get any funding along those lines in 2016-17? Do they have any going forward in forward estimates; if so, when does it end?

**The Hon. L.W.K. BIGNELL:** When it comes to the YMCA, the figure changes each year depending on the contractual arrangements we have with them. In 2016-17, the grant for operations was \$806,000, and in 2017-18 the grant for operations was \$497,018.

**Mr WINGARD:** Are there any more commitments in the forward estimates, or is that the end of the support for that?

**The Hon. L.W.K. BIGNELL:** For the next three years there is, because that is the length of the contract they have with us to run the Aquatic and Leisure Centre.

**Mr WINGARD:** Those figures you just gave me were all for the Aquatic and Leisure Centre?

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

**Mr WINGARD:** The other one here is the Parks Community Centre. Just to clarify, with the Aquatic and Leisure Centre there are three more years of the contract to run. Can you just outline those numbers again for the three years of that contract? Then it is finished at the end of that contract?

**The Hon. L.W.K. BIGNELL:** Sorry, I do not want to mislead you. The \$806,000 figure for 2016-17 and the 2017-18 figure of \$497,018 were all for the Aquatic and Leisure Centre.

**Mr WINGARD:** And then it finishes after—

**The Hon. L.W.K. BIGNELL:** It has three years to run. Did you ask about the Parks as well?

**Mr WINGARD:** Yes.

**The Hon. L.W.K. BIGNELL:** For 2016-17, \$852,000 is budgeted there, and for 2017-18, which is the last year of that contract, it is \$873,000.

**Mr WINGARD:** Thank you. The Pathways program, is that an ongoing program? If so, how much was spent in the last financial year and what is budgeted going forward, or is it a finished program?

**The Hon. L.W.K. BIGNELL:** Do you have a reference for that one?

**Mr WINGARD:** The actual recreation and sport budget line has \$77 million in total expenses, and we understand that \$18 million of that is potentially for the netball stadium that may or may not be sold or leased. Of that \$77 million, how much goes to the Pathways program? How much was spent last year? How much of the \$77 million will be spent on that program going forward? The delivery of sports pathways, development coach, education workshops? In 2015-16, \$132,000 was spent on it.

**The Hon. L.W.K. BIGNELL:** It is not a grants program. That is part of the Office for Recreation and Sport, so someone manages that area and then there are costs associated with it each year, and it varies each year.

**Mr WINGARD:** So it is an ongoing project?

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

**Mr WINGARD:** I have a few more and you can give me an answer if you can, or if you want to take them on notice that would be great. There are just a few programs that fit within the sport and recreation budget that I want to get clarification on. I am presuming there was just a one-off grant for the Modbury Bowling Club, but if you could either answer or look at that one, that would be great.

**The Hon. L.W.K. BIGNELL:** Yes, that was a one-off grant that the member for Florey campaigned hard for.

**Mr WINGARD:** There was \$120,000 for special purpose grants in 2015-16 for planning, establishment and improvement of sport and rec facilities. Is that an ongoing project?

**The Hon. L.W.K. BIGNELL:** Sorry, whereabouts is that one?

**Mr WINGARD:** Special purpose grants. It is all part of the sport and rec budgeting, which fits into the \$77 million for the next financial year. I just want to know if there is an allocation there for special purpose grants. There was \$120,000 that went into special purpose grants in 2015-16. Did any go in in 2016-17, and will any go into that in the forward estimates?

**The Hon. L.W.K. BIGNELL:** That was a one-off funding agreement because we saw something that was outside the grants programs that deserved funding, and it was funded through that one-off payment.

**Mr WINGARD:** Will you come back to the house and let us know what it was?

**The Hon. L.W.K. BIGNELL:** It was for Pathways.

**Mr WINGARD:** Sorry, I asked about the Pathways program before. These are the special purpose grants.

**The Hon. L.W.K. BIGNELL:** We do not have a reference for what you are talking about, so it is making it a bit hard for us to identify.

**Mr WINGARD:** I understand. It fits in under the sport and rec budget as part of the programs. It was outlined in *Hansard* on 29 November 2016 that there was a special purpose grant of \$120,000 through recreation, sport and racing, in the expenses. I am asking you then, if \$120,000 was spent on it under this budget line in 2015-16, was any money spent on it in 2016-17 and/or is it an ongoing program? There was a special purpose grant for planning, establishment and improvement of sport and rec facilities.

**The Hon. L.W.K. BIGNELL:** It is not a program: it is just an ad hoc way to deal with those sorts of things that do not fall within any of the existing grant programs but are worthwhile doing. Sports need it—maybe several sports at once or maybe one sport—so it is something that can be applied out of the general pool of money in the Office for Recreation and Sport.

**Mr WINGARD:** Fantastic, thank you. Another one outlined in that was Water Polo Australia, high performance and talent pathways program for Water Polo SA, \$70,000 in 2015-16. I am guessing that was only a one-off program, not an ongoing program. Is it still going, or has it been completed?

**The Hon. L.W.K. BIGNELL:** That was a one-off payment when we transitioned water polo out of SASI to be a standalone sport.

**Mr WINGARD:** Field sports officers, \$52,000 in 2015-16. Is that an ongoing, internal program?

**The Hon. L.W.K. BIGNELL:** That is not a set thing year by year. It is just based on needs, and that is support to Starclub Field Officers.

**Mr WINGARD:** That funding comes from?

**The Hon. L.W.K. BIGNELL:** The program budget within the Office for Recreation and Sport.

**Mr WINGARD:** There was an incentive payment of \$20,000 in 2015-16 to support the further marketing and promotion of VACSWIM. Was that just a one-off, or is that an ongoing investment?

**The Hon. L.W.K. BIGNELL:** Yes, that was a one-off.

**Mr WINGARD:** The SANFL, also in 2014-15, had a \$35,000 commitment to support the SANFL to develop a regulatory framework to protect the integrity of football at all levels in SA. Was that \$35,000 just a one-off?

**The Hon. L.W.K. BIGNELL:** That was a one-off as well.

**Mr WINGARD:** The other one is the City of Playford, implementation of Playford's Football Leadership Alliance program in 2014-15, \$25,000.

**The Hon. L.W.K. BIGNELL:** That was a one-off program in response to need.

**Mr WINGARD:** And Australian Baseball League to assist with the Australian Baseball League's championship series. I imagine that was a one-off as well of \$10,000 in 2014-15.

**The Hon. L.W.K. BIGNELL:** Yes, that was a one-off as well.

**Mr WINGARD:** Back in 2014-15, there was a Netball SA loan subsidy of \$220,000. Was that loan repaid?

**The Hon. L.W.K. BIGNELL:** They got four years of \$220,000 to allow them to pay down their outstanding loan and that is all completed now.

**Mr WINGARD:** Was 2014-15 the last year of that loan?

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

**Ms WORTLEY:** First of all, I would like to say how well received the female-friendly facilities have been, and people in the community are very keen for that to continue. I have a fantastic—

*Mr Pengilly interjecting:*

**Ms WORTLEY:** —yes, I do have a question—football team in my electorate, as do many of you on the other side, I know. Everyone is out there wanting their women to receive that upgrade. My question is related to the new funding for netball and football, and to support our elite athletes.

**Mr Pengilly:** Volume and page?

**Ms WORTLEY:** It is Budget Paper 4, Volume 3, and it refers specifically to pages 83 to 85.

**The Hon. L.W.K. BIGNELL:** Some of my favourite pages there. Thank you very much, member for Torrens, and I would like to acknowledge your commitment to your local sporting organisations. It is great to hear the feedback about the women's and girls' change facilities; they have been very well received right across the state.

There has been a significant investment made to support sport at the grassroots to elite levels. Two of Adelaide's top netball facilities, the Netball SA Priceline Stadium and the Parklands netball hub will be supported through an injection of \$8.8 million to upgrade infrastructure. Netball SA received \$1.136 million through the Department of Planning, Transport and Infrastructure for assistance with remediation work at Priceline Stadium and a further \$4.5 million through the 2017-18 budget for improvements to the facility.

The investment will enhance the Priceline Stadium complex to ensure that it maintains its competition standards and provides a comfortable and welcoming environment for the 300,000 people who use it on an annual basis, ranking it as one of the state's most frequented sporting venues. The funding will contribute to upgrading indoor stadium lighting; the public address system; scoreboards; electrical, mechanical, fire and hydraulic services; and upgrades to player facilities.

Wikaparntu Wira, which is home to 20 community netball courts in the south-west Parklands, will receive \$3.2 million from the Planning and Development Fund to revitalise the precinct. The upgrade includes resurfacing of the existing 20 courts, new seating, new community courts, a new lawn area and play space, and improved lighting walking trails.

Anyone who has ever driven past there will know the amazing number of attendees who are out there. Games are constantly being played out there, so this is a really important upgrade. The works will create approximately 12 local jobs and will support the maintenance of the existing 86 full time, part time and casual employees of Netball SA at the venue into the future.

Football in South Australia continues to grow at a remarkable rate. In recognition of this, the government is investing \$13.5 million into grassroots facilities. Football Federation SA received \$10 million for six facility projects, four in metropolitan Adelaide, one in the Adelaide Hills and the other in regional South Australia. The additional six projects were identified from Football Federation SA's Football Facilities Development Plan 2018-2022. The North Eastern MetroStars are receiving \$1.4 million for an artificial pitch and floodlighting at Klemzig. Is that in your area, member for Torrens?

**Ms WORTLEY:** Yes, it is, minister.

**The Hon. L.W.K. BIGNELL:** Congratulations, well done. White City is receiving \$1.4 million for a pitch upgrade and floodlighting at Seaton Park Primary School. Cumberland United at Clarence Gardens is receiving \$1.1 million for an artificial pitch. Mount Barker United at Mount Barker is receiving \$2.5 million for two artificial pitches and a building, and I would like to congratulate Rebekha Sharkie, the federal member for Mayo, on the great work that she has done there, along with Mount Barker Mayor Ann Ferguson, a couple of very strong advocates for their local area—formidable women to whom I was too scared to say no. It was great to be up there about five or six weeks ago—kicking a soccer ball around; none of us was that good at it but it made a nice picture for the local paper—to announce that \$2.5 million. Again, Rebekha Sharkie was advocating very strongly for her local area.

The City of Marion is receiving \$2.5 million for two artificial pitches and a building. The Adelaide Comets Football Club received a \$3.5 million grant for the development of new clubrooms and change rooms at Ellis Park. This funding is being provided from the state government's Planning and Development Fund as part of a \$20 million commitment to fund a series of projects that demonstrate the different elements of the Parklands' vision.

The Adelaide Comets Football Club and the Western Districts Athletics Club will both benefit from the new facility. The clubs share Tampawardli (Ellis Park) in the Adelaide Parklands and are welcoming the construction of a community building comprising clubrooms, change rooms, a kitchen, community space, a first-aid room, a gym and public toilets. The clubs have a combined membership of more than 800 people, supported by many spectators, family and friends.

The facility will also benefit the wider community, including the various schools and community groups who already use Ellis Park. The new building will replace the existing clubrooms, with works due to start before 20 April 2018. The projects align with the Adelaide Park Lands Management Strategy 2015-2025, which recognises the need for purpose-built sports infrastructure for all year-round soccer, athletics and school activities. Tampawardli, or Ellis Park, is located adjacent to the Adelaide High School in the West Parklands.

Finally, the government is committed to seeing our elite athletes thrive on the international stage, with the South Australian Olympic Council receiving a \$1 million grant to assist with the South Australian representation on the commonwealth, Paralympic and Olympic Games teams during the next four-year period.

**Mr WINGARD:** I refer to Budget Paper 5, Budget Measures Statement, page 64, autumn racing carnival prize money injection. Is this just one-off funding and is anything budgeted beyond 2017-18 for the autumn racing carnival prize money injection?

**The Hon. L.W.K. BIGNELL:** Not at this stage. This is funding for a two-year period. We will see how it goes. South Australia was the only mainland state without a million-dollar race, so we thought it was very important to help Thoroughbred Racing SA and the SAJC to boost their prize money to try to attract horses and trainers from around the nation to come to Adelaide for the autumn carnival. We saw some success this year and we hope that the racing industry will be able to build on that next year.

I think it was really important from a number of different perspectives. I had some great feedback from owners and trainers in South Australia who said that it was wonderful that instead of having to float their horses all the way interstate to compete for this sort of prize money they could do it at the local level.

From a tourism point of view, the South Australian events team worked with Thoroughbred Racing SA and the SAJC, and I think they did a pretty good job of coming together. I think it pointed out to them that there was even more scope to improve things for next year. They have already started working on ways to incorporate more fashion shows around it and things like that. We have food and wine and all those really good strong things that South Australia does so well that we can incorporate in racing so that it is a real day out for people who might not go to the races week in, week out.

As Melbourne does with the Spring Carnival, we can make it an occasion, drawing local people down to Morphettville in big numbers. We can have a more attractive offering for trainers who want to come over here and for people who want to come and see the best horses in Australia compete.

It is a busy time of year. We know that the Brisbane carnival and Sydney carnival are on at the same time, and we need to have that sort of prize money to ensure that we get some of the best horses and trainers in the country coming to Adelaide. We would like to see it continue in the future (a) if the money is there and (b) if the support is there and we see improvements in attendances and other results at next year's meeting.

**Mr WINGARD:** In Budget Paper 4, Volume 3, page 83, the table in the middle of the page shows that grants and subsidies for 2016-17 are estimated to be \$41.2 million. For 2017-18, it is \$38.7 million, which is about a \$2½ million reduction in grants and subsidies. Which areas did those reductions come from?

**The Hon. L.W.K. BIGNELL:** The money stays the same for all the grant programs, but there are some one-offs that pop up from time to time with individual clubs or associations needing some funding that we fund. That varies from year to year but, overall, all the grant programs have stayed the same.

**The CHAIR:** The time having expired for the asking of questions, I declare the examination of the proposed payments adjourned and referred to committee B.

**The Hon. L.W.K. BIGNELL:** Can I take the opportunity to thank—

**The CHAIR:** Of course you can. It is not going to take 15 minutes?

**The Hon. L.W.K. BIGNELL:** No. I thank the members of the committee who have been here throughout the day. Thank you for all the great questions. To the people from PIRSA, the Office for Recreation and Sport and the South Australian Tourism Commission, thank you so much for all the hard work you have put in in preparation for estimates. To my advisers, thank you for the hard work you have put in.

There are some people, who Neil Diamond might refer to as the 'tree people,' sitting back in the office who tune into these proceedings via the interweb. A big hello to all of you, and I hope you appreciate that there are no questions on notice again this year. Thank you for the really hard work you do. You are great contributors and you really care about all the portfolios we have.

I would like to single out Ruth Sibley, who has been my Chief of Staff since I became a minister. It is her last day in the job today. Ruth has done a tremendous job. I picked her up from John Hill's office when she was the media adviser to the minister for health. She did a tremendous job, and I love the way she always had John Hill's back, so when I became a minister I asked Ruth to take on the role of Chief of Staff. I am very grateful and thankful that she said yes.

She is going to work in an area that she holds very dear, and that is the Festival Centre, where she will take up the role of external engagements with government and other places. Ruth, thank you from the bottom of my heart for 4½ fantastic years. I know that you love the theatre and, for once, the only drama you will see will be played out on the stage rather than in our office. Thank you very much.

At 15:33 the committee adjourned to Tuesday 1 August 2017 at 09:00.